



FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

2017 ANNOTATED CONFERENCE COMMITTEE REPORT ON THE BASE, EXPANSION AND CAPITAL BUDGETS

Includes summaries of each section in S.L. 2017-57, Appropriations Act of 2017 (S.B. 257) and S.L. 2017-197, Budget Technical Corrections (H.B. 528); budget-related sections in S.L. 2017-212, Budget & Agency Technical Corrections (S.B. 582), and summaries of other bills and select budget information.

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Foreword

This document is an annotated version of the Joint Conference Committee Report on the Base, Expansion and Capital Budgets for the 2017-19 fiscal biennium as enacted in S.L. 2017-57, Appropriations Act of 2017 (S.B. 257) and amended by the S.L. 2017-197, Budget Technical Corrections (H.B. 528) and S.L. 2017-212, Budget & Agency Technical Corrections (S.B. 582).

The Annotated Report includes all legislative adjustments to the Governor's Recommended FY 2017-19 biennial base budget enacted during the 2017 Legislative Regular Session, including the legislative session that convened in October 2017. 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.

Table of Contents

Staff Assignments	1
General Fund Availability Statement	3
Summary: General Fund Appropriations	4
Education	
Public Education	F 1
Community Colleges	F 54
UNC System	F 69
Health and Human Services	G 1
Agriculture and Natural and Economic Resources	
Agriculture and Consumer Services	H 1
Labor	H 19
Environment Quality	H 27
Wildlife Resources Commission	H 50
Commerce	H 58
Commerce – State Aid	H 83
Natural and Cultural Resources	H 93
Natural and Cultural Resources – Roanoke Island Commission	H 118
Justice and Public Safety	
Public Safety	I 1
Justice	I 27
Judicial – Indigent Defense	I 38
Judicial	I 46
General Government	
Treasurer	J 1
Fire Rescue National Guard Pensions & LDD Benefits	J 11
Military and Veterans Affairs	J 18
Insurance	J 28
State Board of Elections	J 41
General Assembly	J 49
Governor	J 61
Governor Special Projects	J 69
State Budget and Management	J 76
State Budget and Management – Special Appropriations	J 86
Revenue	J 98
State Controller	J 110
Administrative Hearings	J 120
Administration	J 129
Housing Finance Agency	J 141
Lieutenant Governor	J 150
Secretary of State	J 158
Auditor	J 166

Transportation	K 1
Reserves, Debt Service, and Adjustments	L 1
Capital	M 1
Information Technology	N 1
Salaries and Benefits	O 1
Finance	P 1
Appendices	
Full time Equivalent Position Counts	AP 1
Total General Authorizations/Current Operations	AP 2
NC General Fund Operating Appropriations (Education and HHS)	AP 4
Earmarking of Unreserved Fund Balance	AP 6
Savings Reserve Account	AP 9
Actual Tax Revenue Collected by Major Schedules	AP 12



Staff Assignments

Director

Mark Trogon

Support Staff

Keshawna Roberts

Digital Information Management

Chris Black

Committees/Departments/Area

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

Susan Jacobs - Senate
Evan Rodewald - 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

Kristine Leggett, Team Leader
William Childs
Eric Moore

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
Emma Turner

Education

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

Jennifer Hoffmann, Team Leader
Lisa Fox

Committee/Departments/Area

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
Chris Hearley

Health and Human Services

Denise Thomas, Team Leader
Deborah Landry
Steve Owen

Justice and Public Safety

Public Safety
Judicial
Judicial Indigent Defense
Justice

John Poteat, Team Leader
Mark White

Statewide

Salaries and Benefits
Capital
Information Technology

David Vanderweide, Team Leader
Timothy Dale
Daniel Sater

Transportation

Amna Cameron, Team Leader
Susan Tyler

General Fund Availability Statement

General Fund Availability Statement

	Fiscal Year 2017-18	Fiscal Year 2018-19
1 Unappropriated Balance ¹	208,607,042	499,475,581
2 Disaster Recovery Appropriations (S.L. 2016-124)	(200,928,370)	0
3 Transfer From Savings Reserve	100,928,370	0
4 Revised Unappropriated Balance	108,607,042	499,475,581
5		
6 Over Collections FY 2016-17 ²	494,132,774	0
7 Reversions FY 2016-17 ²	356,639,853	0
8 Replenish Savings Reserve (S.L. 2016-124)	(100,928,370)	0
9 Technical Adjustment to Unreserved Fund Balance ³	1,000,000	
10 Earmarkings of Year End Fund Balance:		
11 Savings Reserve	(263,000,000)	0
12 Repairs and Renovations	(125,000,000)	0
13 Beginning Unreserved Fund Balance	471,451,299	499,475,581
14		
15 Revenues Based on Existing Tax Structure	22,303,700,000	23,299,200,000
16		
17 Non-tax Revenues		
18 Investment Income	60,100,000	60,600,000
19 Judicial Fees	240,900,000	240,500,000
20 Disproportionate Share	164,700,000	149,600,000
21 Insurance	75,500,000	75,500,000
22 Master Settlement Agreement (MSA)	127,200,000	127,200,000
23 Other Non-Tax Revenues	180,600,000	182,900,000
24 Subtotal Non-tax Revenues	849,000,000	836,300,000
25		
26		
27 Total General Fund Availability	23,624,151,299	24,634,975,581
28		
29 Adjustments to Availability: 2017 Session		
30 Tax Law Changes	(6,900,000)	(521,800,000)
31 Transfer of Taxes from Short-Term Lease or Rental of Motor Vehicles to Highway Fund	(10,000,000)	(10,000,000)
32 Transfer to Savings Reserve (S.L. 2017-5)	0	(72,090,000)
33 Transfer Additional MSA funds to Golden L.E.A.F.	(7,500,000)	(7,500,000)
34 Transfer to Medicaid Transformation Reserve	(75,000,000)	0
35 Transfer from Contingency and Emergency Fund	7,000,000	0
36 Transfer from Department of Insurance	3,655,405	4,026,728
37 Transfer from the Department of the State Treasurer	(5,453,230)	(5,434,773)
38 Subtotal Adjustments to Availability: 2017 Session	(94,197,825)	(612,798,045)
39		
40 Revised General Fund Availability	23,529,953,474	24,022,177,536
41		
42 Less General Fund Net Appropriations	(23,030,477,893)	(23,652,171,951)
43		
44 Unappropriated Balance Remaining	499,475,581	370,005,585

Note:

¹Technical adjustment to correct actual Unappropriated Balance; S.L. 2017-57, Appropriations Act of 2017, includes \$208,607,416.

²June 30, 2017 actual over collections and reversions as reported by the Office of State Budget and Management and the Office of the State Controller; S.L. 2017-57, Appropriations Act of 2017, includes projected over collections of \$580,600,000 and projected reversions of \$271,000,000.

³Funds were transferred from the Statewide Carryforward Reserve to Unreserved Fund Balance.

Summary: General Fund Appropriations

Summary of General Fund Appropriations						
Fiscal Year 2017-18						
2017 Legislative Session						
	Legislative Changes					Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2017-18	Changes	Changes	Changes	Changes	2017-18
Education						
Community Colleges	1,068,233,344	50,170,951	3,936,825	54,107,776	11.00	1,122,341,120
Public Education	8,739,220,986	289,316,731	17,865,905	307,182,636	(6.39)	9,046,403,622
University System	2,801,596,348	71,854,001	20,325,000	92,179,001	0.00	2,893,775,349
Total Education	12,609,050,678	411,341,683	42,127,730	453,469,413	4.61	13,062,520,091
Health and Human Services						
Central Management and Support	97,331,832	3,470,583	16,352,794	19,823,377	52.00	117,155,209
Aging and Adult Services	44,085,295	61,189	1,929,549	1,990,738	0.00	46,076,033
Blind and Deaf / Hard of Hearing Services	8,333,453	113,314	0	113,314	0.00	8,446,767
Child Development and Early Education	265,443,810	6,556,366	(3,571,675)	2,984,691	0.00	268,428,501
Health Service Regulation	17,446,527	967,100	360,180	1,327,280	7.00	18,773,807
Medical Assistance	3,684,796,055	52,381,899	(46,422,783)	5,959,116	0.00	3,690,755,171
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	731,652,688	3,493,640	(38,878,009)	(35,384,369)	15.00	696,268,319
NC Health Choice	43,446,936	1,497,347	(44,485,035)	(42,987,688)	0.00	459,248
Health Benefits	9,671,582	63,469	0	63,469	0.00	9,735,051
Public Health	146,707,017	5,587,506	5,100,000	10,687,506	8.00	157,394,523
Social Services	186,595,053	5,754,553	8,623,519	14,378,072	0.00	200,973,125
Vocational Rehabilitation	38,402,154	431,634	0	431,634	0.00	38,833,788
Total Health and Human Services	5,273,912,402	80,378,600	(100,991,460)	(20,612,860)	82.00	5,253,299,542
Justice and Public Safety						
Public Safety	1,935,266,736	59,488,820	7,944,490	67,433,310	(67.00)	2,002,700,046
Judicial Department	513,656,896	16,207,676	375,000	16,582,676	98.00	530,239,572
Judicial - Indigent Defense	120,156,248	1,147,842	0	1,147,842	0.00	121,304,090
Justice	54,793,859	(8,892,868)	1,810,303	(7,082,565)	5.00	47,711,294
Total Justice and Public Safety	2,623,873,739	67,951,470	10,129,793	78,081,263	36.00	2,701,955,002
Agriculture, Natural and Economic Resources						
Agriculture and Consumer Services	118,969,776	2,705,206	11,994,922	14,700,128	0.00	133,669,904
Commerce	134,414,931	(5,433,231)	11,768,032	6,334,801	(52.24)	140,749,732
Commerce - State Aid	15,955,810	200,000	4,145,000	4,345,000	0.00	20,300,810
Environmental Quality	77,854,912	(1,079,585)	1,395,000	315,415	(16.75)	78,170,327
Natural and Cultural Resources	166,273,456	6,264,180	12,975,713	19,239,893	12.00	185,513,349
Natural and Cultural Resources -- Roanoke Island	555,571	0	0	0	0.00	555,571
Labor	16,521,928	1,093,051	0	1,093,051	0.00	17,614,979
Wildlife Resources Commission	11,328,209	(261,222)	112,000	(149,222)	1.00	11,178,987
Total Agriculture, Natural and Economic Resources	541,874,593	3,488,399	42,390,667	45,879,066	(55.99)	587,753,659

Summary of General Fund Appropriations						
Fiscal Year 2017-18						
2017 Legislative Session						
	Base Budget 2017-18	Legislative Changes				Revised Net Appropriation 2017-18
		Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	
General Government						
Administration	61,986,403	294,976	1,659,642	1,954,618	(10.29)	63,941,021
Auditor	13,379,738	248,470	200,000	448,470	0.00	13,828,208
General Assembly	63,476,017	1,755,684	743,912	2,499,596	0.00	65,975,613
Governor	5,794,114	(875,579)	456,442	(419,137)	0.00	5,374,977
Governor - Special Projects	2,001,118	(2,001,118)	0	(2,001,118)	(0.65)	0
Housing Finance Agency	10,660,000	0	3,949,159	3,949,159	0.00	14,609,159
Insurance	39,790,684	8,952,528	95,000	9,047,528	88.24	48,838,212
Lieutenant Governor	703,302	60,406	30,000	90,406	1.00	793,708
Military and Veterans Affairs	8,199,025	692,333	2,566,000	3,258,333	0.00	11,457,358
Office of Administrative Hearings	5,354,257	557,147	51,076	608,223	6.29	5,962,480
Revenue	83,206,070	1,439,541	0	1,439,541	(5.00)	84,645,611
Secretary of State	12,751,423	352,888	0	352,888	0.00	13,104,311
State Board of Elections	6,621,306	2,977	0	2,977	(3.00)	6,624,283
State Budget and Management	7,960,470	220,076	0	220,076	0.00	8,180,546
State Budget and Management -- Special	2,000,000	0	10,763,881	10,763,881	0.00	12,763,881
State Controller	23,353,209	438,297	(2,917,638)	(2,479,341)	0.00	20,873,868
Treasurer - Operations	10,266,826	(5,453,230)	0	(5,453,230)	(3.00)	4,813,596
Fire Rescue National Guard Pensions & LDD Benefits	26,889,281	972,580	0	972,580	0.00	27,861,861
Total General Government	384,393,243	7,657,976	17,597,474	25,255,450	73.59	409,648,693
Department of Information Technology	51,279,650	(29,069)	250,000	220,931	(4.50)	51,500,581
Statewide Reserves and Debt Service						
Debt Service:						
Interest / Redemption	703,102,238	24,064,101	0	24,064,101	0.00	727,166,339
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	704,718,618	24,064,101	0	24,064,101	0.00	728,782,719

Summary of General Fund Appropriations						
Fiscal Year 2017-18						
2017 Legislative Session						
	Base Budget	Legislative Changes				Revised Net
	2017-18	Recurring	Nonrecurring	Net	FTE	Appropriation
		Changes	Changes	Changes	Changes	2017-18
Statewide Reserves						
Contingency and Emergency Fund	5,000,000	(5,000,000)	0	(5,000,000)	0.00	0
Classification and Compensation System	0	3,900,000	0	3,900,000	0.00	3,900,000
Workers' Compensation Settlement Reserve	0	0	2,000,000	2,000,000	0.00	2,000,000
Salary Adjustment Fund	0	5,000,000	0	5,000,000	0.00	5,000,000
University System Enrollment Reserve	0	46,571,112	0	46,571,112	0.00	46,571,112
Pay Plan Reserve	0	0	9,688,494	9,688,494	0.00	9,688,494
Film and Entertainment Grant Fund	0	15,000,000	0	15,000,000	0.00	15,000,000
Pending Legislation (Supplemental Disaster Recovery Funds and Competitive Energy Solutions for N.C.)	500,000	0	99,650,000	99,650,000	0.00	100,150,000
Enterprise Resource Planning	0	0	3,000,000	3,000,000	0.00	3,000,000
Public Schools Average Daily Membership	0	0	0	0	0.00	0
NC Promise Tuition Grant	0	0	0	0	0.00	0
Subtotal Statewide Reserves	5,500,000	65,471,112	114,338,494	179,809,606	0.00	185,309,606
Total Reserves and Debt Service	710,218,618	89,535,213	114,338,494	203,873,707	0.00	914,092,325
Total General Fund for Operations	22,194,602,923	660,324,272	125,842,698	786,166,970	135.71	22,980,769,893
Capital Improvements						
Water Resources Development Projects	0	0	15,648,000	15,648,000	0.00	15,648,000
Capital Projects	0	0	34,060,000	34,060,000	0.00	34,060,000
Total Capital Improvements	0	0	49,708,000	49,708,000	0.00	49,708,000
Total General Fund Budget	22,194,602,923	660,324,272	175,550,698	835,874,970	135.71	23,030,477,893

Summary of General Fund Appropriations						
Fiscal Year 2018-19						
2017 Legislative Session						
	Legislative Changes					Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2018-19	Changes	Changes	Changes	Changes	2018-19
Education						
Community Colleges	1,068,233,344	67,474,501	6,050,000	73,524,501	11.00	1,141,757,845
Public Education	8,723,720,986	686,028,440	15,360,000	701,388,440	(6.39)	9,425,109,426
University System	2,851,602,607	113,018,172	3,154,253	116,172,425	0.00	2,967,775,032
Total Education	12,643,556,937	866,521,113	24,564,253	891,085,366	4.61	13,534,642,303
Health and Human Services						
Central Management and Support	97,331,832	10,507,204	14,930,369	25,437,573	74.00	122,769,405
Aging and Adult Services	44,085,295	94,261	969,549	1,063,810	0.00	45,149,105
Blind and Deaf / Hard of Hearing Services	8,333,453	173,628	0	173,628	0.00	8,507,081
Child Development and Early Education	265,443,810	13,183,202	(294,697)	12,888,505	0.00	278,332,315
Health Service Regulation	17,446,527	1,590,011	360,180	1,950,191	14.00	19,396,718
Medical Assistance	3,684,796,140	164,423,408	(47,538,336)	116,885,072	0.00	3,801,681,212
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	731,652,688	14,933,724	(41,555,823)	(26,622,099)	15.00	705,030,589
NC Health Choice	43,446,936	3,857,619	(46,908,146)	(43,050,527)	0.00	396,409
Health Benefits	9,671,582	107,508	0	107,508	0.00	9,779,090
Public Health	146,713,455	6,171,763	2,100,000	8,271,763	8.00	154,985,218
Social Services	186,595,053	8,499,575	10,110,216	18,609,791	0.00	205,204,844
Vocational Rehabilitation	38,419,567	635,924	0	635,924	0.00	39,055,491
Total Health and Human Services	5,273,936,338	224,177,827	(107,826,688)	116,351,139	111.00	5,390,287,477
Justice and Public Safety						
Public Safety	1,935,343,754	80,358,047	4,890,236	85,248,283	(259.50)	2,020,592,037
Judicial Department	515,073,634	23,949,788	0	23,949,788	127.00	539,023,422
Judicial - Indigent Defense	120,508,461	1,771,898	0	1,771,898	0.00	122,280,359
Justice	54,796,127	(8,284,596)	0	(8,284,596)	5.00	46,511,531
Total Justice and Public Safety	2,625,721,976	97,795,137	4,890,236	102,685,373	(127.50)	2,728,407,349
Agriculture, Natural and Economic Resources						
Agriculture and Consumer Services	118,971,776	3,881,909	0	3,881,909	0.00	122,853,685
Commerce	134,414,931	(4,256,053)	0	(4,256,053)	(52.24)	130,158,878
Commerce - State Aid	15,955,810	200,000	0	200,000	0.00	16,155,810
Environmental Quality	77,854,912	(842,198)	0	(842,198)	(16.75)	77,012,714
Natural and Cultural Resources	166,277,458	7,949,966	250,000	8,199,966	12.00	174,477,424
Natural and Cultural Resources -- Roanoke Island	555,571	0	0	0	0.00	555,571
Labor	16,529,525	1,290,426	0	1,290,426	0.00	17,819,951
Wildlife Resources Commission	11,328,209	(484,668)	0	(484,668)	1.00	10,843,541
Total Agriculture, Natural and Economic Resources	541,888,192	7,739,382	250,000	7,989,382	(55.99)	549,877,574

Summary of General Fund Appropriations						
Fiscal Year 2018-19						
2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2018-19	Changes	Changes	Changes	Changes	2018-19
General Government						
Administration	61,986,403	675,707	734,642	1,410,349	(10.29)	63,396,752
Auditor	13,379,738	400,793	0	400,793	0.00	13,780,531
General Assembly	63,476,017	2,496,990	0	2,496,990	0.00	65,973,007
Governor	5,794,114	(817,705)	0	(817,705)	0.00	4,976,409
Governor - Special Projects	2,001,118	(2,001,118)	0	(2,001,118)	(0.65)	0
Housing Finance Agency	10,660,000	0	20,000,000	20,000,000	0.00	30,660,000
Insurance	39,792,849	8,521,851	0	8,521,851	88.24	48,314,700
Lieutenant Governor	703,302	68,195	0	68,195	1.00	771,497
Military and Veterans Affairs	8,199,025	761,718	0	761,718	0.00	8,960,743
Office of Administrative Hearings	5,354,257	656,430	0	656,430	6.29	6,010,687
Revenue	83,206,070	2,277,900	0	2,277,900	(5.00)	85,483,970
Secretary of State	12,812,071	502,872	0	502,872	0.00	13,314,943
State Board of Elections	6,621,306	65,308	0	65,308	(3.00)	6,686,614
State Budget and Management	7,960,470	294,774	0	294,774	0.00	8,255,244
State Budget and Management -- Special	2,000,000	0	0	0	0.00	2,000,000
State Controller	23,353,209	624,909	(734,642)	(109,733)	0.00	23,243,476
Treasurer - Operations	10,266,826	(5,434,773)	0	(5,434,773)	(3.00)	4,832,053
Fire Rescue National Guard Pensions & LDD Benefits	26,889,281	1,322,580	0	1,322,580	0.00	28,211,861
Total General Government	384,456,056	10,416,431	20,000,000	30,416,431	73.59	414,872,487
Department of Information Technology	51,279,650	367,195	0	367,195	(4.50)	51,646,845
Statewide Reserves and Debt Service						
Debt Service:						
Interest / Redemption	703,102,238	67,356,498	0	67,356,498	0.00	770,458,736
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	704,718,618	67,356,498	0	67,356,498	0.00	772,075,116

Summary of General Fund Appropriations						
Fiscal Year 2018-19						
2017 Legislative Session						
	Legislative Changes					Revised Net
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2018-19	Changes	Changes	Changes	Changes	2018-19
Statewide Reserves						
Contingency and Emergency Fund	5,000,000	(5,000,000)	0	(5,000,000)	0.00	0
Classification and Compensation System	0	7,800,000	0	7,800,000	0.00	7,800,000
Workers' Compensation Settlement Reserve	0	0	0	0	0.00	0
Salary Adjustment Fund	0	5,000,000	0	5,000,000	0.00	5,000,000
University System Enrollment Reserve	0	94,734,518	0	94,734,518	0.00	94,734,518
Pay Plan Reserve	0	0	0	0	0.00	0
Film and Entertainment Grant Fund	0	31,000,000	0	31,000,000	0.00	31,000,000
Pending Legislation	500,000	0	0	0	0.00	500,000
Enterprise Resource Planning	0	0	10,000,000	10,000,000	0.00	10,000,000
Public Schools Average Daily Membership	0	48,410,289	0	48,410,289	0.00	48,410,289
NC Promise Tuition Grant	0	11,000,000	0	11,000,000	0.00	11,000,000
Subtotal Statewide Reserves	5,500,000	192,944,807	10,000,000	202,944,807	0.00	208,444,807
Total Reserves and Debt Service	710,218,618	260,301,305	10,000,000	270,301,305	0.00	980,519,923
Total General Fund for Operations	22,231,057,767	1,467,318,390	(48,122,199)	1,419,196,191	1.21	23,650,253,958
Capital Improvements						
Water Resources Development Projects	0	0	0	0	0.00	0
Capital Projects	0	0	1,917,993	1,917,993	0.00	1,917,993
Total Capital Improvements	0	0	1,917,993	1,917,993	0.00	1,917,993
Total General Fund Budget	22,231,057,767	1,467,318,390	(46,204,206)	1,421,114,184	1.21	23,652,171,951

Education Section F

**Public Education
Budget Code 13510**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$13,023,846,639	\$13,008,346,639
Receipts	\$4,284,625,653	\$4,284,625,653
Net Appropriation	\$8,739,220,986	\$8,723,720,986
Legislative Changes		
Requirements	\$377,769,868	\$716,422,125
Receipts	\$70,587,232	\$15,033,685
Net Appropriation	\$307,182,636	\$701,388,440
Revised Budget		
Requirements	\$13,401,616,507	\$13,724,768,764
Receipts	\$4,355,212,885	\$4,299,659,338
Net Appropriation	\$9,046,403,622	\$9,425,109,426

General Fund FTE

Base Budget	1,138.45	1,138.45
Legislative Changes	(7.39)	(7.39)
Revised Budget	1,131.06	1,131.06

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Public Education										
Budget Code 13510		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,402,697	3,628,649	4,774,048	7,946,007	-	7,946,007	16,348,704	3,628,649	12,720,055
1021	DPI - Education Innovations - 21st Century Schools	1,273,180	375,498	897,682	-	-	-	1,273,180	375,498	897,682
1100	DPI - Assistance to Districts and Schools	27,587,380	22,216,974	5,370,406	(59,988)	-	(59,988)	27,527,392	22,216,974	5,310,418
1300	DPI - Financial and Business Services	3,752,551	836,474	2,916,077	18,888,958	-	18,888,958	22,641,509	836,474	21,805,035
1330	DPI - Student and School Support Services	17,071,036	12,688,176	4,382,860	(66,121)	-	(66,121)	17,004,915	12,688,176	4,316,739
1400	Office of Early Learning	77,343,346	69,704,768	7,638,578	(130,254)	-	(130,254)	77,213,092	69,704,768	7,508,324
1410	NC Center for the Advancement of Teaching	3,377,147	200	3,376,947	300,000	-	300,000	3,677,147	200	3,676,947
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	10,346,154	3,382,537	6,963,617	-	-	-	10,346,154	3,382,537	6,963,617
1600	DPI - Curriculum, Instruction, Accountability & Tech	60,253,921	48,133,468	12,120,453	254,794	-	254,794	60,508,715	48,133,468	12,375,247
1640	DPI - Educator Quality and Recruitment	20,864,862	19,441,994	1,422,868	336,204	-	336,204	21,201,066	19,441,994	1,759,072
1660	DPI - Special Populations	46,171,928	43,396,353	2,775,575	(98,998)	-	(98,998)	46,072,930	43,396,353	2,676,577
1800	K-12 Classroom Instruction -SPSF	7,377,797,048	615,835,919	6,761,961,129	32,268,930	18,664,579	13,604,351	7,410,065,978	634,500,498	6,775,565,480
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	94,915,960	-	94,915,960	(7,000,000)	-	(7,000,000)	87,915,960	-	87,915,960
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	33,285,254	-	33,285,254	(3,882,286)	-	(3,882,286)	29,402,968	-	29,402,968
1830	SPSF - Student and School Support Services	737,580,266	202,489,369	535,090,897	2,500,000	45,777,192	(43,277,192)	740,080,266	248,266,561	491,813,705
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,696,820,130	694,936,512	1,001,883,618	3,014,247	-	3,014,247	1,699,834,377	694,936,512	1,004,897,865
1862	NC School for the Deaf	8,686,358	237,283	8,449,075	-	-	-	8,686,358	237,283	8,449,075
1863	Eastern NC School for the Deaf	8,100,571	242,584	7,857,987	1,000,000	-	1,000,000	9,100,571	242,584	8,857,987
1864	Governor Morehead School and Preschool	5,879,394	196,114	5,683,280	-	-	-	5,879,394	196,114	5,683,280
1870	SPSF - LEA - Supplemental Benefits	180,410,828	-	180,410,828	-	-	-	180,410,828	-	180,410,828
1900	Reserves and Transfers	58,056,139	20,722,119	37,334,020	3,345,000	6,145,461	(2,800,461)	61,401,139	26,867,580	34,533,559
1901	Pass-through Grants	9,450,966	-	9,450,966	2,165,000	-	2,165,000	11,615,966	-	11,615,966
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	204,906,164	-	204,906,164	204,906,164	-	204,906,164
N/A	State Retirement Contribution	-	-	-	48,150,493	-	48,150,493	48,150,493	-	48,150,493
N/A	State Health Plan Reserve	-	-	-	32,107,889	-	32,107,889	32,107,889	-	32,107,889
N/A	Enrollment Adjustment	-	-	-	31,897,244	-	31,897,244	31,897,244	-	31,897,244
N/A	Average Certified Personnel Salaries	-	-	-	3,165,790	-	3,165,790	3,165,790	-	3,165,790
N/A	Department of Public Instruction	-	-	-	(3,239,205)	-	(3,239,205)	(3,239,205)	-	(3,239,205)
Total		\$13,023,846,639	\$4,284,625,653	\$8,739,220,986	\$377,769,868	\$70,587,232	\$307,182,636	\$13,401,616,507	\$4,355,212,885	\$9,046,403,622

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Public Education										
Budget Code 13510		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,402,697	3,628,649	4,774,048	2,146,007	-	2,146,007	10,548,704	3,628,649	6,920,055
1021	DPI - Education Innovations - 21st Century Schools	1,273,180	375,498	897,682	-	-	-	1,273,180	375,498	897,682
1100	DPI - Assistance to Districts and Schools	27,587,380	22,216,974	5,370,406	(59,988)	-	(59,988)	27,527,392	22,216,974	5,310,418
1300	DPI - Financial and Business Services	3,752,551	836,474	2,916,077	9,888,958	-	9,888,958	13,641,509	836,474	12,805,035
1330	DPI - Student and School Support Services	17,071,036	12,688,176	4,382,860	(66,121)	-	(66,121)	17,004,915	12,688,176	4,316,739
1400	Office of Early Learning	77,343,346	69,704,768	7,638,578	(130,254)	-	(130,254)	77,213,092	69,704,768	7,508,324
1410	NC Center for the Advancement of Teaching	3,377,147	200	3,376,947	300,000	-	300,000	3,677,147	200	3,676,947
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	10,346,154	3,382,537	6,963,617	-	-	-	10,346,154	3,382,537	6,963,617
1600	DPI - Curriculum, Instruction, Accountability & Tech	60,253,921	48,133,468	12,120,453	54,794	-	54,794	60,308,715	48,133,468	12,175,247
1640	DPI - Educator Quality and Recruitment	20,864,862	19,441,994	1,422,868	336,204	-	336,204	21,201,066	19,441,994	1,759,072
1660	DPI - Special Populations	46,171,928	43,396,353	2,775,575	(98,998)	-	(98,998)	46,072,930	43,396,353	2,676,577
1800	K-12 Classroom Instruction -SPSF	7,362,297,048	615,835,919	6,746,461,129	9,591,457	13,647,595	(4,056,138)	7,371,888,505	629,483,514	6,742,404,991
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	94,915,960	-	94,915,960	(11,000,000)	-	(11,000,000)	83,915,960	-	83,915,960
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	33,285,254	-	33,285,254	(4,445,948)	-	(4,445,948)	28,839,306	-	28,839,306
1830	SPSF - Student and School Support Services	737,580,266	202,489,369	535,090,897	-	1,386,090	(1,386,090)	737,580,266	203,875,459	533,704,807
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,696,820,130	694,936,512	1,001,883,618	3,014,247	-	3,014,247	1,699,834,377	694,936,512	1,004,897,865
1862	NC School for the Deaf	8,686,358	237,283	8,449,075	-	-	-	8,686,358	237,283	8,449,075
1863	Eastern NC School for the Deaf	8,100,571	242,584	7,857,987	-	-	-	8,100,571	242,584	7,857,987
1864	Governor Morehead School and Preschool	5,879,394	196,114	5,683,280	-	-	-	5,879,394	196,114	5,683,280
1870	SPSF - LEA - Supplemental Benefits	180,410,828	-	180,410,828	-	-	-	180,410,828	-	180,410,828
1900	Reserves and Transfers	58,056,139	20,722,119	37,334,020	2,565,000	-	2,565,000	60,621,139	20,722,119	39,899,020
1901	Pass-through Grants	9,450,966	-	9,450,966	-	-	-	9,450,966	-	9,450,966
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	481,434,198	-	481,434,198	481,434,198	-	481,434,198
N/A	State Retirement Contribution	-	-	-	126,996,925	-	126,996,925	126,996,925	-	126,996,925
N/A	State Health Plan Reserve	-	-	-	68,038,146	-	68,038,146	68,038,146	-	68,038,146
N/A	Enrollment Adjustment	-	-	-	31,897,244	-	31,897,244	31,897,244	-	31,897,244
N/A	Average Certified Personnel Salaries	-	-	-	3,258,025	-	3,258,025	3,258,025	-	3,258,025
N/A	Department of Public Instruction	-	-	-	(7,297,771)	-	(7,297,771)	(7,297,771)	-	(7,297,771)
Total		\$13,008,346,639	\$4,284,625,653	\$8,723,720,986	\$716,422,125	\$15,033,685	\$701,388,440	\$13,724,768,764	\$4,299,659,338	\$9,425,109,426

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Public Education					
Budget Code 13510		<u>Base</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	(3.35)	(1.00)	47.64
1021	DPI - Education Innovations - 21st Century Schools	26.00	-	-	26.00
1100	DPI - Assistance to Districts and Schools	70.59	(0.40)	-	70.19
1300	DPI - Financial and Business Services	39.00	(1.00)	-	38.00
1330	DPI - Student and School Support Services	103.73	(0.89)	-	102.84
1400	Office of Early Learning	83.75	(0.75)	-	83.00
1410	NC Center for the Advancement of Teaching	40.75	-	-	40.75
1450	K-3 Assessment	12.00	-	-	12.00
1500	DPI - Technology Services	82.00	-	-	82.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	166.30	-	-	166.30
1640	DPI - Educator Quality and Recruitment	44.89	1.00	-	45.89
1660	DPI - Special Populations	73.70	(1.00)	-	72.70
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	137.33	-	-	137.33
1863	Eastern NC School for the Deaf	125.33	-	-	125.33
1864	Governor Morehead School and Preschool	81.08	-	-	81.08
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		1,138.45	(6.39)	(1.00)	1,131.06

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Public Education					
Budget Code 13510		<u>Base</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	(3.35)	(1.00)	47.64
1021	DPI - Education Innovations - 21st Century Schools	26.00	-	-	26.00
1100	DPI - Assistance to Districts and Schools	70.59	(0.40)	-	70.19
1300	DPI - Financial and Business Services	39.00	(1.00)	-	38.00
1330	DPI - Student and School Support Services	103.73	(0.89)	-	102.84
1400	Office of Early Learning	83.75	(0.75)	-	83.00
1410	NC Center for the Advancement of Teaching	40.75	-	-	40.75
1450	K-3 Assessment	12.00	-	-	12.00
1500	DPI - Technology Services	82.00	-	-	82.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	166.30	-	-	166.30
1640	DPI - Educator Quality and Recruitment	44.89	1.00	-	45.89
1660	DPI - Special Populations	73.70	(1.00)	-	72.70
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	137.33	-	-	137.33
1863	Eastern NC School for the Deaf	125.33	-	-	125.33
1864	Governor Morehead School and Preschool	81.08	-	-	81.08
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		1,138.45	(6.39)	(1.00)	1,131.06

2017 Annotated Conference Committee Report

Public Education

GENERAL FUND

	FY 17-18	FY 18-19
Recommended Base Budget	\$8,739,220,986	\$8,723,720,986

Legislative Changes

A. Reserve for Salaries and Benefits

1 Compensation Increase Reserve - Teachers	\$101,732,591	R	\$372,639,349	R
Fund Code: N/A				

Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.
(S.L. 2017-57, Secs. 8.1 and 35.17)

2 Veteran Teacher Bonuses	\$5,000,000	NR	\$5,000,000	NR
Fund Code: N/A				

Provides funding for a \$385 bonus for teachers with 25 or more years of experience in each year of the biennium. The revised net appropriation for the veteran teacher bonuses is \$5.0 million in each year of the biennium.
(S.L. 2017-57, Sec. 8.8A)

3 Teacher Bonuses			\$14,900,000	R
Fund Code: 1800				

Provides funds to make 3 Bonus Programs recurring. These bonus programs include the Third Grade Read to Achieve Teacher Bonuses, Advanced Placement/International Baccalaureate/Cambridge AICE Teacher Bonuses, and the Career and Technical Education Teacher Bonuses. The revised net appropriation for these three bonuses is \$15.5 million in FY 2017-18 and \$14.9 million in FY 2018-19.
(S.L. 2017-57, Secs. 8.8B and 8.8C)

4 Math and Reading Performance Bonus Program**Fund Code:** 1800

\$25,341,188 NR

Provides funding to support a math performance bonus program for teachers in grades 4 through 8 and a reading bonus program for teachers in grades 4 and 5. The programs will provide \$2,150 bonuses to the top 25% of teachers Statewide and \$2,150 bonuses to the top 25% of teachers within each Local Education Agency (LEA) based on Education Value-Added Assessment System (EVAAS) scores. The revised net appropriation for this program is \$25.3 million in FY 2017-18 only.
(S.L. 2017-57, Secs. 8.8D and 8.8E)

5 Salary Supplements for Highly Qualified Teacher Graduates**Fund Code:** 1800

\$700,000

R

\$700,000

R

Provides funds for highly qualified graduates of an approved educator preparation program to receive salary supplements based on the teacher "A" salary schedule. These graduates receive a salary supplement if they are teaching in a low performing school, are licensed in a special education or a Science, Technology, Engineering, and Mathematics (STEM) field, or are considered a highly qualified graduate. The revised net appropriation for this program is \$700,000 in each year of the biennium.
(S.L. 2017-57, Sec. 8.2)

6 Compensation Increase Reserve - School Based Administrators**Fund Code:** N/A

\$35,364,775

R

\$40,587,664

R

Provides funding for salary increases provided to principals and assistant principals. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.
(S.L. 2017-57, Secs. 8.3, 8.4, and 8.5)

7 Compensation Increase Reserve - LEA Employees**Fund Code:** N/A

\$61,537,448

R

\$61,537,448

R

Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.
(S.L. 2017-57, Secs. 8.6 and 8.7)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

8 Compensation Increase Reserve - DPI

\$997,153

R

\$997,153

R

Fund Code: N/A

Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.

(S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)

9 Compensation Increase Reserve - State Agency Teachers/School Based Administrators

\$274,197

R

\$672,584

R

Fund Code: N/A

Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.

(S.L. 2017-57, Secs. 8.1, 35.10, and 35.17)

10 State Retirement Contributions - School District Personnel

\$47,790,931

R

\$126,048,580

R

Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers.

The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19.

(S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

11 State Retirement Contributions - DPI

\$359,562

R

\$948,345

R

Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers.

The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19.

(S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

12 State Health Plan - School District Personnel

\$31,939,125

R

\$67,680,526

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)

13 State Health Plan - DPI

\$168,764

R

\$357,620

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)

B. Technical Adjustments

14 Average Daily Membership (ADM)

\$31,897,244

R

\$31,897,244

R

Fund Code: N/A

Revises allotted FY 2017-18 ADM to reflect 9,120 more students than are included in the FY 2016-17 allotted ADM. This revision includes adjustments to multiple position, dollar, and categorical allotments. Funding associated with projected FY 2018-19 ADM growth is reserved in the "Reserves, Debt Service, and Adjustments" section of this report. (S.B. 430/H.B. 537)

15 Average Certified Personnel Salaries

\$3,165,790

R

\$3,258,025

R

Fund Code: N/A

Revises funding for certified personnel salaries based on actual salary data from December 2016. The adjustment does not increase any salary paid to certified personnel, nor does it increase the number of guaranteed State-funded teachers, administrators, or instructional support personnel. (S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

16 Children with Disabilities Headcount

(\$3,305,661) R

(\$3,305,661) 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, 2017 headcount and does not modify per-student funding.

17 Noninstructional Support

(\$11,622,037) R

(\$13,647,595) R

Fund Code: 1800

Budgets additional Lottery receipts for the noninstructional support personnel allotment. Total requirements for this allotment after the ADM adjustment are \$383,888,897 in FY 2017-18 and \$385,914,555 in FY 2018-19. This allotment will now be fully receipt supported. The revised net appropriation for noninstructional support personnel is \$0. (S.L. 2017-57, Sec. 5.3)

18 Transportation

(\$1,386,090) R

(\$1,386,090) R

Fund Code: 1830

(\$41,891,102) NR

Adjusts the budget to reflect additional Lottery receipts for the transportation allotment. Total requirements for this allotment remain the same at \$459,268,071 in each year of the biennium. The revised net appropriation for the transportation allotment is \$416 million in FY 2017-18 and \$457.9 million in FY 2018-19. (S.L. 2017-57, Sec. 5.3)

C. State Public School Fund

19 Textbooks and Digital Materials

\$11,285,000 NR

Fund Code: 1800

Provides an additional \$11,885,160 in nonrecurring funds for the textbooks and digital materials allotment. Increased funding for this item includes receipts from the cash balances transferred from two special funds, the Literary Fund (\$259,833) and the Education Fund (\$340,327). School districts 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 \$66.8 million in FY 2017-18 and \$55.5 million in FY 2018-19. (S.B. 430/H.B. 537, H.B. 495; S.L. 2017-57, Sec. 7.13)

(This item also appears in the Public Education special funds in the Education section. See page F 25.)

2017 Annotated Conference Committee Report

20 Children with Disabilities

Fund Code: 1860

Provides funds to support an increase in the funding cap for the children with disabilities allotment from 12.5% to 12.75%. A school district will receive funds for each child identified with disabilities, up to 12.75% of the school district's ADM. The revised net appropriation for school aged children with disabilities is \$744 million in FY 2017-18 and \$751 million in FY 2018-19. (S.L. 2017-57, Sec. 7.1)

FY 17-18

\$6,319,908

R

FY 18-19

\$6,319,908

R

21 Digital Learning Plan

Fund Code: 1800

Provides additional funding for the digital learning plan (DLP). Funds will support DLP management, school and district leadership development, teacher professional development, and cybersecurity and risk management services. The revised net appropriation for the digital learning plan is \$6.4 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Secs. 7.23A and 7.23K)

\$2,420,000

R

\$2,420,000

R

22 Stabilization Funds for Wayne County Schools: Seymour Johnson Airforce Base

Fund Code: 1800

Provides \$2.0 million in stabilization funds to support the operation of public schools in Wayne County, the location of Seymour Johnson Air Force Base. The revised net appropriation for stabilization funds for Wayne County Public Schools is \$2.0 million in FY 2017-18 only.

\$2,000,000

NR

23 Geographically Isolated Schools

Fund Code: 1800

Increases funding for geographically isolated schools to include schools that newly qualify for funding. A school designated as geographically isolated receives one additional classroom teacher position per grade in the isolated school. A school is considered geographically isolated if consolidation is not feasible and it is either located in a school district in which the ADM is less than 1.5 per square mile or it is located in a school district in a county containing more than 150,000 acres of National Forest owned by the federal government and managed by the United States Forest Service. The revised net appropriation for geographically isolated schools is \$829,209 in each year of the biennium. (S.B. 15/H.B. 23; S.L. 2017-57, Sec. 7.19)

\$506,064

R

\$506,064

R

24 Transportation Grant Program**Fund Code:** 1830

Provides funds to establish a Charter School Transportation Grant Pilot Program for one year. This program is supported by a \$2.5 million transfer from the North Carolina Department of Transportation in FY 2017-18. The total requirements for the program are \$2.5 million in FY 2017-18 only.
(S.B. 662; H.B. 644; S.L. 2017-57, Sec. 7.35)

(This item also appears in the Highway Fund in the Transportation section. See page K 31, item 49.)

25 Eastern NC School for the Deaf**Fund Code:** 1863

\$1,000,000 NR

Provides nonrecurring funding to the Eastern NC School for the Deaf for one-time major vehicle and equipment purchases, an increase for maintenance and repairs including information technology updates, and an upgrade to the maintenance shop including a mechanic pit. The revised net appropriation to the Eastern NC School for the Deaf is \$8.9 million in FY 2017-18 and \$7.9 million in FY 2018-19.
(S.B. 430/H.B. 537)

26 Central Office Allotment

(\$7,000,000) R (\$11,000,000) R

Fund Code: 1810

Reduces State funding for the central office administration allotment by 7.4% in FY 2017-18 and 11.6% in FY 2018-19. The revised net appropriation for the central office administration allotment is \$87.9 million in FY 2017-18 and \$83.9 million in FY 2018-19.

27 Analysis of Student Work

(\$325,000) R (\$325,000) R

Fund Code: 1800

Eliminates funding associated with the Analysis of Student Work (ASW) process. The process is used as the student growth measure for teachers of courses and subjects such as Arts Education, Healthful Living, World Languages, and International Baccalaureate and Advanced Placement courses. The revised net appropriation for testing, where funding for the ASW process is budgeted, is \$8.8 million in each year of the biennium.
(S.L. 2017-57, Sec. 7.23E)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

28 Cooperative Innovative High Schools

(\$2,246,612) R

(\$2,246,612) R

Fund Code: 1821

\$563,662 NR

Reduces funding for Cooperative Innovative High Schools (CIHS), including virtual CIHSs, due to a revised allocation methodology that provides funds to all CIHSs approved for operation in FY 2017-18. The revised net appropriation for these schools is \$27.5 million in 2017-18 and \$27.0 million in 2018-19. (S.L. 2017-57, Sec. 7.22)

29 State Public School Fund

Fund Code: 1800

(\$6,442,382) NR

Adjusts the budget to reflect additional receipts from the Civil Penalty and Forfeiture Fund to the State Public School Fund (SPSF) and reduces the net General Fund appropriation by the same amount. Total requirements for the SPSF are not affected by this shift. The revised net appropriation for the SPSF in fund code 1800 is \$6.8 billion in each year of the biennium. (S.L. 2017-57, Sec. 5.4)

30 Low Wealth

Fund Code: 1800

(\$2,000,000) NR

Aligns budgeted funds to planned expenditures for the Low Wealth allotment on a one time basis. School districts eligible for funding will continue to receive a dollar allotment determined by the Low Wealth funding formula. The revised net appropriation for this allotment is \$220.4 million in FY 2017-19 and \$222.4 in FY 2018-19.

31 Benefits Adjustment

(\$5,000,000) R

(\$5,000,000) R

Fund Code: 1800

Adjusts the Social Security benefit line-item budgeted in the State Public School Fund to more closely align budgeted funds to actual expenditures. The revised net appropriation for Social Security benefits in fund code 1800 is \$312.1 million in each year of the biennium.

32 Small Specialty High Schools

(\$2,199,336) R

(\$2,199,336) R

Fund Code: 1821

Aligns budgeted funds to actual expenditures for small specialty high schools. The revised net appropriation for these schools is \$1.8 million in each year of the biennium and fully funds all participating high schools.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

33 Small County Supplemental Funding

(\$3,618,482)

R

(\$3,969,607)

R

Fund Code: 1800

Aligns budgeted funds to actual expenditures for the small county supplemental allotment. School districts eligible for funding will continue to receive a dollar allotment according to the schedule created in S.L. 2014-100. The revised net appropriation for this allotment is \$45.6 million in FY 2017-18 and \$45.3 million in FY 2018-19 and fully funds all participating school districts.

D. Department of Public Instruction

34 Business System Modernization

\$19,000,000

NR

\$10,000,000

NR

Fund Code: 1300

Provides funding for the implementation of the School Business System Modernization Plan. S.L. 2016-94 directed the State Board of Education to develop a plan to modernize systems used by DPI. The plan includes an Enterprise Resource Planning (ERP) system for integrated payroll and human resources information, an integrated State level licensure system, and reporting of financial information for increased transparency and analytics. The revised net appropriation for Business System Modernization is \$19 million in FY 2017-18 and \$10 million in FY 2018-19. (S.L. 2017-57, Sec. 7.16)

35 Education and Workforce Innovation Commission

\$2,001,118

R

\$2,001,118

R

Fund Code: 1000

0.65

0.65

Provides funding to establish the budget for the transfer of the Education and Workforce Innovation Commission from the Office of Governor to DPI. The revised net appropriation for the Commission is \$6.2 million in FY 2017-18 and \$2.7 million in FY 2018-19.

(H.B. 450; S.L. 2017-57, Sec. 7.23G)

(This item also appears in the General Government section. See page J 74, item 54.)

36 Sixth and Seventh Grade Career and Technical Education Grant Program

\$700,000

R

\$700,000

R

Fund Code: 1000

\$3,500,000

NR

Provides funds for the Sixth and Seventh Grade Career and Technical Education (CTE) Grade Expansion Grant Program, which will be administered by the Education and Workforce Innovation Commission. This program awards competitive grants to school districts over a seven-year grant period to expand CTE programs to sixth and seventh grade students. The revised net appropriation for this program is \$4.2 million in FY 2017-18 and \$700,000 in FY 2018-19.

(H.B. 450; S.L. 2017-57, Sec. 7.23F)

2017 Annotated Conference Committee Report

37 Early Childhood Education

Fund Code: 1400

Provides funds, and 2 positions, to support the newly created B-3 Inter-Agency Council to focus on the developmental and educational needs of children from birth to age 8. The revised net appropriation for fund code 1400 is \$7.5 million in each year of the biennium.

(H.B. 556; S.L. 2017-57, Sec. 7.23I)

FY 17-18

\$250,000

R

2.00

FY 18-19

\$250,000

R

2.00

38 North Carolina Center for the Advancement of Teaching

Fund Code: 1410

Provides additional funds to DPI for the North Carolina Center for the Advancement of Teaching (NCCAT). The revised net appropriation for NCCAT is \$3.7 million in each year of the biennium.

\$300,000

R

\$300,000

R

39 Future Ready Students

Fund Code: 1600

Provides funds to support 2 regional positions in the Division of Career and Technical Education. These positions will assist school districts in developing business advisory councils, work-based learning opportunities, and career awareness programs. The revised net appropriation for fund code 1600 is \$12.4 million in FY 2017-18 and \$12.2 million in FY 2018-19.

(H.B. 450; S.L. 2017-57, Sec. 7.23H)

\$200,000

R

\$200,000

R

2.00

2.00

40 Reading Improvement Commission

Fund Code: 1600

Provides funds for the Reading Improvement Commission. This Commission will review and make recommendations on best practices for public schools in grades 4 through 12 to ensure students complete high school with the literacy skills necessary for career and college readiness. The revised net appropriation for the Commission is \$200,000 in FY 2017-18.

(H.B. 751; S.L. 2017-57, Sec. 7.26B)

\$200,000

NR

41 Professional Educator Preparation

Fund Code: 1640

Provides funds for 2 positions to support educator preparation approval and evaluation at DPI. The revised net appropriation for these positions is \$200,000 in each year of the biennium.

\$200,000

R

\$200,000

R

2.00

2.00

2017 Annotated Conference Committee Report

42 Licensure Fee Reimbursement for New Teachers

Fund Code: 1640

Provides funds to DPI to reimburse the initial teacher licensure application fee for first time applicants. An applicant must be a graduate of an approved educator preparation program in North Carolina and must have successfully earned an initial teaching license in North Carolina. The revised net appropriation for this program is \$245,000 in each year of the biennium.
(S.B. 517; S.L. 2017-57, Sec. 7.28)

FY 17-18

\$245,000

R

FY 18-19

\$245,000

R

43 Positions for State Superintendent

Fund Code: 1000

Provides funding to the Office of the State Superintendent to support up to 10 positions that will be exempt from the State Human Resource Act and report directly to the State Superintendent. The revised net appropriation for the Office of the State Superintendent after this adjustment is \$1.8 million in FY 2017-18 and \$1.8 million in FY 2018-19.
(H.B. 838; S.L. 2017-57, Sec. 7.10)

\$700,000

R

\$700,000

R

44 Legal Fees

Fund Code: 1000

Provides funds to the Office of State Superintendent for legal fees for active lawsuits. The revised net appropriation for legal fees for this purpose is \$300,000 in FY 2017-18 only.

\$300,000

NR

45 Audit of the Department of Public Instruction

Fund Code: 1000

Provides funds to the Office of State Superintendent to contract with an objective third party organization to conduct a functional and business process audit of DPI. This item also reduces funding to DPI's operating budget beginning in FY 2018-19 to reflect anticipated savings resulting from the audit recommendations.
(S.L. 2017-57, Sec. 7.23L)

\$1,000,000

NR

(\$1,000,000)

R

46 Management Flexibility Reduction

Fund Code: N/A

Reduces DPI operating funds by 6.2% in FY 2017-18 and 13.9% in FY 2018-19. The revised net appropriation to DPI after this reduction is \$49.4 million in FY 2017-18 and \$45.4 million in FY 2018-19.
(S.L. 2017-57, Sec.7.7)

(\$3,239,205)

R

(\$7,297,771)

R

2017 Annotated Conference Committee Report

	FY 17-18		FY 18-19	
47 Reserve Funds	(\$140,000)	R	(\$140,000)	R
Fund Code: 1000				
Removes recurring funding from the base budget that was provided to implement Senate Bill 867, 2016 Session of the 2015 Regular Session. This legislation was never ratified by the General Assembly. (S.B. 430/H.B. 537)	-2.00		-2.00	
48 State Board of Education	(\$188,030)	R	(\$188,030)	R
Fund Code: 1000				
Reduces funding to the State Board of Education, including the elimination of the following filled position:	-1.00		-1.00	
60009490 - Associate State School Superintendent (1.00)				
The revised net appropriation for the State Board of Education is \$640,356 in each year of the biennium.				
49 Position Eliminations	(\$177,081)	R	(\$177,081)	R
Fund Code: 1000				
Eliminates the following vacant position in DPI:	-1.00		-1.00	
60093688 - Chief Performance Officer (1.00)				
This item also eliminates a filled Research Associate receipt-supported position (60009919) at DPI.				
The revised net appropriation for fund code 1000 is \$4.6 million in each year of the biennium.				
50 Position Elimination	(\$59,988)	R	(\$59,988)	R
Fund Code: 1100				
Eliminates the following part-time vacant position in DPI:	-0.40		-0.40	
60094937 - Education Program Director (0.40)				
The revised net appropriation in fund code 1100 is \$5.3 million in each year of the biennium.				

2017 Annotated Conference Committee Report

51 Position Elimination

Fund Code: 1300

Eliminates the following vacant position in DPI:

60009676 - Education Consultant III (1.00)

The revised net appropriation for fund code 1300 on a recurring basis is \$2.8 million in each year of the biennium.

(S.L. 2017-197, Sec 2.8, Budget Technical Corrections, eliminates a Social/Clinical Research Specialist position (60009518) and operating funds in lieu of eliminating the Education Consultant III position (60009696).)

FY 17-18

FY 18-19

(\$111,042) R

(\$111,042) R

-1.00

-1.00

52 Position Elimination

Fund Code: 1330

Eliminates the following vacant position in DPI:

60091186 - Accountant (0.89)

The revised net appropriation for fund code 1330 is \$4.3 million in each year of the biennium.

(\$66,121) R

(\$66,121) R

-0.89

-0.89

53 Position Eliminations

Fund Code: 1400

Eliminates the following 3 vacant positions in DPI:

60041714 - Education Diagnostician I (1.00)

60039569 - Education/Development Aide II (1.00)

60039526 - Education/Development Aide II (0.75)

The revised net appropriation in fund code 1400 is \$7.5 million in each year of the biennium.

(\$130,254) R

(\$130,254) R

-2.75

-2.75

54 Position Eliminations

Fund Code: 1600

Eliminates the following 2 filled position in DPI:

60094593 - Business Technology Analyst (1.00)

65024592- Digital Learning Plan Project Coordinator (1.00)

The revised net appropriation for fund code 1600 is \$12.4 million in FY 2017-18 and \$12.2 million in FY 2018-19.

(\$145,206) R

(\$145,206) R

-2.00

-2.00

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

55 Position Elimination

(\$108,796) R

(\$108,796) R

Fund Code: 1640

-1.00

-1.00

Eliminates the following filled position in DPI:

60039125 - Director of External Meetings & Special Projects (1.00)

The revised net appropriation for fund code 1640 is \$1.8 million in each year of the biennium.

56 Position Elimination

(\$98,998) R

(\$98,998) R

Fund Code: 1660

-1.00

-1.00

Eliminates the following vacant position in DPI:

60039518 - Education Consultant II (1.00)

The revised net appropriation for fund code 1660 is \$2.7 million in each year of the biennium.

E. Reserves and Transfers

57 Coding and Mobile Application Grant Program

\$400,000 R

\$800,000 R

Fund Code: 1900

Provides funds to DPI to establish a Coding and Mobile Application Grant Program. Funds appropriated for the program shall be used to award competitive grants each fiscal year. Grant funds shall be used for the purchase of equipment, digital materials, and related capacity building activities. Grant recipients shall use no more than 5% of the grant award each fiscal year for administrative costs. The revised net appropriation for this program is \$400,000 in FY 2017-18 and \$800,000 in FY 2018-19. (S.L. 2017-57, Sec. 7.23)

58 Teacher Assistant Tuition Reimbursement Program

\$315,000 R

\$315,000 R

Fund Code: 1900

Expands the teacher assistant tuition reimbursement pilot program to Alamance-Burlington, Beaufort, Bertie, Duplin, Edenton-Chowan, Edgecombe, Guilford, Halifax, Nash-Rocky Mount, Northampton, Randolph, Tyrrell, Vance, and Washington County Schools. The pilot program provides tuition reimbursement of up to \$4,500 annually for 5 teacher assistants per school district who are pursuing a college degree that will result in teacher licensure. The revised net appropriation for this program is \$427,500 in each year of the biennium. (S.B. 447, S.B. 443; S.L. 2017-57, Sec. 7.20)

59 Advanced Teaching Roles**Fund Code:** 1900

\$7,180,000 NR

Provides additional funds for a 3-year pilot program established in the FY 2016-17 budget. The pilot supports school district efforts to create the organizational structure and innovative compensation methods that would allow classroom teachers to take on advanced teaching roles. The revised net appropriation for the advanced teaching roles pilot program is \$8.2 million in FY 2017-18 and \$1.0 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 7.15)

60 Innovation Zone Model Grants

\$450,000 R

Fund Code: 1900

Provides recurring beginning in FY 2018-19 only to DPI to award innovation zone model grants of up to \$150,000 per year for 5 years to local boards of education who have been authorized by the State Board of Education to create an innovation zone pursuant to G.S. 115C-75.13. Local boards of education shall be required to provide a dollar-for-dollar match for the grant amount. The revised net appropriation for this program is \$450,000 in FY 2018-19 only.

(S.L. 2017-57, Sec. 7.26E)

61 NC Education Endowment Fund

\$1,000,000 R

Fund Code: 1900

(\$4,550,000) NR

Reduces funding for the North Carolina Education Endowment Fund by \$4.55 million on a one-time basis in FY 2017-18 and transfers \$450,000 in remaining funds to the North Carolina State Education Assistance Authority for start-up funds to reinstate the NC Teaching Fellows Program. An additional \$1 million in funding is provided for the Endowment Fund to support the Teaching Fellows program in FY 2018-19. The revised net appropriation to the Endowment Fund is \$0 in FY 2017-18 and \$6.0 million in FY 2018-19.

(S.L. 2017-57, Sec. 10A.3)

(This item also appears in the Public Education special funds in the Education section on page F 24 and in the UNC System General Fund in the Education section on page F 81, item 121.)

62 Cash Balance**Fund Code:** 1900

(\$6,145,461) NR

Reduces the net appropriation to DPI on a nonrecurring basis to reflect a one-time transfer of the cash balance in the North Carolina Education Endowment Fund. The revised net appropriation to DPI's operating budget is reduced by \$6.1 million in FY 2017-18; however, total funding available to DPI remains unchanged.

(S.L. 2017-57, Sec. 10A.3)

F. Grants**63 Eastern North Carolina STEM****Fund Code:** 1901

\$300,000 NR

Provides funds to the State Board of Education to contract with an independent entity to administer a residential STEM enrichment program for underserved students. Participation in the program is limited to students enrolled in Northampton County Schools, Weldon City Schools, Roanoke Rapids City Schools and KIPP Pride High School in Gaston, NC. The revised net appropriation for Eastern NC STEM is \$300,000 in FY 2017-18 only.

(S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 2.7, Budget Technical Corrections, adds Halifax County Schools to the list of eligible participants.)

64 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 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

65 Muddy Sneakers**Fund Code:** 1901

\$500,000 NR

Provides funds to Muddy Sneakers to support its experiential learning programs that aim 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 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

66 Triangle Literacy Council

Fund Code: 1901

\$740,000 NR

Provides funds to the Triangle Literacy Council to support juvenile literacy centers that serve court-involved or otherwise at-risk youth. The revised net appropriation for the Triangle Literacy Council is \$740,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

67 Hoke Reading Literacy Council, Inc.

Fund Code: 1901

\$25,000 NR

Provides funds to the Hoke Reading Literacy Council, Inc. The Council aims to provide basic literacy instruction including English as a Second Language and introductory computer classes. The revised net appropriation for the Hoke Reading Literacy Council, Inc. is \$25,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

68 Life Changing Experiences Pilot Program

Fund Code: 1901

\$360,000 NR \$360,000 NR

Provides funds to DPI to contract with the Children and Parent Resource Group, Inc. for the Life Changing Experiences Program, a three dimensional and interactive multimedia education program which focuses on activities that negatively impact teenagers, including alcohol and drugs, dangerous driving, violence, and bullying. This program targets students in grades 6 through 11 and will be piloted in Mitchell, Pitt, Wayne, and Winston Salem/Forsyth County Schools. The revised net appropriation for this program is \$360,000 in each year of the biennium.
(S.B. 423/H.B. 884; S.L. 2017-57, Sec. 7.25)

69 Haywood Community Learning Center

Fund Code: 1901

\$250,000 NR

Provides additional funds to the Haywood County School District to support the Haywood Community Learning Center to provide enrichment opportunities to students in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

70 Harnett County Early College

Fund Code: 1901

\$100,000 NR

Provides funds to the Harnett County School district to support the planning and development of the Harnett County Early College. The revised net appropriation for the Harnett County Early College is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

71 Richmond Senior High School

Fund Code: 1901

\$200,000 NR

Provides additional funds to the Richmond County School District to support Richmond Senior High School in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

Total Legislative Changes

\$289,316,731 R \$686,028,440 R

\$17,865,905 NR \$15,360,000 NR

Total Position Changes

-6.39 -6.39

Revised Budget

\$9,046,403,622 \$9,425,109,426

DPI - Trust Special

Budget Code: 63501

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$7,440,151	\$694,530
Recommended Budget		
Requirements	\$6,000,000	\$6,000,000
Receipts	\$5,000,000	\$5,000,000
Positions	0.00	0.00

Legislative Changes**Requirements:****North Carolina Education Endowment Fund (6109)**

Increases the recurring transfer from DPI's General Fund budget to the Endowment Fund by \$1 million for the Teaching Fellows Program in FY 2018-19. The revised net appropriation for the Teaching Fellows Program in FY 2018-19 is \$6 million.

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

(This item also appears in the Public Education General Fund in the Education section. See page F 21, item 61.)

North Carolina Education Endowment Fund (6109)

Transfers the cash balance estimated to be \$6,145,461 by the end of the fiscal year to DPI to offset the Department's operating budget in FY 2017-18.

\$0	R	\$0	R
\$6,145,461	NR	\$0	NR
0.00		0.00	

(This item also appears in the Public Education General Fund in the Education section. See page F 21, item 62.)

North Carolina Education Endowment Fund (6109)

Makes a technical adjustment to remove the \$1 million reserve line-item on a recurring basis and decreases the \$5 million reserve line-item on a nonrecurring basis in FY 2017-18 only.

(\$1,000,000)	R	(\$1,000,000)	R
(\$5,000,000)	NR	\$0	NR
0.00		0.00	

(This item also appears in the Public Education General Fund in the Education section. See page F 21, item 61.)

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
State Literary Fund (6102)	\$0 R	\$0 R
Transfers the cash balance to the SPSF to offset the textbooks and digital materials allotment in FY 2017-18.	\$259,833 NR	\$0 NR
	0.00	0.00
(This item also appears in the Public Education General Fund in the Education section. See page F 10, item 19.)		
Education Fund (6116)	\$0 R	\$0 R
Transfers the cash balance to the SPSF to offset the textbooks and digital materials allotment in FY 2017-18.	\$340,327 NR	\$0 NR
	0.00	0.00
(This item also appears in the Public Education General Fund in the Education section. See page F 10, item 19.)		
Subtotal Legislative Changes	(\$1,000,000) R	\$0 R
	\$1,745,621 NR	\$0 NR
	0.00	0.00

Receipts:

North Carolina Education Endowment Fund	\$0 R	\$1,000,000 R
Decreases the \$5 million transfer from DPI's General Fund budget to the Endowment Fund on a nonrecurring basis in FY 2017-18 and increases the transfer from DPI's General Fund budget to the Endowment Fund by \$1 million for the Teaching Fellows Program on a recurring basis starting in FY 2018-19. The revised net appropriation for the Endowment Fund is \$6 million in FY 2018-19.	(\$5,000,000) NR	\$0 NR
State Literary Fund (6102)	\$0 R	\$0 R
No change.	\$0 NR	\$0 NR
Education Fund (6116)	\$0 R	\$0 R
No change.	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$1,000,000 R
	(\$5,000,000) NR	\$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$6,745,621	\$6,000,000
Revised Total Receipts	\$0	\$6,000,000
Change in Fund Balance	(\$6,745,621)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$694,530	\$694,530

Special Provisions

2017 Session: SB 257

Department: Public Education

Section: 7.1

Title: FUNDS FOR CHILDREN WITH DISABILITIES

Summary: Provides \$4,125.27 per child for children with disabilities to each LEA for the lesser of (i) all children who are identified as children with disabilities, or (ii) 12.75% of the LEA's allotted average daily membership (ADM).

Additionally, subsection (b) prohibits LEAs from transferring funds out of the children with disabilities allotment into another allotment category. This change is effective with the 2017-18 school year.
(S.B. 430/H.B. 537).

Section: 7.2

Title: FUNDS FOR ACADEMICALLY GIFTED CHILDREN

Summary: Provides \$1,314.56 per child for academically and intellectually gifted children to each LEA for a maximum of 4% of each LEA's allotted ADM.

Subsection (b) prohibits LEAs from transferring funds allotted for academically and intellectually gifted children into another allotment category. This change is effective with the 2018-19 school year.
(S.B. 430/H.B. 537)

Section: 7.3

Title: SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

Summary: Continues the formula for determining eligibility for and distribution of funds appropriated in FY 2017-18 and FY 2018-19 for supplemental funding for public schools in low-wealth counties.

Subsection (h) continues funding for counties that contain a base of the Armed Forces of the United States and that have an ADM of more than 23,000 students regardless of other attributes that would make those counties ineligible for funding.
(S.B. 430/H.B. 537)

Section: 7.4

Title: SMALL COUNTY SCHOOL SYSTEM SUPPLEMENTAL FUNDING

Summary: Continues the formula for the small county allotment as modified by Section 8.4 of S.L. 2014-100, Appropriations Act of 2014. This section provides a tiered funding formula for distributing the small county supplemental funding allotment. Under the formula, each eligible LEA receives a defined dollar amount based on its allotted ADM. This schedule is unchanged from the 2015-17 biennium.
(S.B. 430/H.B. 537)

Section: 7.5

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

Summary: Continues the formula for the DSSF allotment. The section allots the dollar equivalent of a number of teaching positions (including benefits). The amount provided is based on the number of positions required to reduce class sizes for the eligible DSSF population as defined by the State Board of Education (SBE) from a ratio of 1 teacher for every 21 students to a lower proposed ratio (depending on an LEA's wealth, per the low wealth allotment formula). (S.B. 430/H.B. 537)

Section: 7.6

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

Summary: Directs that funds appropriated for UERS for the 2017-19 biennium shall not revert. (S.B. 430/H.B. 537)

Section: 7.7

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

Summary: Prescribes how DPI may implement the management flexibility reduction included in the budget. Specifically, DPI may make no reduction in funding to the State Public School Fund, including the residential schools, or to any budget expansion item funded by an appropriation to DPI by this act for the 2017-19 Fiscal Biennium.

Additionally, DPI may not make reductions to the following areas:

- Communities in Schools of North Carolina, Inc.,
- Teach for America, Inc.,
- Beginnings for Parents of Children Who are Deaf or Hard of Hearing, Inc.,
- The Excellent Public Schools Act, Read to Achieve Program,
- The North Carolina School Connectivity Program,
- The North Carolina Center for the Advancement of Teaching,
- The North Carolina Innovative School District,
- Eastern North Carolina STEM, and
- Positions appointed by and with a direct report to the State Superintendent of Public Instruction, including those positions described in S.L. 2017-57, Sec. 7.10, Appropriations Act of 2017.

Section: 7.8

Title: **DPI/ALIGNMENT OF FEDERAL FUNDS**

Summary: Directs DPI, in consultation with the Office of State Budget and Management, to align federal funds to accurately reflect the amount projected to be received and spent by the Department as part of the certification of the budget. This requirement is in accordance with the State Budget Act, G.S. 143C..

Section: 7.9

Title: **ADMINISTRATION OF THE EXCELLENT PUBLIC SCHOOLS ACT**

Summary: Directs DPI to use funds appropriated to implement the Excellent Public School Act (Section 7A.1 of S.L. 2012-142, as amended) to fund 13 time-limited positions that support K-3 assessments. Funding is authorized through the end of the 2017-19 biennium. (S.B. 430/H.B. 537)

Section: 7.10

Title: **SUPERINTENDENT OF PUBLIC INSTRUCTION SUPPORT STAFF**

Summary: Authorizes the Superintendent of Public Instruction to use up to \$700,000 to appoint up to 10 positions that are exempt from the State Human Resource Act and report directly to the State Superintendent.
(H.B. 838)

Section: 7.11

Title: **CARRYFORWARD OF CERTAIN DPI FUNDS**

Summary: Allows DPI to carry forward funds appropriated in S.L. 2016-94, 2016 Appropriations Act, related to the implementation and evaluation of 4 programs. These 4 programs include: the Teacher Compensation and Advanced Teaching Roles Pilot Program, the Local Alternative Teacher Preparation Program, the North Carolina Innovative School District, and School Connectivity.

Section: 7.12

Title: **PROHIBIT TRANSFER OF LIMITED ENGLISH PROFICIENCY FUNDS**

Summary: Prohibits LEAs from transferring funds allotted for limited English proficiency into another allotment category, effective with the 2017-18 school year.

Section: 7.13

Title: **PROHIBIT TRANSFER OF TEXTBOOKS AND DIGITAL RESOURCES FUNDS**

Summary: Prohibits LEAs from transferring funds allotted for textbooks and digital resources into another allotment category, effective with the 2018-19 school year.

Section: 7.15

Title: **CLASS SIZE FLEXIBILITY FOR CURRENT PILOT PROGRAMS AND DUAL LANGUAGE IMMERSION CLASSES**

Summary: Repeals Section 8.7(i) of S.L. 2016-94, 2016 Appropriations Act, which allowed LEAs receiving grants from the Teacher Compensation Models and Advanced Teaching Roles Pilot Program to exceed the maximum class size requirements for kindergarten through 3rd grade. However, under this section, LEAs receiving grants may allow a certain number of schools identified in the LEAs' proposals for the Program to exceed individual class size requirements in kindergarten through 3rd grade for the duration of the Program. In addition, schools participating in Project Lift in the Charlotte-Mecklenburg Schools and schools participating in R:3 Career Pathways Program in Pitt County Schools may also exceed individual class size requirements in kindergarten through 3rd grade for the duration of the program.

This section also provides that class size requirements for kindergarten through 3rd grade do not apply to dual-language immersion classes, which are defined as classes where (i) at least one-third of the students' dominant language is English and (ii) instruction involves both English and a target foreign language with a minimum of 50% of core content taught in the target foreign language.

The exemption for LEAs participating in the Program expires June 30, 2020. The exemption for dual-language immersion classes applies beginning with the 2017-2018 school year.

Section: 7.16

Title: **IMPROVE EDUCATION FINANCIAL AND INFORMATION TRANSPARENCY**

Summary: Directs DPI to implement the School Business System Modernization Plan, as proposed by the SBE as required by Section 8.15 of S.L. 2016-94, 2016 Appropriations Act. The section states the General Assembly's intent to fund a multi-phase, multi-year project intended to: modernize State and local education financial, human resource, and school information systems, provide for a common reporting and analytics system, integrate financial, payroll, human resources, and related human capital systems through the use of an enterprise resource planning (ERP) solution, and link the State licensure system with the upgraded local systems.

DPI must report to the Joint Legislative Education Oversight Committee (JLEOC) and the Fiscal Research Division (FRD) on the plan development and plan for implementation by September 1, 2017, and each year thereafter by March 15.

Section: 7.17

Title: **OFFICE OF CHARTER SCHOOLS/WEB-BASED RECORD AND DATA MANAGEMENT**

Summary: Directs DPI to use up to \$200,000 of the funds authorized to be carried forward for UERS to support the purchase of a web-based electronic records and data management system to automate and streamline reporting and accountability requirements of charter schools. (S.B. 430/H.B. 537)

Section: 7.18

Title: **STATE BOARD OF EDUCATION/USE OF STATE FUNDS**

Summary: Amends G.S. 115C to add a new section, G.S. 115C- 13.5, which prohibits the SBE from using State funds to employ private counsel for litigation services.

Additionally, the section clarifies which positions support the SBE, reflecting the elimination of the Associate State School Superintendent position in item 48 on page F 17 of the Education section.

Section: 7.19

Title: **TEACHERS/ISOLATED K-12 SCHOOLS**

Summary: Amends G.S. 115C-301 to direct the SBE to allot additional classroom teachers to schools where consolidation is not feasible due to geographic isolation and the school meets at least 1 of the following criteria:

- (1) Be located in an LEA in with an average daily membership of less than 1.5 students per square mile, or
- (2) Be located in a county containing more than 150,000 acres of national forest owned by the federal government and managed by the United States Forest Service.

The SBE must allot teachers to geographically-isolated schools on the basis of 1 classroom teacher per grade level and must allot teachers to the remainder of the LEA in accordance with the formulas for the regular classroom teacher allotment. (S.B. 15/H.B. 23)

Section: 7.20

Title: **TURNING TAS INTO TEACHERS PILOT EXPANSION/STUDENT TEACHER EMPLOYMENT**

Summary: Amends Section 8.29 of S.L. 2016-94, 2016 Appropriations Act, to expand the pilot program providing tuition assistance awards to part- or full-time teacher assistants working in certain LEAs to pursue a college degree that will result in teacher licensure. The pilot program will be available beginning in the 2017-18 school year in Alamance Burlington Schools, Beaufort County Schools, Bertie County Schools, Duplin County Schools, Edenton-Chowan Schools, Edgecombe County Schools, Guilford County Schools, Halifax County Schools, Nash-Rocky Mount Schools, Northampton County Schools, Randolph County Schools, Tyrrell County Schools, Vance County Schools, and Washington County Schools.

Additionally, the section provides that beginning with the 2017-18 school year, teacher assistants must continue to receive salary and benefits while student teaching in the same LEA where they are employed as a teacher assistant.

All local boards of education participating in the pilot program must report jointly to JLEOC by September 1, 2018, and annually thereafter, on results of the pilot program.
(S.B. 447, S.B. 443)

Section: 7.22

Title: **COOPERATIVE INNOVATIVE HIGH SCHOOL FUNDING CHANGES**

Summary: Modifies supplemental funding available for Cooperative and Innovative High Schools (CIHS). Beginning in FY 2017-18, all CIHSs approved for operation will receive funds through the CIHS allotment, including CIHSs that previously have not received supplemental funds. CIHS funds will vary based on the economic development tier the CIHS is located in, with Tier 1 CIHSs receiving \$275,000, Tier 2 and 3 CIHSs receiving \$200,000, and virtual CIHSs receiving \$200,000 regardless of tier. Tier 3 CIHSs will receive \$175,000 beginning in FY 2018-19.

The State Board of Community Colleges, the Board of Governors of the University of North Carolina (UNC), and the SBE must study and report to the Senate Appropriations Committee on Education/Higher Education and the House Appropriations Committee on Education (Appropriations Committees on Education), FRD, and JLEOC on the costs associated with the Career and College Promise Program, student outcomes related to the Program, and any recommendations on modifications to the administration and funding of the Program by February 15, 2018.

The section also amends G.S. 115C-238.55 by requiring the State Board of Community Colleges, in conjunction with the SBE and the Board of Governors of UNC, to evaluate the success of students participating in the Career and College Promise Program. The Boards must report jointly by January 15 of each year to JLEOC.

(S.B. 582, Sec. 2.1, Budget Technical Corrections, amends this provision to change the reporting date for the joint report on student success from January 15 to March 15 of each year.)

Section: 7.23

Title: **PREPARING FUTURE WORKFORCE IN CODING AND MOBILE APP DEVELOPMENT GRANT PROGRAM**

Summary: Directs DPI to establish the Coding and Mobile Application Grant Program to develop industry partnerships with LEAs and charter schools to design and implement computer science, coding, and mobile application development curricular programs for middle school and high school students. Funds for the Program are to be used to award competitive grants of up to \$400,000 each fiscal year. These grants may be used for the purchase of equipment, digital materials, and related activities such as teacher professional development.

In selecting recipients, the State Superintendent must consider diversity among the applicants, including geographic location, positive impact on the community of industry partnerships, and the size of the student population. Initial grant recipients must be selected by November 15, 2017, and the Program's implementation must begin in the spring semester of the 2017-2018 school year.

By August 1 of each year of the Program, grant recipients must submit a report to DPI for the preceding year in which grant funds were expended that provides information on the use of the funds, the number of students participating in the program, how many students subsequently participated in work based opportunities, and outcome data regarding job attainment and postsecondary opportunities as a result of the partnership initiative.

By September 15 of each year DPI must report to JLEOC and FRD, beginning with an initial report by September 15, 2018, on grant recipients and implementation of the Program.

Section: 7.23A

Title: **EXPAND SCHOOL CONNECTIVITY INITIATIVE/CYBERSECURITY AND RISK MANAGEMENT**

Summary: Requires the SBE and DPI, in collaboration with the Friday Institute for Educational Innovation (Friday Institute) at North Carolina State University, to expand the School Connectivity Initiative client network engineering to include cybersecurity and risk management services supporting LEAs and charter schools. The expansion must include continuous monitoring and risk assessment, security advisory and consulting services, and security training and education services.

(S.L. 2017-197, Sec. 2.2, Budget Technical Corrections, amends this section by removing the requirement that the expansion plan must include building security programs.)

Section: 7.23B

Title: **REPORT ON CURSIVE WRITING AND MULTIPLICATION TABLES**

Summary: Requires the SBE and DPI to report to JLEOC by March 30, 2018 on the measures taken by each LEA to implement requirements regarding cursive writing and memorization of multiplication tables, pursuant to G.S. 115C-81(k) and G.S. 115C-81(l).

Section: 7.23D

Title: **JOINT LEGISLATIVE TASK FORCE ON EDUCATION FINANCE REFORM**

Summary: Creates the Joint Legislative Task Force on Education Finance Reform consisting of 18 legislators (9 from each chamber). The overall makeup of the Task Force is expected to reflect geographic and urban/rural diversity and must include at least 1 member of the minority party from each chamber. The Task Force is charged with studying various weighted student formula funding models and developing a new funding model for elementary and secondary public schools. The Task Force is required to begin meetings by October 1, 2017, and to submit a final report on the results of its study and development, including proposed legislation, to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, JLEOC, and the Legislative Library, on or before October 1, 2018.
(S.B. 9/H.B. 6)

Section: 7.23E

Title: **ELIMINATE ANALYSIS OF STUDENT WORK PROCESS FOR TEACHER EVALUATIONS**

Summary: Prohibits the use of the analysis of student work process to assess teacher performance and requires the SBE to reflect this prohibition in the consolidated State plan submitted to the U.S. Department of Education. This section also makes conforming changes to G.S. 115C-296(e) and 115C-296.11(b)(3).

Section: 7.23F

Title: **SIXTH AND SEVENTH GRADE CTE PROGRAM EXPANSION GRANT PROGRAM**

Summary: Amends G.S.115C-64.15C to create a competitive grant program expanding Career and Technical Education (CTE) to 6th and 7th grades in selected LEAs to be administered by the North Carolina Education and Workforce Innovation Commission (transferred to DPI in Section 7.23G of S.L. 2017-57, 2017 Appropriations Act). The program awards grants to school districts for up to a 7 year period to be used for employing additional licensed personnel in CTE and support service areas.
(H.B. 450)

Section: 7.23G

Title: **TRANSFER EDUCATION AND WORKFORCE INNOVATION COMMISSION TO DPI**

Summary: Transfers the North Carolina Education and Innovation Commission from the Governor's Office to DPI as a Type II transfer. This section also rewrites G.S. 115C-64.15(a) to revise the amount of funds that can be used for administrative expenses from a flat amount of \$200,000 to 10%.
(H.B. 450)

Section: 7.23H

Title: **FUTURE READY STUDENTS**

Summary: Changes the name of the vocational and technical education program to the career and technical education program and makes conforming changes throughout Chapter 115C.

The section also amends Article 10 of Chapter 115C to create a new part 4, G.S. 115C-170, which establishes business advisory councils that will assist school districts in providing CTE instruction, identify economic and workforce development trends in the region, and advocate for strong local CTE programs.

Additionally, the section amends G.S. 115C-157 to require local boards of education to offer at least 2 work-based learning opportunities consisting of on-the-job training through an internship, cooperative education, or an apprenticeship program.

Lastly, the section amends G.S. 115C-302.1 to require that for the 2018-19 school year, CTE teacher positions serving students in grades 9-12 must be 12 month employees. School districts may use any combination of State and local funds to meet this requirement.
(H.B. 450)

Section: 7.23I

Title: **ESTABLISH B-3 INTERAGENCY COUNCIL**

Summary: Amends Chapter 115C to create a new Article 6D to establish the B-3 Interagency Council, a joint council between the Department of Health and Human Services (DHHS) and DPI charged with establishing a vision for a birth through grade 3 system of early education. The section also directs the Council to undertake a rigorous review of the recommendations developed by DHHS and DPI pursuant to Section 12B.5 of S.L. 2016-94, 2016 Appropriations Act, and to report any suggested changes to those recommendations to the General Assembly and the Governor.

The section also establishes a new exempt position of Associate Superintendent of Early Education who will serve as the chief academic officer of early education and whose duties will be to co-lead work of the Council and oversee DPI's pre-K through 3rd grade initiative.

The Council is required to report on the initial results of the review to JLEOC, the Joint Legislative Oversight Committee on Health Human Services, and the Joint Legislative Commission on Governmental Operations by April 15, 2018. The Council must report on the final results of the review and implementation of a plan for a coordinated system of early care, education, and child development services by February 15, 2019.
(H.B. 556)

(S.L. 2017-197, Sec. 2.3, Budget Technical Corrections, amends this section to allow the Superintendent of Public Instruction to remove the Associate Superintendent for any reason, not only in the event of incapacity to serve.)

Section: 7.23J

Title: **ALLOTMENT TRANSFER REPORT**

Summary: Amends G.S. 115C-105.25 to require each LEA to publish additional financial information on its website by October 15 of each year.

Specifically, if an LEA transfers more than 5% of the funds out of an allotment, the LEA must post to its website the total amount of the funds transferred, the allotment category into which the funds were transferred, the purpose code for the funds following the transfer, and a description of teacher positions funded as a result of the transfer.

DPI is required to report the aggregated information to JLEOC and FRD no later than December 1 of each year.

(S.L. 2017-197, Sec. 7.23J, Budget Technical Corrections, amends this section to clarify that the allotment transfer report must include information on the uses of funds transferred for the 2014-2015, 2015-2016, and 2016-2017 fiscal years.)

Section: 7.23K

Title: **DIGITAL LEARNING PLAN/PROGRAMS/FUNDS**

Summary: Directs the SBE, DPI, the Friday Institute, and the UNC educator preparation programs to develop and implement a comprehensive professional development strategy for teachers and students in UNC educator preparation programs for the use of technology and digital resources as teaching tools.

Additionally, the section directs that the SBE, DPI, the Friday Institute, UNC education preparation programs, and local school boards located in the most economically-distressed counties to assess current efforts to provide digital literacy instruction in kindergarten through 8th grade and to develop a plan to strengthen such efforts.

Section: 7.23L

Title: **AUDIT OF THE DEPARTMENT OF PUBLIC INSTRUCTION**

Summary: Directs the State Superintendent to select an independent research organization to conduct an organizational, functional, and business-process audit of DPI. The audit's results are due to the General Assembly, JLEOC, and FRD by May 1, 2018.

Section: 7.24

Title: **EXTENDED LEARNING AND INTEGRATED STUDENT SUPPORTS COMPETITIVE GRANT PROGRAM**

Summary: Directs DPI to use up to \$6 million in each year of the biennium from the at-risk student services alternative school allotment for the Extended Learning and Integrated Student Supports Competitive Grant Program. The Program provides grants to programs for at-risk students operated by nonprofit corporations and nonprofit corporations working in collaboration with LEAs.

Grant recipients are eligible to receive grants for 2 years of up to \$500,000 each year, with priority consideration given to applications demonstrating models that focus services and programs in low-performing schools. Grant funds must be matched on the basis of 1 dollar in non-grant funds for every 3 dollars in grant funds..

Grant recipients must report to DPI for the year in which grant funds were expended and must submit a final report on key performance data, including statewide test results, attendance rates, graduation rates, promotion rates, and financial sustainability of the program. DPI must provide an interim report on the Program to JLEOC by September 15, 2018, with a final report due on the Program by September 15, 2019.

Section: 7.25

Title: **LIFE CHANGING EXPERIENCES SCHOOL PILOT PROGRAM**

Summary: Directs DPI to use up to \$360,000 in both years of the biennium to contract with the Children and Parents Resource Group, Inc. to design, implement, and evaluate a Life Changing Experiences School Pilot Program focused on dangerous life- and community-threatening activities that negatively impact teenagers. The Program shall be offered to students in grades 6 through 11 in Mitchell, Pitt, Wayne and Winston-Salem/Forsyth school districts. The Children and Parents Resource Group, Inc., in consultation with DPI, is required to submit an interim report by March 1, 2018, and a final report by March 1, 2019 to JLEOC and FRD.
(S.B. 423/H.B. 884)

Section: 7.26

Title: **SCHOOL PERFORMANCE GRADES/ESSA COMPLIANCE**

Summary: Amends Chapter 115C and G.S. 116-239.8(14) to make several changes to the calculation of school achievement scores and compliance with the Every Student Succeeds Act (ESSA).

Subsection (a) modifies G.S. 115C-12(9)c1 regarding the requirements for the annual school report card to include student progress in achieving English language proficiency and school performance of certain subgroups of students to comply with ESSA.

Subsection (c) revises G.S. 115C-83.15 to modify the school achievement score calculation to include 1 point for each percent of students who progress in achieving English language proficiency on annual assessments. Additionally, the subsection prohibits the SBE from adding any other designations related to school performance to a letter grade, such as plus or minus, and requires the SBE to use the Education Value Added Assessment System (EVAAS) to calculate school performance scores and grades for several subgroups.

Subsection (d) directs the SBE to use the school performance grades to comply with ESSA, using the academic achievement score as the measure of academic achievement, and school growth as the measure of school quality and student success, and to weigh indicators in accordance with G.S. 115C-83.15.

Subsections 7.26.(e) - (k) make various conforming changes to clarify that "school performance grade" refers to the overall grade (80% achievement and 20% growth), not including any of the subgroup grades.

(S.L. 2017-197, Sec. 2.5, Budget Technical Corrections, amends this section to specify that EVAAS data is used to calculate school growth rather than to calculate the overall performance scores and grades.)

Section: 7.26A

Title: **CLARIFY STUDENT CONSENT TO RECEIVE COLLEGE, UNIVERSITY, AND SCHOLARSHIP INFORMATION**

Summary: Amends G.S. 115C-401.2(e) to clarify that operators of internet websites, online services, online applications, or mobile applications may use a student's information to identify information on nonprofit institutions of higher education or scholarship providers to the student if express written consent from the parent, or a student who is at least 13, is given to the provider.

Section: 7.26B

Title: **CAREER AND COLLEGE READY LITERACY SKILLS/READING IMPROVEMENT COMMISSION**

Summary: Amends G.S. 115C-12(40) to require that career and college diploma endorsements be awarded only to students who receive scores on a nationally norm-referenced college admissions test for reading, indicating the level of achievement required for students to have a 50% chance of obtaining a grade B or higher or a 75% chance of obtaining a grade C or higher in a corresponding credit bearing, first-year college course. The section authorizes students to retake the college admission test to achieve the required score.

Subsection (b) requires the Superintendent of Public Instruction to establish a Reading Improvement Commission to study and make recommendations on best practices for public schools to improve reading comprehension, understanding, and application for students in grades 4 through 12 to ensure that students complete high school with literacy skills necessary for career and college readiness. The Superintendent must report to the JLEOC, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the SBE on the study, including any findings and recommendations, by January 15, 2019. The SBE may use the findings and recommendations to inform the SBE's policies and may submit additional comments on DPI's report no later than February 15, 2019.
(H.B. 751)

Section: 7.26C

Title: **NATIONALLY NORM-REFERENCED COLLEGE ADMISSIONS TEST**

Summary: Amends G.S. 115C-174.11(c)(4) to require the SBE to use a competitive bid process to adopt 1 nationally norm-referenced college admissions test to make available to LEAs, regional schools, and charter schools to administer to students in 11th grade, and one alternate to the nationally norm-referenced test. This section also makes a conforming change to G.S. 115C-174.22. Tests chosen through the competitive bid process shall be administered beginning with the 2019-20 school year, and the SBE is required to report on the results of the bid process to JLEOC by May 15, 2019.

Section: 7.26E

Title: **NORTH CAROLINA INNOVATIVE SCHOOL DISTRICT**

Summary: Renames the Achievement School District to the North Carolina Innovative School District (ISD) and makes conforming changes through the statutes. The section also clarifies that the ISD is an LEA for the purposes of federal law and for the administration of State law and moves up the timelines for the selection of the schools to be included in the ISD by 1 month. It also delays the timeline for implementing and evaluating of the ISD by 1 year, including all reporting requirements.

The section further allows a local board of education that transferred a school into the ISD to ask the SBE to create an innovation zone for all of the low-performing schools in its local school administrative unit if 35% or more of schools are low-performing. The designation as an innovation zone authorizes the local board of education to operate schools with the same exemptions from State law and rules as charter schools. A low-performing school in an innovation zone becomes a school in the ISD if the low-performing school does not exceed expected growth in the last 2 years of the 5 consecutive years in an innovation zone.

Section: 7.27

Title: **READ TO ACHIEVE DIAGNOSTIC CHANGES**

Summary: Amends G.S. 115C-83.6 to require, beginning with the 2018-2019 school year, that kindergarten through 3rd grade reading assessments yield data that can be used with EVAAS to analyze student data.

By October 1, 2017, the State Superintendent must issue a Request for Proposals (RFP) to vendors of diagnostic reading assessment instruments to provide 1 or more valid, reliable, formative, and diagnostic reading assessment instrument or instruments that, at a minimum, yield data that can be used with EVAAS, demonstrate close alignment with student performance on State assessments, and demonstrate high rates of predictability as to student performance on State assessments.

(S.L. 2017-197, Sec 2.6, Budget Technical Corrections, amends this section to permit DPI to carry forward up to \$5 million of funds appropriated in S.L. 2015-241, 2015 Appropriations Act, for the Excellent Public Schools Act through the end of the 2017-2018 Fiscal Year. These funds shall be allotted to LEAs for the purchase of computers or other electronic devices used for the administration of the formative and diagnostic reading assessments made available by the SBE pursuant to G.S. 115C-174.11.)

Section: 7.28

Title: **REIMBURSE INITIAL TEACHER LICENSURE FEE FOR CERTAIN TEACHING GRADUATES**

Summary: Amends g.S. 115C-296 to requires the SBE to reimburse the initial teacher application fee for a first time applicant if the applicant is a graduate of an approved educator preparation program located in North Carolina and has successfully earned his or her initial teaching license in North Carolina.
(S.B. 517)

Section: 7.28A

Title: **TESTING TRANSPARENCY**

Summary: Directs the Superintendent of Public Instruction to study and make recommendations about the extent to which the SAT and ACT align with the English language arts and mathematics sections of the North Carolina Standard Course of Study. Findings and recommendations must be made by February 1, 2018, to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the JLEOC.

The section also amends G.S. 115C-174.12 to change the date by which local boards of education must notify the SBE of any local standardized testing required by the local board of education, including various reporting requirements about the test. It further directs the SBE to publish on DPI's website a uniform calendar that includes schedules for State-required testing and reporting results of tests for at least the next 2 school years, including estimates of the average time for administering State-required standardized tests. Local boards of education are also required to populate the calendar with information on local testing requirements.

The section further amends Part 2 of Article 10A of G.S. 115C to add 2 new sections. The first requires local boards of education to provide a student's results on standardized tests required by the local board to the student's teachers and parents within specified timelines. The second requires DPI to provide a student's results on statewide standardized tests in a timely manner and in an understandable format to local boards that in turn must provide those results to the teacher of record and the parent.

Finally, this section amends G.S. 115C-81(b) to provide that the Basic Education Program must provide standards for early promotion based on the mastery of competencies that apply when early grade or course promotion based on the mastery of competencies is permitted in a school. The standards must include the requirements for early promotion for English language arts for grades 3 through 12 and mathematics for grades 3 through 12. (H.B. 841)

Section: 7.28D

Title: **WAIVE FEE FOR CAMBRIDGE AICE PROGRAM COURSE**

Summary: Amends G.S. 115C-174.26(a) to add Cambridge Advanced International Certificate of Education (AICE) courses, including AS-Level or A-1 Level courses, to the definition of advanced courses thereby exempting students enrolled in the courses from paying for registration and examination fees to the extent that funds are made available for this purpose.

Section: 7.32

Title: **FINANCIAL LITERACY ELECTIVE COURSE PILOT PROGRAM**

Summary: Directs the Superintendent of Public Instruction to establish a 3-year Financial Literacy Elective Course Pilot Program and to select LEAs that represent the State's geographic, economic, and social diversity to participate in the pilot program. The SBE, in consultation with the Superintendent, shall develop a curriculum, materials, qualifications for teaching the course, and guidelines for LEAs to use. By November 15 of each year, DPI shall report to the JLEOC on the implementation and administration of the program and recommendations on the modification, continuation, and expansion of the program. (H.B. 882)

Section: 7.35

Title: **CHARTER SCHOOL TRANSPORTATION GRANT PILOT PROGRAM**

Summary: Directs DPI to establish the Charter School Transportation Grant Pilot Program. The Program's purpose is to award grant funds to charter schools that meets the requirements of the Program for the reimbursement of up to 65% of the eligible student transportation costs incurred by the charter school, including transportation fuel, vehicle maintenance, and contracted transportation services.

To be eligible, at least 50% of a charter school's students must reside in households with an income level not in excess of the amount required for a student to qualify for the federal free or reduced price lunch program in a semester of the school year.

DPI must report on the administration of the Program by March 15, 2018, to FRD, the Joint Legislative Transportation Oversight Committee, and the JLEOC.
(S.B. 662, H.B. 644)

Section: 8.1

Title: **TEACHER SALARY SCHEDULE**

Summary: Establishes the monthly minimum salary schedule (salary schedule) for the 2017-18 fiscal year for certified personnel in North Carolina public schools.

Subsection (a) sets the salary schedule for the 2017-18 fiscal 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 6-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%.

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 the term "teacher" includes instructional support personnel.

Subsection (h) repeals Section 9.1(i) of S.L. 2016-94, 2016 Appropriations Act, which contained an intended teacher salary schedule for FY 2018-19.

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

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

Section: 8.2

Title: **SUPPORT HIGHLY QUALIFIED NC TEACHING GRADUATES**

Summary: Provides teachers entering the profession with a salary supplement in addition to the teacher salary schedule if the teacher graduated from an approved educator preparation program in the State with:

- A grade point average of 3.75 or higher, and,
- A score of 48 or higher on the edTPA assessment, or an equivalent score on another type of nationally-normed teacher assessment.

The salary supplement is structured as an income-leveling adjustment that provides a teacher a salary equivalent to a certain step of the salary schedule. Once a teacher reaches the respective step on the salary schedule upon acquiring additional years of experience, the salary supplement is discontinued. The supplement is determined based on the following:

- An eligible teacher who accepts employment at a low-performing school identified by the SBE pursuant to G.S. 115C-105.37 will receive a salary supplement equivalent to the difference between a teacher paid according to step 3 of the salary schedule and the teacher's current step.
- An eligible teacher who is licensed in science, technology, engineering, mathematics, or special education will receive a salary supplement equivalent to the difference between a teacher paid according to step 2 of the salary schedule and the teacher's current step.
- All other eligible teachers will receive a salary supplement equivalent to the difference between a teacher paid according to step 1 of the salary schedule and step 0.

(S.L. 2017-212, Sec. 2.3, Budget & Agency Technical Corrections, amends this section to modify the edTPA score necessary for a new teacher to receive a Highly Qualified Teacher salary supplement.)

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

Section: 8.3

Title: **PRINCIPAL SALARY SCHEDULE**

Summary: Establishes the minimum monthly salary schedules and compensation policies for principals.

Subsection (a) sets the minimum annual salary schedule for the 2017-18 fiscal year for principals. The schedule is based on 2 criteria: 1) School size as measured by the school's ADM and 2) The growth scores achieved by the principal in 2 of the most recent 3 school years under G.S. 115C-83.15(c).

Subsection (b) discontinues longevity payments to principals.

Subsection (c) provides that any principal who was paid according to the principal salary schedule in FY 2016-17, and who would receive a pay reduction under the new schedule, is held harmless in FY 2017-18 and will maintain his or her salary with all applicable salary supplements received in FY 2016-17.

Subsection (c1) states that the hold harmless provision contained in subsection (c) is only applicable in FY 2017-18.

Subsection (d) makes conforming changes to G.S. 115C-105.25(b)(5c) regarding the amount of funds that a local education agency may transfer out of a principal or assistant principal position allotment based on changes made to both salary schedules.

(S.L. 2017-212, Sec. 2.4, Budget & Agency Technical Corrections, amends this section to expand the hold harmless provision to principals paid on the teacher salary schedule in FY 2016-17.)

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

Section: 8.4

Title: **PRINCIPAL BONUSES**

Summary: Creates 2 new school-growth-based bonus program for principals.

Subsection (a) provides principals who supervised a school with a growth ranking in the top 50% of the State with a bonus ranging from \$1,000 to \$5,000.

FY 2017-18 Principal Bonus Schedule
Statewide Growth Percentage Bonus:

Top 5%:	\$5,000
Top 10%:	\$4,000
Top 15%:	\$3,000
Top 20%:	\$2,000
Top 50%:	\$1,000

In addition to the bonuses provided in subsection (a), subsection (b) provides principals who supervise a school that received a school growth score of "not meeting" or "met" expected growth in FY 2015-16, and subsequently receive a growth score of "exceeded" growth expectations in FY 2016-17 will receive an additional bonus of:

- \$10,000 for schools supervised in FY 2015-16 with a school performance grade of "D" or "F" as calculated by the SBE pursuant to G.S. 115C-83.15(d), or
- \$5,000 for all other schools.

Subsection (f) sets forth the General Assembly's intent that the bonuses awarded under this section should be used to supplement principal compensation and not to supplant local funds.

Subsection (g) directs the bonuses to be paid no later than October 31, 2017.

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

Section: 8.5

Title: **ASSISTANT PRINCIPAL SALARIES**

Summary: Establishes the salary schedule for assistant principals for FY 2017-18.

Subsection (a) ties assistant principal pay to the teacher "A" salary schedule plus 17%.

Subsection (b) continues the advanced (\$126/month) and doctoral (\$253/month) degree salary supplements provided in addition to the salary schedule.

Subsection (d) discontinues longevity payments to assistant principals.

Subsection (e) provides that any assistant principal who was paid according to the assistant principal salary schedule in FY 2016-17, and who would receive a pay reduction under the new schedule, is held harmless in FY 2017-18 and will maintain his or her salary with all applicable salary supplements received in FY 2016-17.

Subsection (f) expresses the General Assembly's intent to further increase assistant principal pay in FY 2018-19 by tying assistant principal pay to the teacher "A" salary schedule plus 19%.

(S.L. 2017-212, Sec. 2.4, Budget & Agency Technical Corrections, amends this section to expand the hold harmless provision to assistant principals paid on the teacher salary schedule in FY 2016-17.)

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

Section: 8.6

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 2017-18. Salary ranges are \$1,000 higher than in FY 2016-17.

The following monthly salary ranges apply to public school assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2017-18 Fiscal Year:

	2017-18	
	Minimum	Maximum
School Administrator I:	\$3,525	\$6,501
School Administrator II:	\$3,729	\$6,888
School Administrator III:	\$3,951	\$7,300
School Administrator IV:	\$4,104	\$7,585
School Administrator V:	\$4,265	\$7,887
School Administrator VI:	\$4,517	\$8,356
School Administrator VII:	\$4,693	\$8,688

The following monthly salary ranges apply to public school superintendents for the 2017-18 Fiscal Year:

	2017-18	
	Minimum	Maximum
Superintendent I (Up to 2,500 ADM):	\$4,974	\$9,209
Superintendent II (2,501-5,000 ADM):	\$5,273	\$9,758
Superintendent III (5,001-10,000 ADM):	\$5,586	\$10,344
Superintendent IV (10,001-25,000 ADM):	\$5,921	\$10,965
Superintendent V (> 25,000 ADM):	\$6,277	\$11,626

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 Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 8.7

Title: **NONCERTIFIED PERSONNEL SALARIES**

Summary: Increases the salaries of noncertified public school employees by \$1,000 for FY 2017-18.

Subsection (b) directs that in lieu of the \$1,000 increase provided in subsection (a), \$16.9 million of the funds appropriated for noncertified personnel compensation increases shall be used by local boards of education to increase average pay rates for bus drivers on an equitable basis.

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

Section: 8.8

Title: **SCHOOL BOARDS CREATE MINIMUM SALARY SCHEDULE FOR OCCUPATIONAL THERAPISTS AND PHYSICAL THERAPISTS**

Summary: Amends G.S. 115C-316 to add a new requirement that LEAs establish a minimum salary schedule for occupational and physical therapists that provides experience-based salary increases with experience intervals being no greater than 5 years in duration. The State-funded salaries under the schedule must remain within the salary ranges adopted by the SBE.

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

Section: 8.8A

Title: **VETERAN TEACHER BONUSES**

Summary: Provides a nonrecurring bonus of \$385 to teachers and instructional support personnel with 25 or more years of experience in FY 2017-18 and FY 2018-19.

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

Section: 8.8B

Title: **REVISE TEACHER BONUS PROGRAMS**

Summary: Amends S.L. 2016-94, 2016 Appropriations Act, to revise 3 teacher bonus programs: 1) The Third Grade Read to Achieve Teacher Bonuses, 2) Advanced Placement (AP)/ International Baccalaureate (IB)/ Cambridge AICE (Advanced Courses) Teacher Bonuses, and 3) CTE Teacher Bonuses.

Subsections (a)-(b) revise several requirements for the Advanced Courses and CTE Teacher Bonuses. First, the sections remove the requirement that a teacher must be licensed to be eligible for the bonuses, but requires that the teacher must remain teaching in the same school. The sections also expand the bonuses to charter school teachers and removes the requirement that the teacher remain teaching an Advanced or CTE course the following school year to receive the bonus. The sections also increase the maximum allowable bonus from \$2,000 to \$3,500 per teacher.

Subsection (c) revises several requirements for the Third Grade Read to Achieve Teacher Bonuses. The section removes the requirement that a teacher must be licensed to be eligible for the bonuses and the requirement that the teacher must remain teaching third grade. However, the teacher must remain teaching in the same school to be eligible for the bonus.

(S.L 2017-197, Sec. 2.10, Budget Technical Corrections, amends this section to clarify that AP/IB/Cambridge AICE and CTE bonus provisions include 2017-2018 and 2018-2019 performance.)

Section: 8.8C

Title: **THIRD GRADE READ TO ACHIEVE TEACHER BONUS PROGRAM FOR 2018-2019**

Summary: Directs DPI to administer the Third Grade Read to Achieve Teacher Bonus Program (Program) to qualifying teachers who have an EVAAS student index score for 3rd grade reading from the previous school year.

An eligible teacher is one who meets 1 or both of the following:

- Is in the top 25% of teachers in the State according to the EVAAS student growth index score for 3rd grade reading from the previous school year, or
- Is in the top 25% of teachers in the teacher's respective LEA according to the EVAAS student growth index score for 3rd grade reading from the previous school year.

A qualifying teacher is an eligible teacher who remains teaching in the same LEA at least from the time that the data was collected until the bonus is paid.

Of the funds appropriated for the Program, \$5 million must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the State. These funds must be distributed equally among the qualifying teachers.

Of the funds appropriated for the Program, \$5 million must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the teacher's respective LEA.

A qualifying teacher may receive a bonus for being in the top 25% of the teachers in the State and being in the top 25% of teachers in the teacher's LEA, however, neither bonus may exceed \$3,500 in any given school year and no teacher may receive more than seven thousand dollars \$7,000 in total bonus compensation for any given school year. The bonus (or bonuses) awarded to a qualifying teacher is in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

The SBE must study the impact of the bonuses awarded under this section and under the Third Grade Reading Teacher Performance Pilot Program on teacher performance and retention. The findings of the study, the distribution of statewide bonuses among LEAs, and the distribution of bonuses within LEAs among individual schools must be reported to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the JLEOC, and FRD by March 15 of each year, beginning in 2019.

This section is effective July 1, 2017, and applies to bonuses awarded in January 2019 and January 2020 based on data from the 2017-2018 and 2018-2019 school years, respectively.

(S.L 2017-197, Sec. 2.10, Budget Technical Corrections, amends this section to harmonize S.L. 2017-57 8.8C with Sec. 8.8B and to expand third grade bonuses to include 2018-2019 performance.)

Section: 8.8D

Title: **FOURTH AND FIFTH GRADE READING TEACHER BONUS PROGRAM FOR 2017-2018**

Summary: Creates a new bonus program in FY 2017-18 to provide \$2,150 bonuses to 4th and 5th grade reading teachers who have an EVAAS growth score in the top 25% statewide, or in the top 25% within his or her LEA. If a teacher's growth scores are in the top 25% statewide and top 25% within his or her LEA, the teacher will receive both bonuses.

Growth scores are based on performance from FY 2016-17 and bonuses are payable in January 2018.

Subsection (c) instructs the SBE to study the effect of the bonuses awarded under this section on teacher performance and retention. The Board is directed to report its findings to the JLEOC and FRD by March 15, 2018.

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

Section: 8.8E

Title: **FOURTH TO EIGHTH GRADE MATH TEACHER BONUS PROGRAM FOR 2017-2018**

Summary: Creates a new bonus program in FY 2017-18 to provide \$2,150 bonuses to 4th through 8th grade math teachers who have an EVAAS growth score in the top 25% statewide, or in the top 25% within his or her LEA. If a teacher's growth scores are in the top 25% statewide and top 25% within his or her LEA, the teacher will receive both bonuses.

Growth scores are based on performance from FY 2016-17 and bonuses are payable in January 2018.

Subsection (c) instructs the SBE to study the effect of the bonuses awarded under this section on teacher performance and retention. The Board is directed to report its findings to the JLEOC and FRD by March 15, 2018.

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

Section: 8.10

Title: **SCHOOL BUS DRIVER COMPENSATION AND EMPLOYMENT STUDY**

Summary: Directs the DPI to study the compensation of bus drivers and the challenges of recruiting and retaining bus drivers. The DPI shall report its findings to JLEOC and FRD by April 1, 2018.

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

2017 Session: HB 528

Department: Public Education

Section: 2.1

Title: BUDGET CHANGE: PROGRAM ENHANCEMENT TEACHER FUNDS

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new section 7.14 to state that it is the intent of the General Assembly to use the data collected in accordance with the reporting requirements set forth in S.L. 2017-9, Class Size Requirement Changes, to fund a new allotment for program enhancement teachers beginning with the 2018-2019 Fiscal Year.

Section: 2.2

Title: BUDGET CHANGE: SCHOOL CONNECTIVITY INITIATIVE/CYBERSECURITY AND RISK MANAGEMENT

Summary: Amends S.L. 2017-57, Sec. 7.23A, Appropriations Act of 2017, by removing the requirement that the Cybersecurity and Risk Management expansion plan must include building security programs.

Section: 2.3

Title: BUDGET CHANGE: B-3 INTERAGENCY COUNCIL

Summary: Amends S.L. 2017-57, Sec. 7.23I, 2017 Appropriations Act, to allow the State Superintendent of Public Instruction to remove the Associate Superintendent for any reason, not just in the event of incapacity to serve.

Section: 2.4

Title: TECHNICAL CHANGE: ALLOTMENT TRANSFER REPORT

Summary: Amends S.L. 2017-57, Sec. 7.23J, Appropriations Act of 2017, to clarify that the allotment transfer report must include information on the uses of funds transferred for the 2014-2015, 2015-2016, and 2016-2017 fiscal years.

Section: 2.5

Title: TECHNICAL CHANGE: SCHOOL PERFORMANCE GRADES/ESSA COMPLIANCE

Summary: Amends S.L. 2017-57, Sec. 7.26, 2017 Appropriations Act, to specify that EVAAS data is used to calculate school growth rather than to calculate the overall performance scores and grades.

Section: 2.6

Title: BUDGET CHANGE: READ TO ACHIEVE DIAGNOSTIC CHANGES

Summary: Amends S.L. 2017-57, Sec. 7.27, Appropriations Act of 2017, to permit DPI to carry forward up to \$5 million of funds appropriated in S.L. 2015-241, 2015 Appropriations Act, for the Excellent Public Schools Act through the end of the 2017-2018 Fiscal Year. These funds shall be allotted to LEAs for the purchase of computers or other electronic devices used for the administration of the formative and diagnostic reading assessments made available by the SBE pursuant to G.S. 115C-174.11.

Section: 2.7

Title: **TECHNICAL CHANGE: EASTERN NORTH CAROLINA STEM/HALIFAX COUNTY SCHOOLS**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new section 7.36 that adds Halifax County Schools to the Eastern NC STEM residential program, which was inadvertently omitted.

Section: 2.8

Title: **BUDGET CHANGE: DPI VACANT POSITION FUNDS**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new section 7.37 that substitutes the elimination of a vacant position that was recently filled by DPI with an alternative vacant position and operating support in an equivalent amount.

Section: 2.9

Title: **BUDGET CHANGE: SAFETY TIP LINE**

Summary: Amends Section 8.26(n) of S.L. 2015-241, 2015 Appropriations Act, to remove a deadline for the Department of Public Safety to implement the safety tip line required by 115C-105.51, the responsibility for which has been transferred to DPI.

Section: 2.10

Title: **TECHNICAL CHANGE: TEACHER BONUS PROGRAMS**

Summary: Amends S.L. 2017-57, Sec. 8.8B, Appropriations Act of 2017, to clarify that AP/IB/Cambridge AICE and CTE bonus provisions include 2017-2018 and 2018-2019 performance. The section also amends S.L. 2017-57, Sec. 8.8C, to expand 3rd grade bonuses to include 2018-2019 performance.

Section: 2.18

Title: **TECHNICAL CHANGE: SCHOOL PERFORMANCE GRADES/ESSA COMPLIANCE**

Summary: Amends S.L. 2017-57, Sec. 7.26(a), 2017 Appropriations Act, to add measures of Cambridge AICE Program participation to the annual "report card" for the State and each LEA.

Section: 2.19

Title: **BUDGET CHANGE: LOW-WEALTH COUNTIES**

Summary: Amends S.L. 2017-57, Sec. 7.3, 2017 Appropriations Act, to specify that counties containing a base of the armed forces that have an ADM of more than 23,000 students shall receive in each fiscal year the higher amount of either the amount of supplemental funding the county received as a low-wealth county in the 2012-2013 fiscal year or the amount of supplemental funding the county is eligible to receive as a low-wealth county pursuant to the formula for distribution of supplemental funding.

2017 Session: SB 582

Department: Public Education

Section: 2.1

Title: TECHNICAL CHANGE: COOPERATIVE INNOVATIVE HIGH SCHOOL FUNDING CHANGES

Summary: Amends S.L. 2017-57, Sec. 7.22(g), Appropriations Act of 2017, to change the reporting date for the joint report from the State Board of Community Colleges, the State Board of Education and the Board of Governors of UNC on the success of students participating in the Career and College Promise program. The report is now required on March 15th of each year.

Section: 2.2

Title: TECHNICAL CHANGE: CAREER AND TECHNICAL EDUCATION GRADE EXPANSION PROGRAM

Summary: Amends S.L. 2017-57, Sec. 7.23F(b), Appropriations Act of 2017, to change the deadline for grant applications for the Career and Technical Education Grade Expansion Program from November 1, 2017, to November 30, 2017.

Section: 2.3

Title: TECHNICAL CHANGE: HIGHLY QUALIFIED TEACHING GRADUATES

Summary: Amends S.L. 2017-57, Sec. 8.2(b), Appropriations Act of 2017, to modify the edTPA score necessary for a new teacher to receive a Highly Qualified Teacher salary supplement. This section grandfatheres the edTPA score requirement of 48 for teachers entering the profession between July 1, 2017 and October 8, 2017. For teachers entering the profession after October 8, 2017, this section adds a new Section 8.2A to S.L. 2017-57, Appropriations Act of 2017, that differentiates the edTPA score required to receive a Highly Qualified Teacher salary supplement based on curriculum.

After October 8, 2017, the following edTPA scores are required:

- World Languages and Classical Languages - 42
- Elementary Education - 57
- All Others - 48

Section: 2.4

Title: TECHNICAL CHANGE: PRINCIPAL/ASSISTANT PRINCIPAL HOLD HARMLESS

Summary: Amends S.L. 2017-57, Secs. 8.3(c) and 8.5(e), Appropriations Act of 2017, to extend the hold harmless salary provision to principals and assistant principals paid based on the teacher salary schedule in FY 2016-17.

Community Colleges
Budget Code 16800
(As amended by S.L. 2017-197, Budget Technical Corrections)

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$1,465,717,504	\$1,465,717,504
Receipts	\$397,484,160	\$397,484,160
Net Appropriation	\$1,068,233,344	\$1,068,233,344
Legislative Changes		
Requirements	\$54,283,737	\$72,508,722
Receipts	\$175,961	(\$1,015,779)
Net Appropriation	\$54,107,776	\$73,524,501
Revised Budget		
Requirements	\$1,520,001,241	\$1,538,226,226
Receipts	\$397,660,121	\$396,468,381
Net Appropriation	\$1,122,341,120	\$1,141,757,845

General Fund FTE

Base Budget	198.45	198.45
Legislative Changes	16.00	16.00
Revised Budget	214.45	214.45

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

Community Colleges		Base Budget			Legislative Changes			Revised Budget		
Budget Code 16800										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	4,295,020	393,211	3,901,809	98,000	-	98,000	4,393,020	393,211	3,999,809
1200	Technology Solutions and Distance Learning	16,239,958	399,237	15,840,721	(82,623)	-	(82,623)	16,157,335	399,237	15,758,098
1300	Finance and Operations	3,293,213	467,758	2,825,455	350,000	-	350,000	3,643,213	467,758	3,175,455
1400	Academic and Student Services	7,115,243	4,258,348	2,856,895	-	-	-	7,115,243	4,258,348	2,856,895
1620	Curriculum Instruction	710,356,004	339,077,583	371,278,421	-	-	-	710,356,004	339,077,583	371,278,421
1621	Basic Skill Instruction	68,884,343	16,655,363	52,228,980	-	-	-	68,884,343	16,655,363	52,228,980
1622	Continuing Education and Workforce Development	107,400,338	15,472,866	91,927,472	(260,000)	-	(260,000)	107,140,338	15,472,866	91,667,472
1623	Equipment and Instructional Resources	53,736,606	1,773,844	51,962,762	-	-	-	53,736,606	1,773,844	51,962,762
1624	Specialized Centers and Programs	11,897,231	1,233,917	10,663,314	4,588,825	-	4,588,825	16,486,056	1,233,917	15,252,139
1625	Institutional and Academic Support	517,794,493	933,398	516,861,095	-	-	-	517,794,493	933,398	516,861,095
1900	Reserves and Transfers	(35,294,945)	16,818,635	(52,113,580)	2,392,055	1,541,740	850,315	(32,902,890)	18,360,375	(51,263,265)
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	32,305,056	-	32,305,056	32,305,056	-	32,305,056
N/A	State Retirement Contribution	-	-	-	7,557,679	-	7,557,679	7,557,679	-	7,557,679
N/A	State Health Plan Reserve	-	-	-	3,778,079	-	3,778,079	3,778,079	-	3,778,079
N/A	Enrollment Adjustment	-	-	-	3,556,666	(1,365,779)	4,922,445	3,556,666	(1,365,779)	4,922,445
Total		\$1,465,717,504	\$397,484,160	\$1,068,233,344	\$54,283,737	\$175,961	\$54,107,776	\$1,520,001,241	\$397,660,121	\$1,122,341,120

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Community Colleges		Base Budget			Legislative Changes			Revised Budget		
Budget Code 16800										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	4,295,020	393,211	3,901,809	-	-	-	4,295,020	393,211	3,901,809
1200	Technology Solutions and Distance Learning	16,239,958	399,237	15,840,721	(82,623)	-	(82,623)	16,157,335	399,237	15,758,098
1300	Finance and Operations	3,293,213	467,758	2,825,455	350,000	-	350,000	3,643,213	467,758	3,175,455
1400	Academic and Student Services	7,115,243	4,258,348	2,856,895	-	-	-	7,115,243	4,258,348	2,856,895
1620	Curriculum Instruction	710,356,004	339,077,583	371,278,421	-	-	-	710,356,004	339,077,583	371,278,421
1621	Basic Skill Instruction	68,884,343	16,655,363	52,228,980	-	-	-	68,884,343	16,655,363	52,228,980
1622	Continuing Education and Workforce Development	107,400,338	15,472,866	91,927,472	(260,000)	-	(260,000)	107,140,338	15,472,866	91,667,472
1623	Equipment and Instructional Resources	53,736,606	1,773,844	51,962,762	-	-	-	53,736,606	1,773,844	51,962,762
1624	Specialized Centers and Programs	11,897,231	1,233,917	10,663,314	7,500,000	-	7,500,000	19,397,231	1,233,917	18,163,314
1625	Institutional and Academic Support	517,794,493	933,398	516,861,095	-	-	-	517,794,493	933,398	516,861,095
1900	Reserves and Transfers	(35,294,945)	16,818,635	(52,113,580)	1,200,315	350,000	850,315	(34,094,630)	17,168,635	(51,263,265)
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	32,305,056	-	32,305,056	32,305,056	-	32,305,056
N/A	State Retirement Contribution	-	-	-	19,933,379	-	19,933,379	19,933,379	-	19,933,379
N/A	State Health Plan Reserve	-	-	-	8,005,929	-	8,005,929	8,005,929	-	8,005,929
N/A	Enrollment Adjustment	-	-	-	3,556,666	(1,365,779)	4,922,445	3,556,666	(1,365,779)	4,922,445
Total		\$1,465,717,504	\$397,484,160	\$1,068,233,344	\$72,508,722	(\$1,015,779)	\$73,524,501	\$1,538,226,226	\$396,468,381	\$1,141,757,845

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Community Colleges					
Budget Code 16800		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	35.45	-	-	35.45
1200	Technology Solutions and Distance Learning	80.00	(1.00)	-	79.00
1300	Finance and Operations	35.00	-	-	35.00
1400	Academic and Student Services	48.00	-	-	48.00
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	-	12.00	5.00	17.00
Total FTE		198.45	11.00	5.00	214.45

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Community Colleges					
Budget Code 16800		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	35.45	-	-	35.45
1200	Technology Solutions and Distance Learning	80.00	(1.00)	-	79.00
1300	Finance and Operations	35.00	-	-	35.00
1400	Academic and Student Services	48.00	-	-	48.00
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	-	12.00	5.00	17.00
Total FTE		198.45	11.00	5.00	214.45

2017 Annotated Conference Committee Report

Community Colleges

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$1,068,233,344		\$1,068,233,344	
Legislative Changes				
A. Reserve for Salaries and Benefits				
72 Compensation Increase Reserve - Community Colleges	\$22,095,840	R	\$22,095,840	R
Fund Code: N/A				
Provides funding for salary increases to Community College personnel supported by net appropriations. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.8, and 35.11)				
73 Compensation Increase Reserve - Community Colleges - Salary Adjustments	\$10,000,000	R	\$10,000,000	R
Fund Code: N/A				
Provides additional funding for salary increases to Community College personnel supported by net appropriations. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.8, and 35.11)				
74 Compensation Increase Reserve - System Office	\$209,216	R	\$209,216	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

75 State Retirement Contributions - Community Colleges

\$7,455,632

R

\$19,664,230

R

Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers.

The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19.

(S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

76 State Retirement Contributions - System Office

\$102,047

R

\$269,149

R

Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers.

The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19.

(S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)

77 State Health Plan - System Office

\$35,438

R

\$75,094

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.

78 State Health Plan - Community Colleges

\$3,742,641

R

\$7,930,835

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

B. Technical and Formula Adjustments

79 Enrollment Growth Adjustment

\$4,922,445 R \$4,922,445 R

Fund Code: Multiple

Adjusts funds for the biennium based on the increase in community college enrollment. The Community College System total enrollment increased by 803 Full Time Equivalent (FTE) students (0.4%) from the budgeted amount in the FY 2016-17 certified budget.

80 Bionetwork Grants

(\$260,000) R (\$260,000) R

Fund Code: 1622

Aligns budgeted funds to projected expenditures for Bionetwork Grants. The revised net appropriation for Bionetwork Grants is \$4.0 million in each year of the biennium.

C. Other Adjustments

81 Position Elimination

(\$82,623) R (\$82,623) R

Fund Code: 1200

Eliminates the following vacant position in the Community College System Office:

60088037 - Information Technology Project Program Manager

The revised net appropriation for the Technology Solutions and Distance Learning fund code is \$15.8 million in each year of the biennium.

-1.00

-1.00

82 Board of Postsecondary Credentials

\$350,000 NR \$350,000 NR

Fund Code: 1300

Provides funding to support the Board of Postsecondary Credentials. This newly-established board will be composed of various education stakeholders and will review and make recommendations regarding the provision of workforce training and related credentials in the State. The revised net appropriation for the board is \$350,000 in each year of the biennium. (H.B. 917; S.L. 2017-57, Sec. 9.11)

83 Workforce Training Costs Study

\$98,000 NR

Fund Code: 1100

Provides funds for a study to assess instructional and related costs for workforce training courses. The revised net appropriation for the Workforce Training Costs Study is \$98,000 in FY 2017-18 only.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 9.3)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

84 NC Works Career Coaches

\$1,100,000

R

\$1,800,000

R

Fund Code: 1624

Provides additional funds for the NC Works Career Coaches program, which places career coaches employed by local community colleges with partnering high schools. The revised net appropriation for NC Works Career Coaches is \$2.1 million in FY 2017-18 and \$2.8 million in FY 2018-19.
(S.B. 430/H.B. 537)

85 Start-Up Fund for High-Cost Workforce Programs

Fund Code: 1624

\$2,500,000

NR

Provides funds to assist colleges with start-up costs for certain workforce training programs. The revised net appropriation for the start-up fund is \$2.5 million in FY 2018-19 only.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 9.5)

86 Short-Term Workforce Training

Fund Code: 1624

\$2,000,000

NR

Provides funds to support short-term workforce continuing education programs that prepare students for industry credentials. The revised net appropriation for Short-Term Workforce Training is \$2.0 million in FY 2017-18 only.
(S.B. 430/H.B. 357; S.L. 2017-57, Sec. 9.14)

87 Apprenticeship NC

\$850,315

R

\$850,315

R

Fund Code: 1900

12.00

12.00

Provides funding to establish the budget for the transfer of the Apprenticeship NC program from the Department of Commerce to the NC Community College System. The transfer includes \$350,000 in federal Workforce Innovation and Opportunity Act receipts and \$1.2 million in additional nonrecurring federal grant receipts. The revised net appropriation for Apprenticeship NC is \$850,315 in each year of the biennium.
(S.B. 597/H.B. 646; S.L. 2017-57, Sec. 15.13)

(This item also appears in the Agriculture and Natural and Economic Resources section of the Conference Committee Report (see page H 69, item 81), and page H 76.)

88 Construction Industry Workforce Training**Fund Code:** 1624

\$200,000 NR

Provides funds to support a collaboration between the NC Community College System and construction industry trade associations to address workforce training needs in the construction industry. Funds will be used for the development of a communications and outreach plan to increase interest in job opportunities in the industry. The revised net appropriation for this item is \$200,000 in FY 2017-18 only.

89 Eastern Triad Workforce Development**Fund Code:** 1624

\$3,200,000 NR

Provides funds to Community Foundation of Greater Greensboro, Inc., for the Triad Workforce Solutions Collaborative to support development and implementation of a pilot apprenticeship program in targeted industries throughout the Eastern Triad region. Funds will be used for training materials, apprenticeship employment costs, and curriculum development. The revised net appropriation for this initiative is \$3.2 million in FY 2018-19 only.

90 NC Center for Viticulture and Enology**Fund Code:** 1624

\$250,000 NR

Provides funds for the Shelton-Badgett NC Center for Viticulture and Enology at Surry Community College. Funds will be used for consultation, training, and research and development activities related to the wine industry.

91 Anspach Advanced Manufacturing School**Fund Code:** 1624

\$512,706 NR

Provides funds for the Anspach Advanced Manufacturing School at the Mayland Community College Yancey County campus. Funds will support equipment and nonrecurring operational needs at the school in FY 2017-18 only.

92 Forsyth Technical Community College Transportation Technology Center**Fund Code:** 1624

\$526,119 NR

Provides funds for the Transportation Technology Center at Forsyth Technical Community College. Funds will support instructional programs and services at the center in FY 2017-18 only.

(S.L. 2017-197, Sec. 2.12, Budget Technical Corrections, adds this item to the Conference Committee Report.)

Total Legislative Changes	\$50,170,951	R	\$67,474,501	R
	\$3,936,825	NR	\$6,050,000	NR
Total Position Changes	11.00		11.00	
Revised Budget	\$1,122,341,120		\$1,141,757,845	

Special Provisions

2017 Session: SB 257

Department: Community Colleges

Section: 9.1

Title: REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

Summary: Allows the President of the North Carolina Community College System (President) to reorganize the System Office with approval of the State Board of Community Colleges. The reorganization authority expires June 30, 2018.

Subsection (b) requires the President to report any reorganization to JLEOC, the Appropriations Committees on Education, and FRD by April 1, 2018.

Section: 9.2

Title: CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

Summary: Allows the Community Colleges System Office to carry forward for the biennium up to \$1.25 million of the funds appropriated by this Act for the College Information System. Any funds carried forward under this authority must be used to upgrade and modernize the System's enterprise resource planning system.

Subsection (b) requires the President to ensure, to the extent practicable, that the System's computer systems share data with other State agencies and educational institutions.
(S.B. 430/H.B. 537)

Section: 9.3

Title: COMMUNITY COLLEGE WORKFORCE STUDY

Summary: Requires the State Board of Community Colleges to study the costs of workforce training and academic instruction delivered by the community colleges.

Subsection (b) requires the State Board to report its findings to the Office of State Budget and Management, FRD, and the JLEOC by September 1, 2018

(S.B. 430/H.B. 537)

S.L. 2017-197, Sec. 2.11, amends this section to remove the space requirements component of the study.)

Section: 9.5

Title: START-UP FUNDS FOR HIGH-COST WORKFORCE COURSES

Summary: Directs the State Board of Community Colleges to establish a competitive grant program to allocate funds appropriated by this Act for start-up funding of high-cost workforce programs. The grant program will fund the establishment of Tier 1A and 1B courses and must be established in FY 2017-18 for the purpose of awarding funds in FY 2018-19.

Subsection (b) requires the State Board to report to the JLEOC on the program's implementation and results of the program by March 1, 2019.
(S.B.430/H.B.537)

Section: 9.7

Title: **SELECTION OF LOCAL COMMUNITY COLLEGE PRESIDENTS/CONSULTANT CONTRACTS**

Summary: Modifies G.S. 115D-20(1) to require a community college board of trustees to use a competitive request for proposals process if selecting a search consultant to assist with the selection of a community college president. A search consultant selected through this process may not be:

- An employee of a State agency, department, or institution; an appointed member of a State commission or board; or an elected official whose responsibilities include oversight or budgetary aspects of the Community College System;
- A lobbyist or lobbyist principal as defined in G.S. 120C-100; or
- A State-level community college board of trustees association or organization.

The section further provides that a contract with a consultant pursuant to this subdivision shall not require approval by the Governor.

Section: 9.8

Title: **CLARIFY YOUTH APPRENTICESHIP PROGRAM**

Summary: Modifies G.S. 115D-5(b)(16) to add pre-apprenticeship program courses to the types of community college courses for which tuition and registration fees may be waived provided the program meets specified criteria and the individual was a North Carolina high school student when entering the program.
(S.B. 430/H.B. 537)

Section: 9.9

Title: **CATAWBA VALLEY CC/MANUFACTURING CENTER**

Summary: Amends Chapter 115D, Community Colleges, to add a new Article 5B which codifies the purpose and structure of the Manufacturing Solutions Center at Catawba Valley Community College (Center). The new article also provides that any fees other than tuition receipts collected by the Center for services to industry may be retained by and used for operations of the Center and are not subject to the Article 3 of Chapter 143 of the General Statutes regarding purchases and contracts.
(S.B. 336/H.B. 316)

Section: 9.10

Title: **HS STUDENTS/NON-CREDIT COURSES LEADING TO INDUSTRY CREDENTIALS**

Summary: Amends G.S. 115D-5(b)(12) and G.S. 115D-20(4)a.2 to expand the types of courses for which community colleges may waive tuition and registration fees. The expansion allows colleges to waive such fees for high school students for non-curriculum courses leading to industry-recognized credentials.

Subsection (c) amends G.S. 115D-5 to require an annual report be submitted by the State Board of Community Colleges to the JLEOC on the number and type of tuition and registration fee waivers granted by colleges.
(S.B. 430/H.B. 537)

Section: 9.11

Title: **ESTABLISH BOARD OF POSTSECONDARY EDUCATION CREDENTIALS**

Summary: Amends Chapter 115D of the General Statutes to add Article 9 and establish the Board of Postsecondary Education Credentials to review and make recommendations regarding the statewide system of postsecondary education, including alternatives to associate and bachelor degrees (such as on-the-job training and credential programs).

The Board is located administratively under the Community Colleges System Office but exercises its authority independently. The Board shall recommend State goals and a framework for achieving those goals to ensure that, by 2025, the appropriate percentage of the State's adult citizens will hold degrees, certificates, or other postsecondary credentials. The Lieutenant Governor shall serve as Chair of the Board. The Board shall submit an initial report to the JLEOC no later than March 1, 2018, and a progress report no later than March 1, 2019.

Subsection (b) sets an expiration date for the Board of June 30, 2019.

Subsection (c) directs that \$350,000 in FY 2017-18 and \$350,000 in FY 2018-19 appropriated in this Act shall be allocated to the Board for operating expenses.
(H.B. 917)

Section: 9.14

Title: **INVEST IN SHORT-TERM WORKFORCE TRAINING**

Summary: Requires the Community Colleges System Office to allocate funds appropriated in this Act for short-term workforce training in FY 2017-18 to community colleges based on an application process to be established by the State Board of Community Colleges.

Subsection (b) requires the State Board of Community Colleges to report on the implementation of this section to the JLEOC, the Appropriations Committees on Education, FRD, and the Office of State Budget and Management by April 1, 2018.
(S.B. 430/H.B. 537)

Section: 9.15

Title: **RESTRICTION ON A CULINARY SCHOOL OR PROGRAM LOCATED OFF THE MAIN CAMPUS OF STANLY COMMUNITY COLLEGE**

Summary: Amends G.S. 115D-31(b1) to prohibit the use of State funds to support a culinary program located at a site other than the main campus of a community college.

Subsection (b) prohibits the Stanly Community College Board of Trustees from operating a culinary school or program at a site other than the main campus of the college.

Subsection (c) states that the restrictions in this section apply only to Stanly Community College.

2017 Session: HB 528

Department: Community Colleges

Section: 2.11

Title: TECHNICAL CHANGE: ELIMINATING ANALYSIS OF SPACE REQUIREMENTS FROM THE COMMUNITY COLLEGE WORKFORCE STUDY

Summary: Amends S.L. 2017-257, Appropriations Act of 2017, Sec. 9.3(a) to eliminate from the report on workforce an analysis of the space that might be required in order to provide such training.

Section: 2.12

Title: BUDGET CHANGE: FORSYTH TECHNICAL COMMUNITY COLLEGE TRANSPORTATION TECHNOLOGY CENTER FUNDS

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new Sec. 9.16 to the Committee Report. This section allocates \$526,119 for the 2017-18 fiscal year to Forsyth Technical Community College to support instructional programs and services at the Transportation Technology Center.

**UNC System
Multiple Budget Codes**

General Fund Budget		
	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$4,654,716,690	\$4,704,722,949
Receipts	\$1,853,120,342	\$1,853,120,342
Net Appropriation	\$2,801,596,348	\$2,851,602,607
Legislative Changes		
Requirements	\$92,629,001	\$122,172,425
Receipts	\$450,000	\$6,000,000
Net Appropriation	\$92,179,001	\$116,172,425
Revised Budget		
Requirements	\$4,747,345,691	\$4,826,895,374
Receipts	\$1,853,570,342	\$1,859,120,342
Net Appropriation	\$2,893,775,349	\$2,967,775,032
General Fund FTE		
Base Budget	35,141.07	35,141.07
Legislative Changes	0.00	0.00
Revised Budget	35,141.07	35,141.07

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

UNC System		Base Budget			Legislative Changes			Revised Budget		
Bdgt Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	42,219,268	46,899	42,172,369	-	-	-	42,219,268	46,899	42,172,369
16011	UNC-Board of Governors - Institutional	40,443,966	-	40,443,966	11,415,958	-	11,415,958	51,859,924	-	51,859,924
16012	UNC-BOG-Related Educational Programs	156,500,476	48,031,975	108,468,501	1,950,000	450,000	1,500,000	158,450,476	48,481,975	109,968,501
16015	Aid to Private Colleges	154,719,754	-	154,719,754	530,000	-	530,000	155,249,754	-	155,249,754
16020	UNC-Chapel Hill	604,235,515	351,926,396	252,309,119	265,000	-	265,000	604,500,515	351,926,396	252,574,119
16021	UNC-Chapel Hill - Health Affairs	302,961,243	116,296,211	186,665,032	9,000,000	-	9,000,000	311,961,243	116,296,211	195,665,032
16022	UNC-Chapel Hill - Area Health Education Center	48,783,693	-	48,783,693	-	-	-	48,783,693	-	48,783,693
16030	North Carolina State University - Academic	785,685,015	378,036,965	407,648,050	2,500,000	-	2,500,000	788,185,015	378,036,965	410,148,050
16031	NC State University - Agricultural Research	67,294,843	14,657,938	52,636,905	-	-	-	67,294,843	14,657,938	52,636,905
16032	NC State University - Cooperative Extension Service	54,481,275	16,086,044	38,395,231	700,000	-	700,000	55,181,275	16,086,044	39,095,231
16040	UNC-Greensboro	246,798,025	96,641,251	150,156,774	-	-	-	246,798,025	96,641,251	150,156,774
16050	UNC-Charlotte	381,565,121	155,188,429	226,376,692	-	-	-	381,565,121	155,188,429	226,376,692
16055	UNC-Asheville	61,445,467	22,694,842	38,750,625	-	-	-	61,445,467	22,694,842	38,750,625
16060	UNC-Wilmington	215,405,263	95,077,317	120,327,946	-	-	-	215,405,263	95,077,317	120,327,946
16065	East Carolina University - Academic	396,021,538	181,422,729	214,598,809	-	-	-	396,021,538	181,422,729	214,598,809
16066	East Carolina University - Health Affairs	81,286,581	11,075,640	70,210,941	4,162,857	-	4,162,857	85,449,438	11,075,640	74,373,798
16070	NC Agricultural and Technical State University	158,841,628	68,638,146	90,203,482	2,500,000	-	2,500,000	161,341,628	68,638,146	92,703,482
16075	Western Carolina University	138,632,012	48,902,551	89,729,461	-	-	-	138,632,012	48,902,551	89,729,461
16080	Appalachian State University	236,363,067	101,690,074	134,672,993	-	-	-	236,363,067	101,690,074	134,672,993
16082	UNC-Pembroke	81,267,711	27,556,162	53,711,549	-	-	-	81,267,711	27,556,162	53,711,549
16084	Winston-Salem State University	88,656,494	23,938,982	64,717,512	-	-	-	88,656,494	23,938,982	64,717,512
16086	Elizabeth City State University	35,920,913	6,766,201	29,154,712	2,810,000	-	2,810,000	38,730,913	6,766,201	31,964,712
16088	Fayetteville State University	74,122,655	22,006,493	52,116,162	-	-	-	74,122,655	22,006,493	52,116,162
16090	NC Central University	132,892,432	49,648,873	83,243,559	-	-	-	132,892,432	49,648,873	83,243,559
16092	NC School of the Arts	46,056,137	15,631,638	30,424,499	-	-	-	46,056,137	15,631,638	30,424,499
16094	NC School of Science and Mathematics	22,116,598	1,158,586	20,958,012	-	-	-	22,116,598	1,158,586	20,958,012
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	40,779,229	-	40,779,229	40,779,229	-	40,779,229
N/A	State Retirement Contribution	-	-	-	9,142,976	-	9,142,976	9,142,976	-	9,142,976
N/A	State Health Plan Reserve	-	-	-	6,872,981	-	6,872,981	6,872,981	-	6,872,981
Total		\$4,654,716,690	\$1,853,120,342	\$2,801,596,348	\$92,629,001	\$450,000	\$92,179,001	\$4,747,345,691	\$1,853,570,342	\$2,893,775,349

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

UNC System		Base Budget			Legislative Changes			Revised Budget		
Bdgt Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	42,219,268	46,899	42,172,369	-	-	-	42,219,268	46,899	42,172,369
16011	UNC-Board of Governors - Institutional	80,443,966	-	80,443,966	10,973,115	-	10,973,115	91,417,081	-	91,417,081
16012	UNC-BOG-Related Educational Programs	156,500,476	48,031,975	108,468,501	7,500,000	6,000,000	1,500,000	164,000,476	54,031,975	109,968,501
16015	Aid to Private Colleges	164,719,754	-	164,719,754	3,080,000	-	3,080,000	167,799,754	-	167,799,754
16020	UNC-Chapel Hill	604,235,515	351,926,396	252,309,119	(500,000)	-	(500,000)	603,735,515	351,926,396	251,809,119
16021	UNC-Chapel Hill - Health Affairs	302,961,243	116,296,211	186,665,032	8,640,941	-	8,640,941	311,602,184	116,296,211	195,305,973
16022	UNC-Chapel Hill - Area Health Education Center	48,783,693	-	48,783,693	-	-	-	48,783,693	-	48,783,693
16030	North Carolina State University - Academic	785,685,015	378,036,965	407,648,050	-	-	-	785,685,015	378,036,965	407,648,050
16031	NC State University - Agricultural Research	67,294,843	14,657,938	52,636,905	-	-	-	67,294,843	14,657,938	52,636,905
16032	NC State University - Cooperative Extension Service	54,481,275	16,086,044	38,395,231	800,000	-	800,000	55,281,275	16,086,044	39,195,231
16040	UNC-Greensboro	246,798,025	96,641,251	150,156,774	-	-	-	246,798,025	96,641,251	150,156,774
16050	UNC-Charlotte	381,565,121	155,188,429	226,376,692	-	-	-	381,565,121	155,188,429	226,376,692
16055	UNC-Asheville	61,445,467	22,694,842	38,750,625	-	-	-	61,445,467	22,694,842	38,750,625
16060	UNC-Wilmington	215,405,263	95,077,317	120,327,946	-	-	-	215,405,263	95,077,317	120,327,946
16065	East Carolina University - Academic	396,021,538	181,422,729	214,598,809	-	-	-	396,021,538	181,422,729	214,598,809
16066	East Carolina University - Health Affairs	81,286,581	11,075,640	70,210,941	4,803,804	-	4,803,804	86,090,385	11,075,640	75,014,745
16070	NC Agricultural and Technical State University	158,841,628	68,638,146	90,203,482	2,500,000	-	2,500,000	161,341,628	68,638,146	92,703,482
16075	Western Carolina University	138,633,192	48,902,551	89,730,641	-	-	-	138,633,192	48,902,551	89,730,641
16080	Appalachian State University	236,363,067	101,690,074	134,672,993	-	-	-	236,363,067	101,690,074	134,672,993
16082	UNC-Pembroke	81,271,590	27,556,162	53,715,428	-	-	-	81,271,590	27,556,162	53,715,428
16084	Winston-Salem State University	88,656,494	23,938,982	64,717,512	-	-	-	88,656,494	23,938,982	64,717,512
16086	Elizabeth City State University	35,920,913	6,766,201	29,154,712	2,000,000	-	2,000,000	37,920,913	6,766,201	31,154,712
16088	Fayetteville State University	74,122,655	22,006,493	52,116,162	-	-	-	74,122,655	22,006,493	52,116,162
16090	NC Central University	132,892,432	49,648,873	83,243,559	-	-	-	132,892,432	49,648,873	83,243,559
16092	NC School of the Arts	46,056,137	15,631,638	30,424,499	-	-	-	46,056,137	15,631,638	30,424,499
16094	NC School of Science and Mathematics	22,117,798	1,158,586	20,959,212	-	-	-	22,117,798	1,158,586	20,959,212
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	41,080,703	-	41,080,703	41,080,703	-	41,080,703
N/A	State Retirement Contribution	-	-	-	26,729,688	-	26,729,688	26,729,688	-	26,729,688
N/A	State Health Plan Reserve	-	-	-	14,564,174	-	14,564,174	14,564,174	-	14,564,174
Total		\$4,704,722,949	\$1,853,120,342	\$2,851,602,607	\$122,172,425	\$6,000,000	\$116,172,425	\$4,826,895,374	\$1,859,120,342	\$2,967,775,032

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

UNC System					
Bdgt Code	Budget Code Name	<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
		Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	278.00	-	-	278.00
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	-	-	-	-
16020	UNC-Chapel Hill	4,221.56	-	-	4,221.56
16021	UNC-Chapel Hill - Health Affairs	1,948.73	-	-	1,948.73
16022	UNC-Chapel Hill - Area Health Education Center	77.90	-	-	77.90
16030	North Carolina State University - Academic	5,980.37	-	-	5,980.37
16031	NC State University - Agricultural Research	733.05	-	-	733.05
16032	NC State University - Cooperative Extension Service	673.99	-	-	673.99
16040	UNC-Greensboro	2,132.16	-	-	2,132.16
16050	UNC-Charlotte	3,185.89	-	-	3,185.89
16055	UNC-Asheville	604.14	-	-	604.14
16060	UNC-Wilmington	1,940.64	-	-	1,940.64
16065	East Carolina University - Academic	3,230.95	-	-	3,230.95
16066	East Carolina University - Health Affairs	555.79	-	-	555.79
16070	NC Agricultural and Technical State University	1,584.14	-	-	1,584.14
16075	Western Carolina University	1,265.81	-	-	1,265.81
16080	Appalachian State University	2,184.52	-	-	2,184.52
16082	UNC-Pembroke	736.29	-	-	736.29
16084	Winston-Salem State University	882.93	-	-	882.93
16086	Elizabeth City State University	330.16	-	-	330.16
16088	Fayetteville State University	743.26	-	-	743.26
16090	NC Central University	1,183.16	-	-	1,183.16
16092	NC School of the Arts	443.29	-	-	443.29
16094	NC School of Science and Mathematics	224.35	-	-	224.35
Total FTE		35,141.07	-	-	35,141.07

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

UNC System					
Bdgt Code	Budget Code Name	<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
		Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	278.00	-	-	278.00
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	-	-	-	-
16020	UNC-Chapel Hill	4,221.56	-	-	4,221.56
16021	UNC-Chapel Hill - Health Affairs	1,948.73	-	-	1,948.73
16022	UNC-Chapel Hill - Area Health Education Center	77.90	-	-	77.90
16030	North Carolina State University - Academic	5,980.37	-	-	5,980.37
16031	NC State University - Agricultural Research	733.05	-	-	733.05
16032	NC State University - Cooperative Extension Service	673.99	-	-	673.99
16040	UNC-Greensboro	2,132.16	-	-	2,132.16
16050	UNC-Charlotte	3,185.89	-	-	3,185.89
16055	UNC-Asheville	604.14	-	-	604.14
16060	UNC-Wilmington	1,940.64	-	-	1,940.64
16065	East Carolina University - Academic	3,230.95	-	-	3,230.95
16066	East Carolina University - Health Affairs	555.79	-	-	555.79
16070	NC Agricultural and Technical State University	1,584.14	-	-	1,584.14
16075	Western Carolina University	1,265.81	-	-	1,265.81
16080	Appalachian State University	2,184.52	-	-	2,184.52
16082	UNC-Pembroke	736.29	-	-	736.29
16084	Winston-Salem State University	882.93	-	-	882.93
16086	Elizabeth City State University	330.16	-	-	330.16
16088	Fayetteville State University	743.26	-	-	743.26
16090	NC Central University	1,183.16	-	-	1,183.16
16092	NC School of the Arts	443.29	-	-	443.29
16094	NC School of Science and Mathematics	224.35	-	-	224.35
Total FTE		35,141.07	-	-	35,141.07

2017 Annotated Conference Committee Report

UNC System

GENERAL FUND

	FY 17-18	FY 18-19
Recommended Base Budget	\$2,801,596,348	\$2,851,602,607

Legislative Changes

Base Budget Adjustment

93 Adjustment to Recommended Base Budget for Opportunity Scholarships

Budget 16015

Code:

Increases the recommended base budget figures for the University of North Carolina (UNC) System by \$20.0 million in FY 2017-18 and \$30.0 million in FY 2018-19 to account for statutory increases to the Opportunity Scholarship Grant Fund Reserve in accordance with G.S. 115C-562.8(b). The Reserve is used to fund scholarships for the subsequent fiscal year. The revised base budget amount for the Opportunity Scholarship Grant Fund Reserve is \$44.8 million in FY 2017-18 and \$54.8 million in FY 2018-19. The revised recommended base budget for the UNC System is \$2.8 billion in FY 2017-18 and \$2.9 billion in FY 2018-19 as shown in the figures above.
(S.L. 2017-57, Sec. 6.6)

A. Reserve for Salaries and Benefits

94 Compensation Increase Reserve

Budget N/A

Code:

Provides funding for an across-the-board salary increase of \$1,000 for positions subject to the State Human Resources Act. The Board of Governors may award salary increases to positions exempt from the State Human Resources Act pursuant to policies adopted by the Board. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.
(S.L. 2017-57, Secs. 35.1, 35.9, 35.11, and 35.12)

\$40,597,891 R \$40,597,891 R

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

95 Compensation Increase Reserve - State Agency Teachers/School Based Administrators

\$181,338

R

\$482,812

R

Budget N/A

Code:

Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.9, 35.11, and 35.12)

96 State Retirement Contributions - TSERS Members

\$9,142,976

R

\$24,114,600

R

Budget N/A

Code:

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers.

The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

97 State Retirement Contributions - ORP Members

\$2,615,088

R

Budget N/A

Code:

Increases the State's contribution for members of the Optional Retirement Program (ORP) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for ORP statewide is \$154.9 million in FY 2017-18 and \$157.5 million in FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

98 State Health Plan

\$6,872,981

R

\$14,564,174

R

Budget N/A

Code:

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.

C. Other Adjustments**99 Management Flexibility Reduction****Budget** 16011

(\$7,000,000) NR

Code:

Mandates a system-wide 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. A related provision details the manner in which the management flexibility reduction is to be allocated. The revised net appropriation for the UNC system is \$2.9 billion in FY 2017-18 and \$3.0 billion in FY 2018-19.

(S.L. 2017-57, Sec. 10.8)

100 Data Analytics**Budget** 16011

\$1,000,000 NR

\$1,000,000 R

\$8,000,000 NR

Code:

Provides funds for a variety of data collection, modernization and integration projects. This will include, but is not limited to: post-graduate outcomes, uniform and integrated data collection across all campuses, and Enterprise Resource Planning (ERP) modernization that will enable better financial management of UNC through cost per unit analysis, predictive modeling, and more timely access to actionable information. The revised net appropriation for data analytics is \$1.0 million in FY 2017-18 and \$9.0 million in FY 2018-19.

(S.L. 2017-57, Sec. 10.6)

101 UNC Teacher and Principal Preparation Program Lab Schools**Budget** 16011\$930,000 R
\$1,000,000 NR

\$930,000 R

Code:

Provides funding for administrative and technical assistance related to the UNC Teacher and Principal Preparation Laboratory School Program. These funds are for both start-up assistance as well as recurring administrative support. The revised net appropriation for UNC Laboratory Schools is \$1.9 million in FY 2017-18 and \$930,000 in FY 2018-19.

102 Future Teachers of North Carolina**Budget** 16011

\$278,500 R

\$278,500 R

Code:

Provides funding to establish the Future Teachers of North Carolina (FTNC) program for the purpose of developing curricula and providing professional development for high school teachers who will teach courses that encourage high-achieving high school students to consider teaching as a profession. The revised net appropriation for the FTNC program is \$278,500 in each year of the biennium.

(S.B. 598; S.L. 2017-57, Sec. 10.9)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

103 New Teacher Support Program

Budget 16011

Code:

Provides additional funding to the North Carolina New Teacher Support Program, a program to support new teachers across the State through training and one-on-one coaching. The revised net appropriation for this program is \$2.2 million in each year of the biennium.

\$1,000,000 R

\$1,000,000 R

104 Research Opportunity Initiative

Budget 16011

Code:

Increases funding for a competitive grant program that supports innovative research programs in 6 priority areas: advanced manufacturing; data sciences; defense, military, and security; energy; marine and coastal sciences; and pharmacoengineering. The revised net appropriation for the Research Opportunity Initiative is \$4.0 million in FY 2017-18 and \$3.0 million in FY 2018-19.
(S.B. 430/H.B. 537)

\$1,000,000 NR

105 Building Operating Reserves

Budget 16011

Code:

Provides operating funds for buildings coming online in the 2017-19 biennium. Funds are provided for: the Beaver College of Health Sciences at Appalachian State University; the G.R. Little Library at Elizabeth City State University; the Mountain Area Health Center through UNC-Chapel Hill; the Student Health Services Building at UNC-Pembroke; and the Science and General Office Building at Winston Salem State University.
(S.B. 430/H.B. 537)

\$107,458 R

\$5,910,362 R
\$154,253 NR

106 Faculty Recruitment and Retention

Budget 16011

Code:

Increases funding for faculty recruitment and retention efforts at UNC institutions. The revised net appropriation for faculty recruitment and retention is approximately \$14.0 million in FY 2017-18 and \$13.0 million in FY 2018-19.
(S.B. 430/H.B. 537)

\$1,000,000 NR

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

107 Principal Preparation Grants Program

\$80,000	R
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\$80,000	R
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Budget 16015

Code:

Provides additional funds for administration of the Principal Preparation Grants program. The program provides competitive grants for school leadership development. The revised net appropriation for this program is \$4.5 million in each year of the biennium.

(S.L. 2017-57, Sec. 10A.5)

108 UNC Law School

(\$500,000)	R
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(\$500,000)	R
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Budget 16020

Code:

Reduces funding to UNC-Chapel Hill's School of Law by \$500,000, a 4% reduction. The revised net appropriation for the UNC-Chapel Hill law school is \$12.6 million in each year of the biennium.

109 Cryo-Electron Microscopy Equipment

\$525,000	NR
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Budget 16020

Code:

Provides funds to UNC-CH for the acquisition and operation of cryo-electron microscopy equipment. The revised net appropriation for UNC-CH is \$252.0 million in FY 2017-18 and \$251.3 million in FY 2018-19.

110 Excellence Fund for the Reserve Officers Training Corps

\$240,000	NR
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Budget 16020

Code:

Establishes the Excellence Fund for Experiential Learning and Leadership Development for the Officers Training Corps. This fund, located in the College of Arts and Sciences, shall support leadership development and experiential learning for UNC ROTC programs.

(S.L. 2017-57, Sec. 10.27)

111 UNC School of Medicine

\$1,000,000	R
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\$1,000,000	R
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Budget 16021

Code:

Provides funding to increase the number of available medical student slots at the UNC School of Medicine. The revised net appropriation for UNC Chapel Hill Health Affairs is \$187.7 million in each year of the biennium.

(S.L. 2017-57, Sec. 10.3)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

112 Western School of Medicine - Asheville

Budget 16021

Code:

Provides additional funds for the UNC School of Medicine's Asheville Campus, a joint program between the UNC School of Medicine, other UNC system universities, and the Mountain Area Health Education Center. Funding will support administration, faculty, and related programs for this multi-disciplinary effort. In FY 2016-17, \$3.0 million in recurring funding was provided for this purpose. The revised net appropriation is \$11.0 million for FY 2017-18 and \$10.6 million for FY 2018-19.

\$3,650,000 R
\$4,350,000 NR

\$7,640,941 R

113 Food Processing Innovation Center

Budget 16011

Code:

Provides funds for the Food Processing Innovation Center, to be housed at the NC Research Campus. Nonrecurring funds are provided to equip the Center. Recurring funding will be used for lease payments for the space to be renovated by the NC Research Campus and the City of Kannapolis, and for personnel costs to be augmented by additional staffing supported by the North Carolina State University (NCSU) College of Agriculture and Life Sciences and the NC Department of Agriculture. The revised net appropriation for this center is \$5.1 million in FY 2017-18 and \$700,000 in FY 2018-19.
(S.B. 430/H.B. 537)

\$700,000 R
\$4,400,000 NR

\$700,000 R

114 NCSU Innovation in Manufacturing Biopharmaceuticals

Budget 16030

Code:

Provides funds for North Carolina State University's participation in a collaborative effort to accelerate the development of innovative manufacturing processes for biopharmaceutical products. Funds will support the Biomanufacturing Training and Education Center at NCSU and serve as matching funds for a federal grant from the National Institute of Standards and Technology. The revised net appropriation for this initiative is \$2.0 million in FY 2017-18 only.
(S.B. 430/H.B. 537)

\$2,000,000 NR

115 NCSU Biomanufacturing Training and Educational Center**Budget** 16030

\$500,000 NR

Code:

Provides additional funds to the NCSU Biomanufacturing Training and Education Center (BTEC) to support training, education, and research. The revised net appropriation for NCSU BTEC is approximately \$5.7 million in FY 2017-18.

(S.L. 2017-197, Sec. 10.30, Budget Technical Corrections, specifies that the funds shall be used only for training and education.)

116 NCSU Cooperative Extension**Budget** 16032

\$700,000 R \$800,000 R

Code:

Provides additional funds for the NCSU Cooperative Extension for faculty and employee retention and recruitment. The revised net appropriation for the Cooperative Extension is \$39.2 million in each year of the biennium.

(S.L. 2017-197, Sec. 10.29, Budget Technical Corrections, amends this item to specify that the revised net appropriation for the Cooperative Extension is \$39,095,231 for FY 2017-18 fiscal year and \$39,195,231 for FY 2018-19.)

117 Graduate Medical Education Expansion**Budget** 16066

\$162,857 R \$803,804 R

Code:

Provides funds for the planning and initial implementation of new residency programs at Vidant Duplin Hospital, Halifax Regional Medical Center, Carolina East, and Vidant Ahoskie Hospital. The new residency positions are intended to help expand medical services and increase the number of health-care providers in rural and under-served areas. The revised net appropriation for East Carolina University Health Affairs for all items is \$74.4 million in FY 2017-18 and \$75.0 million in FY 2018-19.

118 ECU Brody School of Medicine Stabilization Funds**Budget** 16066

\$4,000,000 R \$4,000,000 R

Code:

Provides funds to stabilize the Brody School of Medicine at East Carolina University. The revised net appropriation for East Carolina University Health Affairs is \$74.4 million in FY 2017-18 and \$75.0 million in FY 2018-19.

(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

119 NC A&T Doctoral Programs

\$2,500,000

R

\$2,500,000

R

Budget 16070

Code:

Provides funds to support established doctoral programs at North Carolina Agricultural and Technical State University (NC A&T). These funds will support new faculty and graduate student services for the doctoral programs, including computer science, various engineering fields, energy and environmental systems, education, and rehabilitation counseling. The revised net appropriation for NC A&T is \$92.7 million in each year of the biennium.

(S.B. 430/H.B. 537)

120 Elizabeth City State University Stabilization Funds

\$2,810,000

NR

\$2,000,000

NR

Budget 16086

Code:

Provides funds to ECSU to stabilize enrollment. Funds will be used to hire temporary faculty to anchor core programs, provide start-up funds for an aviation science program, and support student success initiatives. The revised net appropriation for ECSU is \$32.0 million in FY 2017-18 and \$31.1 million in FY 2018-19.

(S.B. 430/H.B. 537)

D. Financial Aid

121 Teaching Fellows

Budget 16012

Code:

Provides funds to establish a competitive forgivable loan program for students interested in entering teaching in science, technology, engineering and mathematics (STEM) or special education licensure areas. Students may receive up to \$8,250 per year for tuition, fees, and the cost of books. These loans may be forgiven upon completion of a term of service at a North Carolina elementary or high school. Funds are also provided to the North Carolina State Educational Assistance Authority to administer the program. This program is supported by a transfer from the NC Education Endowment Fund of \$450,000 in FY 2017-18 and \$6.0 million in FY 2018-19. The total requirements for Teaching Fellows are \$6.0 million in FY 2018-19.

(S.B. 252/H.B. 339; S.L. 2017-57, Sec. 10A.3)

(This item also appears in Public Education in the Education Section. See page F 20, item 61 and page F 24.)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

122 Cheatham-White Scholarships

\$1,500,000 R

Budget 16012

Code:

Provides funds for the Cheatham-White Scholarship program, established in the 2016 budget. These scholarships, at North Carolina Central University (NCCU) and North Carolina Agricultural and Technical State University (NC A&T), will fund up to 20 scholarships at each university beginning in the Fall 2018 semester. NCCU and NC A&T will be required to match the General Fund appropriation. The revised net appropriation for the Cheatham-White Scholarships is \$1.8 million in FY 2018-19.

123 Personal Education Savings Accounts

\$450,000 R \$3,000,000 R

Budget 16015

Code:

Provides funds to establish the North Carolina Personal Education Savings Account Program. The program will create scholarship grants for eligible children with disabilities which may be used for qualifying educational expenses including nonpublic school tuition. Funds provided during the first year of the biennium will be used to establish the program, and funds provided in the second year of the biennium will be used for awards, with up to \$250,000 available for administration. The revised net appropriation for personal education savings accounts is \$450,000 in FY 2017-18 and \$3.0 million in FY 2018-19.
(S.B. 603; S.L. 2017-57, Sec. 10A.4)

124 Tuition Grant for North Carolina School of Science and Math Students

Budget 16012

\$1,500,000 NR

Code:

Provides funds for a one-year tuition grant program for students graduating from the North Carolina School of Science and Math (NCSSM) at the conclusion of the academic year 2017-18. Students who enroll full-time in a UNC constituent institution in the fall of 2018 will receive a full tuition grant for one year.
(S.L. 2017-57, Sec. 10.26)

Total Legislative Changes

\$71,854,001 R \$113,018,172 R

\$20,325,000 NR \$3,154,253 NR

Total Position Changes

Revised Budget

\$2,893,775,349 \$2,967,775,032

Special Provisions

2017 Session: SB 257

Department: UNC System

Section: 10.1

Title: FULL-TIME STAFF FOR BOARD OF GOVERNORS

Summary: Amends G.S. 116-11 to allow the Board of Governors (the Board) of the University of North Carolina (UNC) to hire staff members to report directly to the Board.

Section: 10.2

Title: ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

Summary: Directs the President of UNC to report quarterly during the 2017-19 fiscal biennium to the Office of State Budget and Management (OSBM) and FRD on the use of the budget stabilization funds given to Elizabeth City State University by this budget.

Section: 10.3

Title: INCREASE NUMBER OF MEDICAL STUDENT SLOTS

Summary: Directs UNC to use \$1 million of the funds appropriated by this Act for the School of Medicine at UNC-Chapel Hill to increase the number of medical student slots.

Section: 10.4

Title: EXTEND CHALLENGE GRANT FOR COLLABORATORY AT UNC-CHAPEL HILL

Summary: Permits UNC to carry forward funds provided in S.L. 2016-94, 2016 Appropriations Act, for the North Carolina Policy Collaboratory's (Collaboratory) challenge grant. Amends Sec.27.5 to allow for in-kind donations as well as cash donations to count toward the challenge grant. Further, the section provides that any funds drawn down by the Collaboratory through this challenge grant shall not revert.

Section: 10.5

Title: WESTERN SCHOOL OF ENGINEERING AND TECHNOLOGY FUNDS

Summary: Provides that the funds appropriated for the Western School of Engineering and Technology in S.L. 2016-94, Appropriations Act of 2016, for curriculum development and project management, shall not revert but shall remain available for the 2017-19 Fiscal Biennium.

Section: 10.6

Title: **ENHANCE UNC DATA SYSTEMS TO IMPROVE INSTITUTIONAL PERFORMANCE AND STUDENT SUCCESS**

Summary: Directs the Board to use funds appropriated to it in this Act to modernize business processes, increase standardization, and maximize State resources. Funds must also be used to enhance data systems for the following purposes: Integrating financial, human resource, and student account systems across The University of North Carolina System; developing new data collections systems that track faculty and staff retention rates and post-graduation student outcomes; and expanding "Know Before You Go" data reporting.

The President of UNC must submit an initial report to the JLEOC by March 1, 2018, regarding the plan to implement the data modernization and integration (DMI) project and for the enterprise resource planning (ERP) modernization project. A progress report must be submitted by March 1, 2019, regarding the status of the implementation of the projects.

Section: 10.7

Title: **UNC/ESCHEATS FUND FOR STUDENT FINANCIAL AID PROGRAMS**

Summary: Provides direction for the use of escheats funds, including the use of interest income generated by these funds, to support financial aid programs at UNC. The section directs the State Education Assistance Authority (SEAA) to conduct periodic evaluations of expenditures to determinewhether allocated funds are used in ways that ensure access to institutional learning and meet the goals of the respective programs.

Section: 10.8

Title: **UNC MANAGEMENT FLEXIBILITY REDUCTION**

Summary: Delineates the standards, methods, and exemptions for the implementation of the management flexibility reduction by UNC.

Subsection (a) directs the Board to allocate the management flexibility reduction on a programmatic basis rather than by taking an across-the board reduction.

Subsection (b) prohibits budget reductions to the following:

- UNC Need-Based Financial Aid;
- North Carolina Need-Based Scholarships;
- Special Education Scholarships for Children with Disabilities;
- North Carolina Personal Education Savings Account Program;
- The Opportunity Scholarship Program;
- North Carolina State University Agricultural Research;
- North Carolina School of Science and Mathematics;
- The University of North Carolina School of the Arts;
- Any entity receiving less 1.5% of the annual net General Fund appropriation for UNC;
- Any budget expansion item funded by an appropriation to the Board for the 2017-19 Fiscal Biennium.

Subsection (c) requires a report to OSBM and FRD on the implementation of the management flexibility reduction. The report is due by April 1, 2018 and again by April 1, 2019).

(S.L. 2017-97, Budget Technical Corrections, amends this section to require a report only in the second year of the biennium. There is no management flexibility reduction on which to report in the first year of the biennium.)

Section: 10.9

Title: **FUTURE TEACHERS OF NORTH CAROLINA**

Summary: Amends G.S. 116, Article 1, by adding a new part establishing the Future Teachers of North Carolina (FTNC) program. This program, administratively located in the UNC General Administration (UNC GA), will provide professional development and curricula for courses that provide an introduction to teaching as a profession for high school students, by offering courses at participating high schools in conjunction with college partners. Courses offered as part of the FTNC program shall include both content on pedagogy and the profession of teaching and field experiences for high school students.

The section directs UNC GA to report annually, beginning October 15, 2018, on the number and names of local school administrative units participating in FTNC, the partner institution of higher education for each high school, and the number of sections of the course being offered at each high school. The report must also include demographic information and completion data for students who have enrolled in the course.
(S.B. 598)

Section: 10.10

Title: **UNC ENROLLMENT FUNDING/OSBM RESERVE ACCOUNT**

Summary: Directs that the funds provided to the UNC system for enrollment adjustments, including those funds for the NC Promise Tuition Plan, shall be certified and held in a reserve account in the Office of State Budget and Management until enrollment is verified following the fall semester census. Funds for the spring semester shall be allocated using the actual enrollment from the fall semester and applying the 3-year average fall-to-spring retention of fundable credit hours. Upon authorization of the Director of the Budget, funds may be advanced to constituent institutions whose tuition receipts are insufficient to maintain operations until enrollment is verified.

Section: 10.11

Title: **IN-STATE TUITION FOR VETERANS/COMPLIANCE WITH FEDERAL LAW**

Summary: Amends G.S. 116-143.3A to change in-state tuition policies for veterans, in compliance with a change in federal law. Recipients using transferred Post-9/11 GI Bill benefits while the transferor is on active duty in the Armed Forces, the commissioned corps of the Health Service, or the National Oceanic and Atmospheric Administration are under this change eligible for in-State tuition, provided that the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina. Further, recipients of the John David Fry Scholarship, whose parent or spouse died in the line of duty, are eligible to receive in-State tuition under this section, subject to the same constraints as above.

Section: 10.12

Title: **SENIOR CITIZENS MAY AUDIT COURSES AT UNC AND COMMUNITY COLLEGES**

Summary: Amends Chapter 115B, Tuition and Fee Waivers, to allow individuals who are at least 65 years old to audit courses offered at constituent institutions of The University of North Carolina and at community college campuses without payment of any required registration fee or tuition for the audited courses, provided that permission is granted by the instructor of the course in accordance with policies adopted by the Board of Governors and the State Board of Community Colleges for their respective institutions, and there is no cost to the State. An individual must be allowed to audit a class only on a space-available basis. Individuals auditing classes cannot be counted in the computation of enrollment for funding purposes.

Section: 10.13

Title: **STUDY/UNC EQUAL OPPORTUNITY COMPLIANCE OFFICERS**

Summary: Requires the Board of Governors of UNC to study equal opportunity policies, including policies related to diversity and nondiscrimination, adopted by each constituent institution, the implementation of those policies on each campus, and the services provided on each campus, with a particular focus on transparency and effectiveness of the policies.

The Board must direct each constituent institution to do the following:

- Identify all staff positions on campus that include any responsibility for the implementation, administration, or enforcement of policies intended to promote equal opportunity, diversity, or inclusiveness.
- Indicate how those staff positions and the services offered through those positions fit within the constituent institution's organizational structure.
- Estimate the direct and indirect costs related to those staff positions and services provided by those staff positions.
- Itemize the number of part-time and full-time employees in those staff positions by each individual campus, descriptions of job duties of each of these employees, and the total costs of the positions.

The study must also consider the feasibility of developing equal opportunity plans at each constituent institution that consolidate all equal opportunity services into a single office headed by an equal employment officer designated by the Chancellor to promote effectiveness and efficiency.

The Board must submit a report that includes its findings, recommendations, and policy changes to the JLEOC by January 1, 2018. The Board must approve the report prior to the submission to the JLEOC.

Section: 10.14

Title: **BOARD OF GOVERNORS STUDIES/ESTABLISH SCHOOL OF HEALTH SCIENCE AND HEALTH CARE AT UNC-PEMBROKE AND ESTABLISH PHYSICIAN ASSISTANT PROGRAM, CHIROPRACTIC MEDICINE PROGRAM, AND A PILOT PROGRAM FOR BASIC LAW ENFORCEMENT TRAINING AT WSSU**

Summary: Directs the Board of Governors of UNC to conduct 4 feasibility studies:

- 1) Establishing a School of Health Sciences and Health Care at UNC-Pembroke;
- 2) Establishing a Physician Assistant program at Winston-Salem State University (WSSU)
- 3) Establishing a Chiropractic Medicine Program at WSSU;
- 4) Establishing a pilot program for Basic Law Enforcement Training at WSSU.

The Board shall submit a report on the study, including findings and recommendations, to the members of the Senate and the House of Representatives, by March 1, 2018.

Section: 10.15

Title: **UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS**

Summary: Directs UNC to spend \$29 million from funds available on its activities at the North Carolina Research Campus at Kannapolis.

Section: 10.20

Title: **UNC COMPUTER COMPATIBILITY**

Summary: Directs the President of UNC to work with the Department of Information Technology to ensure, to the extent practicable, that UNC's computer systems are able to share data among computer systems at the constituent institutions, community colleges, DPI, and other State agencies.

Section: 10.21

Title: **UNC CYBERSECURITY**

Summary: Requires the President, in collaboration with the Department of Information Technology or another cybersecurity consultant selected by the President, to review the existing security for the information technology systems and associated data of the UNC system and determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed.

Section: 10.23

Title: **MATCHING FUNDS FOR DEPARTMENT OF APPLIED PHYSICAL SCIENCES AT UNC-CHAPEL HILL DO NOT REVERT**

Summary: Amends Sec. 27.6 of S.L. 2016-94, 2016 Appropriations Act, to allow the Department of Applied Physical Sciences (Department) at UNC-Chapel Hill to carry forward matching funds for a challenge grant for operating expenses through the fiscal biennium.

(S.L. 2017-97, Budget Technical Corrections, amended this section to allow the funds to be used for repair and renovation of laboratory facilities in the Department. It also limited the carryforward authority to the first year of the biennium.)

Section: 10.24

Title: **FOOD SCIENCE INNOVATION ADVISORY COMMITTEE**

Summary: Creates the Food Processing Innovation Committee (Committee), which shall be located administratively in the Department of Agriculture and Consumer Services. The section specifies the composition of the Committee and directs it to study and make recommendations on food manufacturing, increasing the use of North Carolina-produced ingredients, and increasing the number of food manufacturers in North Carolina, particularly in rural or distressed areas. The Committee shall also develop a business plan for the Food Processing Research Center at the North Carolina Research Campus in Kannapolis.

The Committee shall report on or before September 1, 2018, and at least semiannually thereafter, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and FRD.

(S.L. 2017-212, Sec. 4.4, Budget and Agency Technical Corrections, amends this section to specify that the business plan developed by the Food Science Innovation Advisory Committee is binding. UNC may not deviate from the business plan without having the plan amended by the Committee.)

Section: 10.25

Title: **ENERGY STORAGE STUDY**

Summary: Directs the North Carolina Policy Collaboratory to study energy storage technology, contingent upon both the passage of H.B. 589, Competitive Energy Solutions for NC, and the Collaboratory successfully raising at least \$75,000 in non-State funds as a match to the challenge grant funds set out in Sec. 27.5 of S.L. 2016-94, 2016 Appropriations Act, and as amended by this Act. (H.B. 589 was enacted and is now S.L. 2017-92.)

Section: 10.26

Title: **ONE-YEAR COLLEGE TUITION GRANTS FOR CERTAIN GRADUATES OF THE NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS WHO ATTEND A STATE**

Summary: Allocates \$1.5 million to SEAA to be held in a reserve to provide tuition grants for 1 academic year to each State resident who graduates from the North Carolina School of Science and Mathematics at the end of the 2017-18 academic year and who enrolls as a full-time student at a constituent institution of UNC for the 2018-19 academic year.

Section: 10.27

Title: **UNC/EXCELLENCE FUND FOR EXPERIENTIAL LEARNING AND LEADERSHIP DEVELOPMENT FOR THE RESERVE OFFICERS TRAINING CORPS**

Summary: Allocates \$240,000 to UNC-CH to establish the Excellence Fund for Experiential Learning and Leadership Development for the Reserve Officers Training Corps. The funds allocated by this section do not revert.

Section: 10.28

Title: **UNC CORE/FUNDS FOR ACTIVE DUTY SERVICE MEMBERS AND VETERANS PROGRAMS**

Summary: Directs that the unexpended balance of funds for UNC Core, a program of online education courses for active duty service members, shall not revert.

Section: 10.A.1

Title: **SOFTWARE FOR ADMINISTRATION OF THE OPPORTUNITY SCHOLARSHIP AND SPECIAL EDUCATION SCHOLARSHIP PROGRAMS**

Summary: Permits SEAA to use up to \$1.8 million in funds provided by this Act to purchase software necessary to support the administration of the Opportunity Scholarship Grant Program and the Special Education Scholarships for Children with Disabilities Program. These funds may also be used for customization of the software, development of interfaces with internal systems, conversion of data, and training for staff on the new software system.

SEAA shall report by October 1, 2017 and again by October 1, 2018, to FRD and the JLEOC on the acquisition of software and the implementation of the system.

Section: 10A.2

Title: **ELIMINATE SCHOOL SITE SCHOLARSHIP ENDORSEMENT REQUIREMENT**

Summary: Amends G.S. 115C-112.6(b1)(1)a and G.S. 115C-562.6 to remove the requirement for the Opportunity Scholarship Grant Program and the Special Education Scholarships for Children with Disabilities Program that parents or guardians of recipients appear in person at the nonpublic school which the recipient attends to restrictively endorse scholarship funds. The funds must still be restrictively endorsed to the school to the credit of the eligible student.

This section applies to scholarship funds awarded beginning with the 2017-2018 school year.

Section: 10.A.3

Title: **NORTH CAROLINA TEACHING FELLOWS**

Summary: Amends Article 23 of Chapter 116 to add a new part, re-establishing the North Carolina Teaching Fellows Program (Program) and the North Carolina Teaching Fellows Commission (Commission). The Program, administered by SEAA, provides forgivable loans to students intending to teach in STEM or special education fields. Students may receive up to \$8,250 per year for up to 4 years. Loans may be forgiven when the recipient serves as a teacher in a STEM or special education licensure area for every year the teacher was awarded the forgivable loan, in any combination of the following:

- One year at a North Carolina public school identified as low-performing at the time the teacher accepts employment at the school or if the teacher changes employment during this period, at another school identified as low-performing.
- Two years at a North Carolina public school that is not identified as low-performing.

An annual report must be submitted to the JLEOC beginning January 1, 2019, with detailed information about the recipients; employment placements of the recipients after they graduate; evaluations of the graduates once they begin teaching; information on their students' academic outcomes; and turnover and loan fulfillment rates of the forgivable loan recipients and graduates.

Section: 10.A.4

Title: **PERSONAL EDUCATION SAVINGS ACCOUNT PROGRAM**

Summary: Amends G.S. 115C to add a new Article 39A creating the North Carolina Personal Education Savings Accounts Program (ESA). This program, to be administered by SEAA, grants \$9,000 to each eligible student for qualifying educational expenditures. These State funds shall be loaded onto a debit card for use by the student's parent or guardian. These grants may be combined with other existing programs, including Opportunity Scholarships and Special Education Scholarships for Students with Disabilities. To receive these funds, a child must have a documented disability such as: autism; developmental disability; hearing impairment; moderate or severe intellectual disability; multiple, permanent orthopedic impairments; or visual impairment.

SEAA must report annually, no later than September 1, to JLEOC on the following:

- Total number, grade level, race, ethnicity, and sex of eligible students receiving scholarship funds;
- Total amount of scholarship funding awarded;
- Number of students previously enrolled in public schools in the prior semester by the previously attended local education agency;
- Nonpublic schools in which scholarship recipients are enrolled, including numbers of scholarship recipients at each nonpublic school;
- The number of substantiated cases of fraud by recipients and the number of parents or students removed from the program for noncompliance with the provisions of this section. (S.B. 603)

Section: 10.A.5

Title: **AMEND TRANSFORMING PRINCIPAL PREPARATION**

Summary: Amends Section 11.9 of S.L. 2015-241, 2015 Appropriations Act, as amended by S.L. 2016-94, Appropriations Act of 2016, and by Section 4.3 of S.L. 2016-123, Measurability Assessments/Budget Technical Corrections, to make several changes to the Principal Preparation Program. This section adds to the list of entities eligible to receive Principal Preparation grants, a fifth priority area: a service area that is underserved by existing principal preparation programs or demonstrates unmet need. This section also directs the nonprofit administering the grant, along with SEAA, to develop a process of retrieval of grant funds from noncompliant grant recipients. The section also specifies permissible administration costs in accordance with increased funding appropriated in this Act.

Section: 10.A.6

Title: **STUDY OF OPPORTUNITY SCHOLARSHIP STUDENT EVALUATIONS**

Summary: Directs SEAA, in collaboration with the Department of Administration, Division of Nonpublic Education, and DPI, to establish a task force to study the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program.

The task force shall report to the JLEOC by March 1, 2018.

2017 Session: HB 528

Department: UNC System

Section: 2.13

Title: **TECHNICAL CHANGE: UNC MANAGEMENT FLEXIBILITY REDUCTION**

Summary: Amends S.L. 2017-57, Sec. 10.8, Appropriations Act of 2017, to require a report on the implementation of the management flexibility reduction only in FY 2018-19, as there is no management flexibility reduction in FY 2017-18.

Section: 2.14

Title: **TECHNICAL CHANGE: NORTH CAROLINA UNIVERSITY COOPERATIVE EXTENSION**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new Sec. 10.29 to clarify the appropriation for NC State's Cooperative Extension program. The Conference Committee Report improperly rounded the appropriation.

Section: 2.15

Title: **TECHNICAL CHANGE: SOFTWARE FOR ADMINISTRATION OF THE OPPORTUNITY SCHOLARSHIP AND SPECIAL EDUCATION SCHOLARSHIP PROGRAMS**

Summary: Amends S.L. 2017-57, Sec. 10.A.1, Appropriations Act of 2017, by striking the words "in nonrecurring funds." This is to clarify that SEAA is to use funds that are provided to them on a recurring basis for this nonrecurring expense.

Section: 2.16

Title: **BUDGET CHANGE: MATCHING FUNDS FOR DEPARTMENT OF APPLIED PHYSICAL SCIENCES AT UNC-CHAPEL HILL DO NOT REVERT**

Summary: Amends S.L. 2017-57, Sec. 10.23, Appropriations Act of 2017, to allow UNC-Chapel Hill to carry forward funds and use them for repairing and renovating certain laboratories of the Department of Applied Physical Sciences. This section limits the carryforward authority to FY 2017-18 only.

Section: 2.17

Title: **TECHNICAL CHANGE: NCSU BIOMANUFACTURING TRAINING AND EDUCATION CENTER**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Sec. 10.30 to specify that funds given to the NCSU Biomanufacturing Training and Educational Center shall only be used to support training and education, not research.

2017 Session: SB 582

Department: UNC System

Section: 4.4

Title: **TECHNICAL CHANGE: FOOD SCIENCE INNOVATION ADVISORY COMMITTEE**

Summary: Amends S.L. 2017-57, Sec. 10.24, Appropriations Act of 2017, to specify that the business plan developed by the Food Science Innovation Advisory Committee is binding. UNC may not deviate from the business plan without having the plan amended by the Committee.

**Health
and
Human Services
Section G**

**Central Management
Budget Code 14410**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$179,580,970	\$179,580,970
Receipts	\$82,249,138	\$82,249,138
Net Appropriation	\$97,331,832	\$97,331,832
Legislative Changes		
Requirements	\$161,755,115	\$130,125,197
Receipts	\$141,931,738	\$104,687,624
Net Appropriation	\$19,823,377	\$25,437,573
Revised Budget		
Requirements	\$341,336,085	\$309,706,167
Receipts	\$224,180,876	\$186,936,762
Net Appropriation	\$117,155,209	\$122,769,405

General Fund FTE

Base Budget	835.75	835.75
Legislative Changes	59.00	81.00
Revised Budget	894.75	916.75

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Central Management Budget Code 14410		Base 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	6,599,806	1,935,309	4,664,497	-	-	-	6,599,806	1,935,309	4,664,497
1120	Service Support-Central Management	18,048,520	3,809,658	14,238,862	-	-	-	18,048,520	3,809,658	14,238,862
1121	Service Support-Controllers Office	18,492,367	8,658,261	9,834,106	-	-	-	18,492,367	8,658,261	9,834,106
1122	DIRM-Information Services	70,720,533	46,822,184	23,898,349	15,238,497	10,949,225	4,289,272	85,959,030	57,771,409	28,187,621
1123	DIRM-Planning and Development	68,715	10,664	58,051	-	-	-	68,715	10,664	58,051
1124	NC Council on Developmental Disabilities	3,128,076	3,049,889	78,187	-	-	-	3,128,076	3,049,889	78,187
1125	Service Support - Medicaid Mgmt Info System	-	-	-	-	-	-	-	-	-
1126	Central Regional Maintenance - Dix	10,668,063	2,737,511	7,930,552	-	-	-	10,668,063	2,737,511	7,930,552
1127	Office of Program Eval, Reporting & Accountability	539,301	85,007	454,294	-	-	-	539,301	85,007	454,294
1129	Rural Health Services Administration	918,482	192,209	726,273	-	-	-	918,482	192,209	726,273
1161	Rural Hospital - Assistance	-	-	-	-	-	-	-	-	-
1162	Rural Health Capacity Building	4,397,953	2,795,734	1,602,219	-	-	-	4,397,953	2,795,734	1,602,219
1163	Primary Care Safety Net Infrastructure	-	-	-	-	-	-	-	-	-
1164	Rural Health Centers	-	-	-	-	-	-	-	-	-
1168	Telemedicine	2,013,137	13,078	2,000,059	-	-	-	2,013,137	13,078	2,000,059
1169	Rural Health Infrastructure	13,376,790	2,035,211	11,341,579	7,925,000	-	7,925,000	21,301,790	2,035,211	19,266,579
1320	Prescription Assistance	200,000	-	200,000	-	-	-	200,000	-	200,000
1371	NC Farmworker Health	-	-	-	-	-	-	-	-	-
1372	Community Care of NC	-	-	-	-	-	-	-	-	-
1373	Services for the Uninsured	-	-	-	-	-	-	-	-	-
1374	Low Income Drug and Medical Assistance	6,092,669	4,142,971	1,949,698	200,000	-	200,000	6,292,669	4,142,971	2,149,698
1910	Reserves and Transfers	22,207,606	3,852,500	18,355,106	142,600,128	136,300,000	6,300,128	164,807,734	140,152,500	24,655,234
1991	Indirect Cost - Reserve	394,330	394,330	-	-	-	-	394,330	394,330	-
1992	Prior Year - Earned Revenue	1,714,622	1,714,622	-	-	-	-	1,714,622	1,714,622	-
Division-wide Items										
N/A	TANF	-	-	-	(1,865,799)	(1,865,799)	-	(1,865,799)	(1,865,799)	-
N/A	SSBG	-	-	-	322,025	322,025	-	322,025	322,025	-
N/A	LIHEAP	-	-	-	(3,381,159)	(3,381,159)	-	(3,381,159)	(3,381,159)	-
N/A	CCDF	-	-	-	(392,554)	(392,554)	-	(392,554)	(392,554)	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	699,270	-	699,270	699,270	-	699,270
N/A	State Retirement Contributions	-	-	-	291,263	-	291,263	291,263	-	291,263
N/A	State Health Plan Reserve	-	-	-	118,444	-	118,444	118,444	-	118,444
Total		\$179,580,970	\$82,249,138	\$97,331,832	\$161,755,115	\$141,931,738	\$19,823,377	\$341,336,085	\$224,180,876	\$117,155,209

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Central Management										
Budget Code 14410		Base 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	6,599,806	1,935,309	4,664,497	-	-	-	6,599,806	1,935,309	4,664,497
1120	Service Support-Central Management	18,048,520	3,809,658	14,238,862	-	-	-	18,048,520	3,809,658	14,238,862
1121	Service Support-Controllers Office	18,492,367	8,658,261	9,834,106	-	-	-	18,492,367	8,658,261	9,834,106
1122	DIRM-Information Services	70,720,533	46,822,184	23,898,349	25,450,004	15,511,057	9,938,947	96,170,537	62,333,241	33,837,296
1123	DIRM-Planning and Development	68,715	10,664	58,051	-	-	-	68,715	10,664	58,051
1124	NC Council on Developmental Disabilities	3,128,076	3,049,889	78,187	-	-	-	3,128,076	3,049,889	78,187
1125	Service Support - Medicaid Mgmt Info System			-	-	-	-	-	-	-
1126	Central Regional Maintenance - Dix	10,668,063	2,737,511	7,930,552	-	-	-	10,668,063	2,737,511	7,930,552
1127	Office of Program Eval, Reporting & Accountability	539,301	85,007	454,294	-	-	-	539,301	85,007	454,294
1129	Rural Health Services Administration	918,482	192,209	726,273	-	-	-	918,482	192,209	726,273
1161	Rural Hospital - Assistance			-	-	-	-	-	-	-
1162	Rural Health Capacity Building	4,397,953	2,795,734	1,602,219	-	-	-	4,397,953	2,795,734	1,602,219
1163	Primary Care Safety Net Infrastructure			-	-	-	-	-	-	-
1164	Rural Health Centers			-	-	-	-	-	-	-
1168	Telemedicine	2,013,137	13,078	2,000,059	-	-	-	2,013,137	13,078	2,000,059
1169	Rural Health Infrastructure	13,376,790	2,035,211	11,341,579	7,500,000	-	7,500,000	20,876,790	2,035,211	18,841,579
1320	Prescription Assistance	200,000	-	200,000	-	-	-	200,000	-	200,000
1371	NC Farmworker Health			-	-	-	-	-	-	-
1372	Community Care of NC			-	-	-	-	-	-	-
1373	Services for the Uninsured			-	-	-	-	-	-	-
1374	Low Income Drug and Medical Assistance	6,092,669	4,142,971	1,949,698	200,000	-	200,000	6,292,669	4,142,971	2,149,698
1910	Reserves and Transfers	22,207,606	3,852,500	18,355,106	100,574,216	94,494,054	6,080,162	122,781,822	98,346,554	24,435,268
1991	Indirect Cost - Reserve	394,330	394,330	-	-	-	-	394,330	394,330	-
1992	Prior Year - Earned Revenue	1,714,622	1,714,622	-	-	-	-	1,714,622	1,714,622	-
Division-wide Items										
N/A	TANF			-	(1,865,799)	(1,865,799)	-	(1,865,799)	(1,865,799)	-
N/A	SSBG				322,025	322,025	-	322,025	322,025	-
N/A	LIHEAP				(3,381,159)	(3,381,159)	-	(3,381,159)	(3,381,159)	-
N/A	CCDF				(392,554)	(392,554)	-	(392,554)	(392,554)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	699,270	-	699,270	699,270	-	699,270
N/A	State Retirement Contributions	-	-	-	768,206	-	768,206	768,206	-	768,206
N/A	State Health Plan Reserve				250,988	-	250,988	250,988	-	250,988
Total		\$179,580,970	\$82,249,138	\$97,331,832	\$130,125,197	\$104,687,624	\$25,437,573	\$309,706,167	\$186,936,762	\$122,769,405

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Central Management					
Budget Code 14410		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	61.00	-	-	61.00
1120	Service Support-Central Management	109.75	-	-	109.75
1121	Service Support-Controllers Office	217.00	-	-	217.00
1122	DIRM-Information Services	296.00	48.00	-	344.00
1123	DIRM-Planning and Development	-	-	-	-
1124	NC Council on Developmental Disabilities	10.00	-	-	10.00
1125	Service Support - Medicaid Mgmt Info System	-	-	-	-
1126	Central Regional Maintenance - Dix	99.00	-	-	99.00
1127	Office of Program Evaluation, Reporting & Accountability	3.00	-	-	3.00
1129	Rural Health Services Administration	9.00	-	-	9.00
1161	Rural Hospital - Assistance	-	-	-	-
1162	Rural Health Capacity Building	4.00	-	-	4.00
1163	Primary Care Safety Net Infrastructure	-	-	-	-
1164	Rural Health Centers	-	-	-	-
1168	Telemedicine	-	-	-	-
1169	Rural Health Infrastructure	19.00	4.00	-	23.00
1320	Prescription Assistance	-	-	-	-
1371	NC Farmworker Health	-	-	-	-
1372	Community Care of NC	-	-	-	-
1373	Services for the Uninsured	-	-	-	-
1374	Low Income Drug and Medical Assistance	8.00	-	-	8.00
1910	Reserves and Transfers	-	6.00	1.00	7.00
Total FTE		835.75	58.00	1.00	894.75

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Central Management					
Budget Code 14410		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	61.00	-	-	61.00
1120	Service Support-Central Management	109.75	-	-	109.75
1121	Service Support-Controllers Office	217.00	-	-	217.00
1122	DIRM-Information Services	296.00	70.00	-	366.00
1123	DIRM-Planning and Development	-	-	-	-
1124	NC Council on Developmental Disabilities	10.00	-	-	10.00
1125	Service Support - Medicaid Mgmt Info System	-	-	-	-
1126	Central Regional Maintenance - Dix	99.00	-	-	99.00
1127	Office of Program Evaluation, Reporting & Accountability	3.00	-	-	3.00
1129	Rural Health Services Administration	9.00	-	-	9.00
1161	Rural Hospital - Assistance	-	-	-	-
1162	Rural Health Capacity Building	4.00	-	-	4.00
1163	Primary Care Safety Net Infrastructure	-	-	-	-
1164	Rural Health Centers	-	-	-	-
1168	Telemedicine	-	-	-	-
1169	Rural Health Infrastructure	19.00	4.00		23.00
1320	Prescription Assistance	-	-	-	-
1371	NC Farmworker Health	-	-	-	-
1372	Community Care of NC	-	-	-	-
1373	Services for the Uninsured	-	-	-	-
1374	Low Income Drug and Medical Assistance	8.00	-	-	8.00
1910	Reserves and Transfers	-	6.00	1.00	7.00
Total FTE		835.75	80.00	1.00	916.75

2017 Annotated Conference Committee Report

Health and Human Services

	GENERAL FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	\$97,331,832	\$97,331,832

Legislative Changes

(1.0) Division of Central Management and Support

1 Compensation Increase Reserve	\$699,270	R	\$699,270	R
Fund Code: N/A				

Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.

(S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)

2 State Retirement Contributions	\$291,263	R	\$768,206	R
Fund Code: N/A				

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19.

(S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

3 State Health Plan	\$118,444	R	\$250,988	R
Fund Code: N/A				

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.

(S.L. 2017-57, Sec. 35.19)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

4 Purchased Services

(\$3,200,000)

R

(\$3,200,000)

R

Fund Code: 1910

Reduces funding Department wide for purchased administrative services. Reductions shall not be taken from contracts/agreements that provide direct services or the U.S. Department of Justice settlement agreement. The revised net appropriation for Fund 1910 from all actions in this report is \$24.6 million in FY 2017-18 and \$24.4 million in FY 2018-19.
(S.L. 2017-57, Sec. 11A.10)

5 NC Medication Assistance Program

Fund Code: 1374

\$200,000

NR

\$200,000

NR

Provides funds for additional prescription assistance services for indigent and uninsured persons. The revised net appropriation for fund code 1374 is \$2.1 million in each year of the biennium.

6 Community Health Grants

\$7,500,000

R

\$7,500,000

R

Fund Code: 1169

4.00

4.00

Increases funding for grants to community health centers, rural health centers, federally qualified health centers, free clinics, and other health services providers in rural and medically underserved communities. Of the amount provided, up to \$200,000 may be used to establish 4 Community Health Grants Specialist positions. The revised net appropriation for community health grants is \$15.0 million in each year of the biennium.
(S.B. 359/H.B. 367; S.L. 2017-57, Sec. 11A.8)

7 DHHS Competitive Grant - Big Brothers Big Sisters

Fund Code: 1910

Provides \$350,000 from the federal Social Services Block Grant (SSBG) to the DHHS Competitive Grant. The additional funding is designated for Big Brothers Big Sisters in each year of the biennium. The revised total SSBG allocation for DHHS Competitive Grants from all actions in this report is \$4,524,525 in both years of the biennium.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11A.14)

8 DHHS Competitive Grant - TROSA

Fund Code: 1910

Provides \$1.6 million from the federal Substance Abuse Prevention and Treatment Block Grant to the DHHS Competitive Grant. The funds are designated for TROSA, a long-term residential substance abuse treatment program. The total competitive grant funding for TROSA is \$3.2 million in each year of the biennium.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11A.14)

2017 Annotated Conference Committee Report

9 Graduate Medical Education - Cape Fear Valley Medical Center Fund Code: 1910

FY 17-18

FY 18-19

(\$7,700,000) R
\$3,000,000 NR

(\$7,700,000) R

Eliminates funding provided to establish a residency program at Cape Fear Valley Medical Center. The funds were originally appropriated in anticipation of lost Medicare revenue that would result from the Medical Center's planned reclassification as a rural hospital by the federal Centers for Medicare and Medicaid Services (CMS). However, recent changes in CMS policy will allow Cape Fear Valley Medical Center to regain its urban hospital classification effective October 1, 2017. One-time funding, \$3 million nonrecurring, is provided to offset anticipated revenue losses for the period July 1, 2017 to September 30, 2017. The revised net appropriation for Graduate Medical Education - Cape Fear Valley Medical Center is \$3,000,000 in FY 2017-18 only. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11A.13)

10 Hands of Hope Medical Clinic

Fund Code: 1169

\$50,000 NR

Provides \$50,000 for the Hands of Hope Medical Clinic. The revised net appropriation for the Hands of Hope Medical Clinic is \$50,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 6.13)

11 Community Free Clinic

Fund Code: 1169

\$125,000 NR

Provides funds to the Community Free Clinic to serve low-income and uninsured residents of Cabarrus County. The revised net appropriation for the Community Free Clinic is \$125,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 6.13)

12 James Austin Health Center

Fund Code: 1169

\$250,000 NR

Provides funding for the James Austin Health Center in Rockingham County. The revised net appropriation for the James Austin Health Center is \$250,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

13 NC FAST - Child Welfare and Other Development

Fund Code: 1910

\$8,900,000 NR
4.00

\$11,109,000 NR
4.00

Provides funding for continued system development including implementing the Child Services project, a child welfare case management system, and a Medicaid Self-Service and Enterprise Program Integrity project to address federal requirements and implement new program integrity functionality. Funding will also support the Identity Proofing project to provide electronic identity proofing when applying for certain benefits from NC FAST. Total funding for NC FAST development projects, inclusive of fund balances, receipts and net General Fund appropriations is \$137.4 million for FY 2017-18 and \$98.6 million for FY 2018-19. The revised net appropriation for NC FAST Child Welfare and other development projects is \$8.9 million in FY 2017-18 and \$11.1 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2015-57, Sec. 11A.3)

14 NC FAST - Operations and Maintenance

Fund Code: 1122

\$1,900,000 R
32.00

\$7,700,000 R
54.00

Provides funding for the ongoing operation and maintenance of NC FAST including funding for several projects that are moving from the development phase to full implementation including Child Care Subsidy and energy programs, Child Services, and Medicaid Self Services and Enterprise Program Integrity. Funding is also provided for additional help desk and technical support. The revised net appropriation from all actions in this report for Fund 1122, DIRM - Information System Services, is \$28.2 million in FY 2017-18 and \$33.8 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2015-57, Sec. 11A.3)

15 Social Security Number Removal

Fund Code: 1910

\$250,000 NR

Provides funding to modify department information technology systems to improve security and protect against identify theft. The revised net appropriation for the Social Security number removal project is \$250,000 in FY 2017-18 only.

(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

16 DHHS IT Application Expansion

Fund Code: 1122

\$422,206 R
\$302,666 NR
6.00

\$422,206 R
\$327,341 NR
6.00

Provides funding for 6 positions and contract resources to support several FoxPro applications, the Child Support Services program, the HIV Care Continuum Data-to-Care database, multiple databases and Medicaid Information Technology Architecture State Self Assessment as required by federal regulations. The revised net appropriation from all actions in this report for fund code 1122, DIRM - Information System Services, is \$28.2 million in FY 2017-18 and \$33.8 million in FY 2018-19.

The newly established positions are as follows:

3 Business & Technology App Specialists	\$100,000
1 Business & Technology App Specialist	\$94,000
1 Business & Technology App Analyst	\$85,000
1 Business System Analyst	\$85,000

(S.B. 430/H.B. 537)

17 Receipt Supported IT Projects

Fund Code: 1910. 1122

Budgets \$3.6 million in federal receipts in FY 2017-18 and \$4.8 million in federal receipts in FY 2018-19 to replace the legacy case management system for employment, and independent living-related services shared by the Divisions of Vocational Rehabilitation Services and the Services for the Blind. Also budgets \$100,922 in FY 2017-18 and \$159,713 in FY 2018-19 from county funding for the North Carolina County Reimbursement Ledger Suite (NC CoReLS) which will assist county departments of social services and Child Support offices to record and electronically submit their forms for federal and state reimbursement. These funds will also support 1 FTE for the NC CoReLS project. The revised net appropriation for the receipt supported IT projects is \$0 in both years of the biennium.

(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

18 Controlled Substances Reporting System (CSRS)

Fund Code: 1122

Provides funding for contractual hours to develop and implement software via existing Government Data Analytics Center public-private partnerships for the performance of advance analytics within the CSRS. The contract services will enhance and automate reports, and enhance the provision of data to entities or persons authorized to receive information. The contract services will also aggregate relevant data sources, and enhance the Department's ability to generate and deploy advanced analytics in order to improve prescribing practices, and to identify unusual prescribing patterns. The revised net appropriation from all actions in this report for fund code 1122, DIRM - Information System Services, is \$28.2 million in FY 2017-18 and \$33.8 million in FY 2018-19. (S.L. 2017-57, Sec.11A.6)

FY 17-18

FY 18-19

\$1,200,000

R

\$1,200,000

R

19 CSRS Operations and Maintenance

Fund Code: 1122, 1910

Provides funding to modernize, develop and maintain the CSRS database in order to improve the security, functionality and interface capabilities of the system. A total of 6 positions are established, 4 in the Division of Central Management and Support and 2 in the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. (S.B. 430/H.B. 537; S.L. 2017-57, Sec.11A.6)

\$639,400

R

\$639,400

R

6.00

6.00

20 Health Service Regulation Enterprise Solution

Fund Code: 1910

Provides funding for an enterprise solution to replace 7 applications that are no longer supported and to automate the Division of Health Service Regulations licensure and license renewal process. Online license renewal applications will eliminate the majority of manual processes by both the Division of Health Service Regulation and healthcare providers. Additionally timelier licensure information can be provided to NC Tracks. The revised net appropriation for the Health Service Regulation Enterprise solution project is \$275,128 in FY 2017-18 and \$3.9 million in FY 2018-19. (S.B. 430/H.B. 537)

\$275,128

NR

\$627,134

R

\$3,294,028

NR

21 Health Information Exchange

Fund Code: 1910

Provides funding for the Health Information Exchange (HIE) to upgrade the data exchange technical environment in order to modernize features and functions of the HIE Network and provide ongoing maintenance and operations of the new technical environment. The revised net appropriation for HIE in the DHHS budget is \$4 million in FY 2017-18 and \$1 million in FY 2018-19. (S.L. 2017-57, Sec.11A.5)

\$1,000,000

R

\$1,000,000

R

\$3,000,000

NR

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

22 Alzheimer's Registry

\$600,000

R

\$600,000

R

Fund Code: 1910

Provides funding to support the development of an Alzheimer's Registry through the Duke Brain Research Center. The net revised appropriation for the Alzheimer's Registry is \$600,000 in each year of the biennium.

(S.L. 2017-57, Sec. 6.13)

(S.L. 2017-197, Sec. 3.1, Budget Technical Corrections, amends this item to correct the name of the Bryan Alzheimer's Disease Research Center at Duke University Medical Center.)

23 Temporary Assistance for Needy Families (TANF) Block Grant

Fund Code: N/A

Reduces TANF block grant federal receipts in the amount of \$1,865,799 in each year of the biennium. The revised TANF block grant federal receipts for the Division are \$3 million in FY 2017-18 and \$3.7 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

24 Social Services Block Grant (SSBG)

Fund Code: N/A

Budgets SSBG federal receipts in the amount of \$322,025 in each year of the biennium. The revised SSBG federal receipts for the Division are \$4.7 million in each year of the biennium.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

25 Low Income Energy Assistance Program (LIEAP)

Fund Code: N/A

Reduces LIEAP federal receipts in the amount of \$3,381,159 in each year of the biennium. The revised LIEAP federal receipts for the Division are \$2.5 million in FY 2017-18 and \$5.2 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

26 Child Care Development Fund (CCDF) Block Grant

Fund Code: N/A

Reduces CCDF block grant federal receipts in the amount of \$392,554 in both years of the biennium. The revised CCDF block grant federal receipts for the Division are \$3.7 million in FY 2017-18 and \$3.9 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	\$3,470,583	R	\$10,507,204	R
	\$16,352,794	NR	\$14,930,369	NR
Total Position Changes	52.00		74.00	
Revised Budget	\$117,155,209		\$122,769,405	

DHHS-CENTRAL MANAGEMENT-IT PROJECTS

Budget Code: 24410

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$29,197,034	\$21,462,704
Recommended Budget		
Requirements	\$8,122,027	(\$9,782,686)
Receipts	\$387,697	\$387,697
Positions	111.00	111.00

Legislative Changes**Requirements:****MMIS/Analytics Reprocurement**

Provides funding to determine enhancements needed for the NC Tracks system to align with federal Medicaid Information Technology Architecture standards and to prepare for the procurement of a new Medicaid Management System (MMIS) and a new Reporting and Analytics contract. This is a requirement in order to obtain continued Center for Medicare and Medicaid Services (CMS) certification and receive federal match funding. (S.B. 430/H.B. 537; S.L. 2017-57, Secs. 11A.2 and 11H.15)

\$0	R	\$0	R
\$1,427,000	NR	\$2,439,670	NR
0.00		0.00	

Subtotal Legislative Changes

\$0	R	\$0	R
\$1,427,000	NR	\$2,439,670	NR
0.00		0.00	

Receipts:**MMIS/Analytics Reprocurement**

Budgets federal receipts and prior year earned revenue to determine enhancements needed for the NC Tracks system to align with federal Medicaid Information Technology Architecture standards and to prepare for the procurement of a new Medicaid Management System (MMIS) and a new Reporting and Analytics contract. This is a requirement in order to obtain continued Center for Medicare and Medicaid Services (CMS) certification and receive federal match funding. (S.B. 430/H.B. 537)

\$0	R	\$0	R
\$1,427,000	NR	\$2,439,670	NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$0 R \$1,427,000 NR	\$0 R \$2,439,670 NR
Revised Total Requirements	\$9,549,027	(\$7,343,016)
Revised Total Receipts	\$1,814,697	\$2,827,367
Change in Fund Balance	(\$7,734,330)	\$10,170,383
Total Positions	111.00	111.00
Unappropriated Balance Remaining	\$21,462,704	\$31,633,087

Special Provisions

2017 Session: SB 257

Division: (1.0) Division of Central Management and Support

Section: 11A.1

Title: HEALTH INFORMATION TECHNOLOGY

Summary: Amends Article 3 of Chapter 143B to add a new section, G.S. 143B-139.4D, which directs the Department of Health and Human Services (DHHS), in cooperation with the State Chief Information Officer, to coordinate State health information technology policies and programs in a manner consistent with State and federal health information technology goals and to establish and direct an efficient and transparent health information technology management structure that is compatible with the Office of the National Health Coordinator for Information Technology governance mechanism. DHHS is to monitor all studies and reports provided to the United States (U.S.) Congress regarding health information technology and report on the impact of report recommendations on State efforts to implement coordinated health information technology to the Joint Legislative Oversight Committee on Information Technology (JLOCIT) and the Fiscal Research Division (FRD).
(S.B. 430/H.B. 537)

Section: 11A.2

Title: FUNDS FOR MEDICAID MANAGEMENT INFORMATION SYSTEM/ANALYTICS REPROCUREMENT

Summary: Directs DHHS to use specified amounts of prior-year earned revenue and departmental receipts to match federal funds to: 1) determine enhancements necessary or plan the strategy to align the Medicaid Management Information System (MMIS) and Reporting and Analytics systems with federal Medicaid Information Technology Architecture standards and, 2) prepare for the procurement of a new MMIS contract and a new Reporting and Analytics contract.
(S.B. 430/H.B. 537)

Section: 11A.3

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

Summary: Directs DHHS to use funds, including prior-year earned revenue, and the cash balance in Budget code 24410, Fund 2411 for NC FAST to match federal funds to expedite the development and implementation of Child Services Case Management, additional Medicaid eligibility requirements, Enterprise Program Integrity, and Identity Proofing Feasibility components of the project. DHHS shall report any changes in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS), the JLOCIT and FRD.

In addition to the fund appropriated, this section further directs DHHS to use departmental receipts for the ongoing maintenance and operations of the NC FAST system, including the creation of 32 FTE positions in FY 2017-18 and 54 FTE positions in FY 2018-19.
(S.B. 430/H.B. 537)

Section: 11A.4

Title: **HEALTH ANALYTICS PROGRAM**

Summary: Directs DHHS to continue to coordinate with the Government Data Analytics Center (GDAC) to further develop and fully operationalize the Health Analytics Program for Medicaid claims analytics and population health management authorized by Section 12A.17 of S.L. 2015-241, 2015 Appropriations Act, as amended by Section 12A.7 of S.L. 2016-94, 2016 Appropriations Act.

Section: 11A.5

Title: **HEALTH INFORMATION EXCHANGE**

Summary: Amends Section 12A.5(a)(1) of S.L. 2015-241 to set timelines by which different providers of Medicaid services that have an electronic health record system shall begin submitting demographic and clinical data to the Health Information Exchange (HIE) Network.

This section also amends G.S. 90-414.4 by adding new subsections to require certain providers of Medicaid services that have an electronic health record system to begin submitting demographic and clinical data by specified time frames. This section also allows for the extension of time for establishing connection to the HIE network, requires data to be submitted at least twice daily pertaining to services rendered to Medicaid and other state-funded health care program beneficiaries and provides for exemptions for certain records from the requirement to submit records to the HIE.

DHHS, the Department of Information Technology, and the Department of the State Treasurer are required to conduct a joint study and report on the feasibility and appropriateness of certain providers connecting with and submitting encounter and claims data through the HIE Network, by April 1, 2018 to the JLOCHHS and the JLOCIT.

Section: 11A.6

Title: **CONTROLLED SUBSTANCES REPORTING SYSTEM IMPROVEMENTS**

Summary: Directs DHHS to use \$1.2 million to contract to develop and implement software via existing public-private partnerships with the GDAC for the performance of advanced analytics within the Controlled Substances Reporting System.

Section: 11A.7

Title: **DATA ANALYTICS AND PERFORMANCE ENHANCEMENTS**

Summary: Directs that any enhancement of the State's data analytics capabilities utilizing funds appropriated in this act to DHHS are subject to State law requiring these analytics to be developed and implemented in collaboration with the GDAC.
(S.B. 430/H.B. 537)

Section: 11A.8

Title: **COMMUNITY HEALTH PROGRAM CHANGES**

Summary: Provides expansion funding to increase the Community Health Grant Program budget from \$7.5 million to \$15 million in recurring funding. DHHS is authorized to use up to \$200,000 to establish 4 permanent FTEs within the Office of Rural Health (ORH). An additional \$200,000 may be used for program administrative purposes. At least \$6,950,000 shall be used to award grants, not to exceed \$150,000 each, on a competitive basis to community health centers, free clinics, and other safety net health providers. ORH shall work with community health stakeholders to develop an objective and equitable grant making process. ORH shall develop a standardized method for grant recipients to report quality health outcomes and shall require grant recipients to report these outcomes to DHHS. Up to \$150,000 shall be used by ORH to match federal funds to provide safety net providers with ongoing health information technology training and technical assistance. (S.B. 359/H.B. 367, S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 3.2, Budget Technical Corrections, amends Sec 11A.8(d) to specify that the annual report required by this section shall begin July 1, 2018.)

Section: 11A.9

Title: **RURAL HEALTH LOAN REPAYMENT PROGRAMS**

Summary: Amends Article 3, Chapter 143B, and the Executive Organization Act of 1973, to create G.S. 143B-134.4C directing ORH to combine the Physician Loan Repayment Program, the Psychiatric Loan Repayment Program, and the Loan Repayment Initiative at State Facilities in order to achieve efficient and effective management. This section also authorizes ORH to expand the State Loan Repayment Program to include telemedicine providers. (S.B. 430/H.B. 537)

Section: 11A.10

Title: **REDUCTION OF FUNDS FOR PURCHASED SERVICES**

Summary: Prohibits DHHS from reducing funding for contracts that support direct services or the 2012 settlement agreement with the U.S. Department of Justice in order to achieve \$3.2 million in recurring reductions in purchased services department-wide.

Section: 11A.11

Title: **OFFICE OF PROGRAM EVALUATION REPORTING AND ACCOUNTABILITY**

Summary: Prohibits DHHS from using funds appropriated for the Office of Program Evaluation, Reporting, and Accountability (OPERA) for any purpose other than to establish and administer that OPERA. By December 1, 2017, DHHS shall report to the JLOCHHS on the establishment and administration of OPERA, including a breakdown of expenditures, an organization chart, a list of all assessments and evaluations in progress, and an explanation of any obstacles to implementation.

Section: 11A.12

Title: **CONTRACTING SPECIALIST AND CERTIFICATION PROGRAM**

Summary: Directs DHHS to submit, by September 1, 2017, to JLOCHHS and FRD the proposal prepared pursuant to S.L. 2016-94, Section 12A.4, 2016 Appropriations Act, for the implementation and administration of a contracting specialist training program for DHHS management-level personnel.

Section: 11A.13

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

Summary: Repeals S.L. 2016-94, Sec. 12A.8, 2016 Appropriations Act, and eliminates the recurring appropriation for a residency program at Cape Fear Valley Medical Center (Center). Nonrecurring funding up to \$3 million is provided to be allocated to offset actual Medicare losses for the period July 1, 2017 through September 30, 2017 resulting from the Center's reclassification by the federal Centers for Medicare and Medicaid Services as a rural hospital. The Center shall report by April 1, 2018 to the House Appropriations Committee on Health and Human Services, Senate Appropriations Committees on Health and Human Services, JLOCHHS, and FRD on its progress in establishing any residency programs funded by State appropriations. (S.B. 430/H.B. 537)

Section: 11A.14

Title: **COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS**

Summary: Directs the use of \$10.6 million in recurring funds from the General Fund, \$4.5 million in federal Social Services Block Grant (SSBG) funds, and \$1.6 million in federal Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds in each year of the 2017-19 Biennium for the administration of a competitive grants process for nonprofit organizations.

The Secretary must announce the recipients of the grant awards by July 1 of each year and report to the JLOCHHS by September 1 of each year the recipients of the awards.

Each nonprofit must report to DHHS by December 1 of each year all of the activities funded by the State appropriations.

Funding provided for Big Brothers Big Sisters (\$350,000), Boys and Girls Clubs (\$2,750,000), and Triangle Residential Options for Substance Abusers, Inc. (\$1.6 million) is earmarked in each year of the biennium. To receive funding beyond the biennium, all three organizations shall be required to apply through the established competitive grants process. (S.B. 430/H.B. 537)

Section: 11J.2

Title: **JOINT OVERSIGHT SUBCOMMITTEES ON MEDICAL EDUCATION PROGRAMS AND MEDICAL RESIDENCY PROGRAMS**

Summary: Requires JLOCHHS and the Joint Legislative Education Oversight Committee to appoint a subcommittee to examine jointly the use of State funds to support medical education and medical residency programs.

DHHS and the University of North Carolina must provide certain information regarding medical education and residency programs to the subcommittees by February 1, 2018.

The subcommittees must jointly develop a proposal for a statewide plan to support medical education and residency program. Each subcommittee must submit a report to its respective oversight committee on or before March 15, 2018, at which time each subcommittee shall terminate.

Section: 11J.3

Title: **AUTHORIZATION FOR CHIROPRACTIC PRECEPTORSHIPS**

Summary: Amends Article 8, Chapter 90 to add a new subsection 90-142.1 authorizing chiropractic preceptorship training programs, which are clinical programs of an approved chiropractic college.

Section: 11L.1

Title: **DHHS BLOCK GRANTS**

Summary: Sets forth the allocation and use of over \$900 million in federal block grant funds for each year of the FY 2017-19 Biennium.

Changes in allocations are allowed in specified circumstances. Any change in allocations must be reported to JLOCHHS and FRD.
(S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 3.4, Budget Technical Corrections, amends Sec 11L.1 to authorize the Division of Public Health, Oral Health Section, to use \$120,286 from the Preventive Health Services Block Grant to establish 2 FTE.)

2017 Session: HB 528

Division: (1.0) Division of Central Management and Support

Section: 3.1

Title: **TECHNICAL CHANGE: FUNDS FOR ALZHEIMER'S REGISTRY**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 11A.5A, to correct a reference in the Committee Report (page G 12, item 22) for funds appropriated to DHHS, Division of Central Management and Support for the development of an Alzheimer's Registry from the Duke Brain Research Center to the Bryan Alzheimer's Disease Research Center at Duke University Medical Center.

Section: 3.2

Title: **TECHNICAL CHANGE: COMMUNITY HEALTH GRANT PROGRAM**

Summary: Amends S.L. 2017-57, Sec 11A.8(d), Appropriations Act of 2017, to specify that Community Health Program grant recipient report shall begin reporting annually, effective July 1, 2018.

Section: 3.4

Title: **TECHNICAL CHANGE: PREVENTIVE HEALTH SERVICES BLOCK GRANT**

Summary: Amends S.L. 2017-57, Sec 11L.1, 2017 Appropriations Act, to add a new subsection (ff) to direct the Division of Public Health, Oral Health Section to use \$120,286 from the Preventive Health Services Block Grant to establish a Public Health Epidemiologist II position and a Dental Equipment Technician I position.

**Division of Aging and Adult Services
Budget Code 14411**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$105,801,579	\$105,530,108
Receipts	\$61,716,284	\$61,444,813
Net Appropriation	\$44,085,295	\$44,085,295
Legislative Changes		
Requirements	\$2,692,794	\$1,765,866
Receipts	\$702,056	\$702,056
Net Appropriation	\$1,990,738	\$1,063,810
Revised Budget		
Requirements	\$108,494,373	\$107,295,974
Receipts	\$62,418,340	\$62,146,869
Net Appropriation	\$46,076,033	\$45,149,105

General Fund FTE

Base Budget	76.00	76.00
Legislative Changes	0.00	0.00
Revised Budget	76.00	76.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Division of Aging and Adult Services										
Budget Code 14411		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,750,921	1,691,949	1,058,972	-	-	-	2,750,921	1,691,949	1,058,972
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,832,533	4,832,533	-	-	-	-	4,832,533	4,832,533	-
1260	Access Outreach - Aging Adults	2,408,731	1,067,544	1,341,187	-	-	-	2,408,731	1,067,544	1,341,187
1270	Quality Improvement - Wellness and Health Promotion	886,460	820,050	66,410	-	-	-	886,460	820,050	66,410
1370	Senior Nutrition/ Fan Programs	10,690,738	10,271,285	419,453	72,093	6,787	65,306	10,762,831	10,278,072	484,759
1410	Case Management and Counseling	80,558	59,277	21,281	-	-	-	80,558	59,277	21,281
1451	Community Based Services and Supports	60,484,024	29,086,506	31,397,518	994,411	90,168	904,243	61,478,435	29,176,674	32,301,761
1452	Alzheimer's and Dementia Support Services Support	5,532,111	3,992,684	1,539,427	-	-	-	5,532,111	3,992,684	1,539,427
1453	At-Risk Case Management	85,362	53,827	31,535	-	-	-	85,362	53,827	31,535
1454	Key Program	6,355,271	69,835	6,285,436	-	-	-	6,355,271	69,835	6,285,436
1480	Senior Community Services Employment Services	2,446,561	2,438,961	7,600	-	-	-	2,446,561	2,438,961	7,600
1510	Adult Protective Services and Guardianship	4,574,209	4,053,560	520,649	605,101	605,101	-	5,179,310	4,658,661	520,649
1550	Long Term Care - Ombudsman Services	3,710,949	2,624,920	1,086,029	-	-	-	3,710,949	2,624,920	1,086,029
1570	State/County Special Assistance Administration	699,416	389,618	309,798	-	-	-	699,416	389,618	309,798
1910	Reserves and Transfers	-	-	-	-	-	-	-	-	-
1991	Indirect Cost - Reserve	44,929	44,929	-	960,000	-	960,000	1,004,929	44,929	960,000
Undesignated Items										
N/A	Compensation Increase Reserve			-	38,906	-	38,906	38,906	-	38,906
N/A	State Retirement Contribution	-	-	-	15,693	-	15,693	15,693	-	15,693
N/A	State Health Plan				6,590	-	6,590	6,590	-	6,590
Total		\$105,801,579	\$61,716,284	\$44,085,295	\$2,692,794	\$702,056	\$1,990,738	\$108,494,373	\$62,418,340	\$46,076,033

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Division of Aging and Adult Services										
Budget Code 14411		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,750,921	1,691,949	1,058,972	-	-	-	2,750,921	1,691,949	1,058,972
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,832,533	4,832,533	-	-	-	-	4,832,533	4,832,533	-
1260	Access Outreach - Aging Adults	2,408,731	1,067,544	1,341,187	-	-	-	2,408,731	1,067,544	1,341,187
1270	Quality Improvement - Wellness and Health Promotion	724,989	658,579	66,410	-	-	-	724,989	658,579	66,410
1370	Senior Nutrition/ Fan Programs	10,690,738	10,271,285	419,453	72,093	6,787	65,306	10,762,831	10,278,072	484,759
1410	Case Management and Counseling	80,558	59,277	21,281	-	-	-	80,558	59,277	21,281
1451	Community Based Services and Supports	60,484,024	29,086,506	31,397,518	994,411	90,168	904,243	61,478,435	29,176,674	32,301,761
1452	Alzheimer's and Dementia Support Services Support	5,532,111	3,992,684	1,539,427	-	-	-	5,532,111	3,992,684	1,539,427
1453	At-Risk Case Management	85,362	53,827	31,535	-	-	-	85,362	53,827	31,535
1454	Key Program	6,355,271	69,835	6,285,436	-	-	-	6,355,271	69,835	6,285,436
1480	Senior Community Services Employment Services	2,446,561	2,438,961	7,600	-	-	-	2,446,561	2,438,961	7,600
1510	Adult Protective Services and Guardianship	4,464,209	3,943,560	520,649	605,101	605,101	-	5,069,310	4,548,661	520,649
1550	Long Term Care - Ombudsman Services	3,710,949	2,624,920	1,086,029	-	-	-	3,710,949	2,624,920	1,086,029
1570	State/County Special Assistance Administration	699,416	389,618	309,798	-	-	-	699,416	389,618	309,798
1910	Reserves and Transfers	-	-	-	-	-	-	-	-	-
1991	Indirect Cost - Reserve	44,929	44,929	-	-	-	-	44,929	44,929	-
Undesignated Items										
N/A	Compensation Increase Reserve			-	38,906	-	38,906	38,906	-	38,906
N/A	State Retirement Contribution	-	-	-	41,391	-	41,391	41,391	-	41,391
N/A	State Health Plan				13,964	-	13,964	13,964	-	13,964
Total		\$105,530,108	\$61,444,813	\$44,085,295	\$1,765,866	\$702,056	\$1,063,810	\$107,295,974	\$62,146,869	\$45,149,105

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Aging and Adult Services					
Budget Code 14411		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	16.00	-	-	16.00
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.00	-	-	9.00
1452	Alzheimer's and Dementia Support Services Support	4.00	-	-	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
Total FTE		76.00	-	-	76.00

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Aging and Adult Services					
Budget Code 14411		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	16.00	-	-	16.00
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.00	-	-	9.00
1452	Alzheimer's and Dementia Support Services Support	4.00	-	-	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
Total FTE		76.00	-	-	76.00

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$44,085,295		\$44,085,295	
Legislative Changes				
(2.0) Division of Aging and Adult Services				
27 Compensation Increase Reserve	\$38,906	R	\$38,906	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
28 State Retirement Contributions	\$15,693	R	\$41,391	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
29 State Health Plan	\$6,590	R	\$13,964	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

30 Home and Community Care Block Grant

Fund Code: 1370, 1451

\$969,549 NR

\$969,549 NR

Provides additional funding for the Home and Community Care Block Grant. The revised net appropriation is \$30.4 million in each year of the biennium.
(S.B. 430/H.B. 537)

31 Guardianship Contract

Fund Code: 1510

Provides federal Social Services Block Grant funding of \$605,101 to serve additional individuals in the state level guardianship contract and provide for a 15% increase to the rate paid to providers of corporate guardianship services. Total requirements for the guardianship contract are \$3.7 million. The revised net appropriation for Fund 1510, remains \$520,649 in each year of the biennium.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

32 Memory Center

Fund Code: 1910

\$100,000 NR

Provides funding for the Charlotte Neuroscience Foundation - Memory Center in Charlotte. The revised net appropriation for the Charlotte Neuroscience Foundation - Memory Center is \$100,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

33 Hospice of Davidson County

Fund Code: 1910

\$125,000 NR

Provides funding for Hospice of Davidson County. The revised net appropriation for the Hospice of Davidson County is \$125,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

34 Senior Resources of Guilford

Fund Code: 1910

\$250,000 NR

Provides funding for Senior Resources of Guilford. The net revised appropriation for Senior Resources of Guilford is \$250,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

35 East Spencer Housing Authority

Fund Code: 1910

\$100,000 NR

Provides funding for the East Spencer Housing Authority. The net revised appropriation for the East Spencer Housing Authority is \$100,000.

(S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

36 Life Enrichment Center

Fund Code: 1910

\$250,000 NR

Provides funding for the Life Enrichment Center in Shelby, an Adult Day Center. The net revised appropriation for the Life Enrichment Center is \$250,000.
(S.L. 2017-57, Sec. 6.13)

37 The Shepherd's House

Fund Code: 1910

\$100,000 NR

Provides funding to The Shepard's House which provides emergency shelter, a 24-hour crisis line, confidential crisis counseling, information and referrals to community resources among other services. The net revised appropriation for The Shepard's House is \$100,000 in FY 2017-18.
(S.L. 2017-57, Sec. 6.13)

38 Bolton Senior Center

Fund Code: 1910

\$35,000 NR

Provides funding for the Bolton Senior Center in Columbus County. The revised net appropriation for the Bolton Senior Center is \$35,000 for FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

(S.L. 2017-212, Sec. 3.4, Budget & Agency Technical Corrections, amends this item to correct the allocation of funds to the Town of Bolton)

Total Legislative Changes	\$61,189	R	\$94,261	R
	\$1,929,549	NR	\$969,549	NR
Total Position Changes				
Revised Budget	\$46,076,033		\$45,149,105	

Special Provisions

2017 Session: **SB 257**

Division: (2.0) Division of Aging and Adult Services

Section: 11D.1

Title: STATE-COUNTY SPECIAL ASSISTANCE

Summary: Sets the FY 2017-19 biennial State-County Special Assistance rates for adult care home residents at \$1,182 per month per resident and at \$1,515 per month per resident for special care units. (S.B. 430/H.B. 537)

Section: 11D.1A

Title: AUTHORIZATION FOR SECRETARY OF DHHS TO RAISE THE MAXIMUM NUMBER OF STATE-COUNTY SPECIAL ASSISTANCE IN-HOME PAYMENTS

Summary: Authorizes the Secretary of DHHS, notwithstanding G.S. 108A-47.1, to waive the 15% cap on the number of Special Assistance in-home payments.

Section: 11D.2

Title: ALIGNMENT OF STATE AND FEDERAL AGING PLAN REPORTING DEADLINES

Summary: Amends G.S. 143B-181.1A, changing the due date of the State Plan for Serving Older Adults from March 1 to July 1 of every other odd-numbered year. (S.B. 430/H.B. 537)

Section: 11D.3

Title: RECOMMENDATION TO APPOINT A SUBCOMMITTEE ON AGING

Summary: Permits the cochair for the Joint Legislative Oversight Committee on Health and Human Services(JLOCHHS) pursuant to B.S. 120-208.2(d) to consider appointing a subcommittee on aging to examine the State's delivery of services for older adults in order to (i) determine their service needs and (ii) make recommendations to the Oversight Committee on how to address those needs.

If appointed, the subcommittee shall submit an interim report of its findings and recommendations, including any proposed legislation, to JLOCHHS on or before March 1, 2018, and shall submit a final report of its findings and recommendations, including any proposed legislation, on or before November 1, 2018.

2017 Session: **SB 582**

Division: (2.0) Division of Aging and Adult Services

Section: 3.4

Title: **TECHNICAL CHANGE: FUNDS FOR THE TOWN OF BOLTON**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 11D.3A, to direct nonrecurring funds appropriated to the Division of Aging and Adult Services for the Bolton Senior Center be allocated to the Town of Bolton.

Division of Child Development and Early Education
Budget Code 14420

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$690,322,380	\$690,322,380
Receipts	\$424,878,570	\$424,878,570
Net Appropriation	\$265,443,810	\$265,443,810
Legislative Changes		
Requirements	\$33,811,186	\$50,400,187
Receipts	\$30,826,495	\$37,511,682
Net Appropriation	\$2,984,691	\$12,888,505
Revised Budget		
Requirements	\$724,133,566	\$740,722,567
Receipts	\$455,705,065	\$462,390,252
Net Appropriation	\$268,428,501	\$278,332,315

General Fund FTE

Base Budget	316.00	316.00
Legislative Changes	12.00	12.00
Revised Budget	328.00	328.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Division of Child Development and Early Education										
Budget Code 14420		Base Budget			Legislative Changes			Revised Budget		
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	4,374,082	2,438,734	1,935,348	-	-	-	4,374,082	2,438,734	1,935,348
1151	Child Care - Regulation	14,491,135	14,491,135	-	74,686	74,686	-	14,565,821	14,565,821	-
1152	DHHS - Criminal Record Checks	2,197,858	1,580,781	617,077	-	-	-	2,197,858	1,580,781	617,077
1161	Child Care - Capacity Building	23,954,900	23,916,203	38,697	315,764	315,764	-	24,270,664	24,231,967	38,697
1162	Smart Start - Child Care Related Activities	52,371,075		52,371,075	3,500,000	-	3,500,000	55,871,075	-	55,871,075
1271	Smart Start - Family Support Activities	18,434,178		18,434,178	125,000	-	125,000	18,559,178	-	18,559,178
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	2,870,615	2,870,615	-
1330	Pre-Kindergarten Program	145,503,504	78,952,110	66,551,394	9,000,000	6,000,000	3,000,000	154,503,504	84,952,110	69,551,394
1380	Subsidized Child Care	349,652,436	293,364,595	56,287,841	13,523,522	17,220,197	(3,696,675)	363,175,958	310,584,792	52,591,166
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616
1991	Indirect Reserve	264,397	264,397	-				264,397	264,397	-
Division-wide Items				-						
N/A	TANF			-	(2,800,000)	(2,800,000)	-	(2,800,000)	(2,800,000)	-
N/A	CCDF				10,015,848	10,015,848	-	10,015,848	10,015,848	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	37,943	-	37,943	37,943	-	37,943
N/A	State Retirement Contribution	-	-	-	11,996	-	11,996	11,996	-	11,996
N/A	State Health Plan Reserve				6,427	-	6,427	6,427	-	6,427
Total		\$690,322,380	\$424,878,570	\$265,443,810	\$33,811,186	\$30,826,495	\$2,984,691	\$724,133,566	\$455,705,065	\$268,428,501

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Division of Child Development and Early Education										
Budget Code 14420		Base Budget			Legislative Changes			Revised Budget		
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	4,374,082	2,438,734	1,935,348	-	-	-	4,374,082	2,438,734	1,935,348
1151	Child Care - Regulation	14,491,135	14,491,135	-	74,686	74,686	-	14,565,821	14,565,821	-
1152	DHHS - Criminal Record Checks	2,197,858	1,580,781	617,077	-	-	-	2,197,858	1,580,781	617,077
1161	Child Care - Capacity Building	23,954,900	23,916,203	38,697	315,764	315,764	-	24,270,664	24,231,967	38,697
1162	Smart Start - Child Care Related Activities	52,371,075		52,371,075	7,000,000	-	7,000,000	59,371,075	-	59,371,075
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	145,503,504	78,952,110	66,551,394	18,300,000	12,200,000	6,100,000	163,803,504	91,152,110	72,651,394
1380	Subsidized Child Care	349,652,436	293,364,595	56,287,841	17,523,522	17,818,219	(294,697)	367,175,958	311,182,814	55,993,144
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616
1991	Indirect Reserve	264,397	264,397	-				264,397	264,397	-
Division-wide Items				-						
N/A	TANF			-	(2,800,000)	(2,800,000)	-	(2,800,000)	(2,800,000)	-
N/A	CCDF				9,903,013	9,903,013	-	9,903,013	9,903,013	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	37,943	-	37,943	37,943	-	37,943
N/A	State Retirement Contribution	-	-	-	31,640	-	31,640	31,640	-	31,640
N/A	State Health Plan Reserve				13,619	-	13,619	13,619	-	13,619
Total		\$690,322,380	\$424,878,570	\$265,443,810	\$50,400,187	\$37,511,682	\$12,888,505	\$740,722,567	\$462,390,252	\$278,332,315

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Child Development and Early Education					
Budget Code 14420		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	37.00	-	-	37.00
1151	Child Care - Regulation	211.00	-	1.00	212.00
1152	DHHS - Criminal Record Checks	21.00	-	-	21.00
1161	Child Care - Capacity Building	12.00	-	4.00	16.00
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	27.00	-	7.00	34.00
1381	Smart Start - Subsidized Child Care	-	-	-	-
Total FTE		316.00	-	12.00	328.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Child Development and Early Education					
Budget Code 14420		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	37.00	-	-	37.00
1151	Child Care - Regulation	211.00	-	1.00	212.00
1152	DHHS - Criminal Record Checks	21.00	-	-	21.00
1161	Child Care - Capacity Building	12.00	-	4.00	16.00
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	27.00	-	7.00	34.00
1381	Smart Start - Subsidized Child Care	-	-	-	-
Total FTE		316.00	-	12.00	328.00

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$265,443,810		\$265,443,810	
Legislative Changes				
(3.0) Division of Child Development and Early Education				
39 Compensation Increase Reserve	\$37,943	R	\$37,943	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
40 State Retirement Contributions	\$11,996	R	\$31,640	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
41 State Health Plan	\$6,427	R	\$13,619	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

42 NC Pre-K Waitlist Reduction

\$3,000,000

R

\$6,100,000

R

Fund Code: 1330

Reduces the NC Pre-K waitlist providing a total of \$9 million in FY 2017-18 and \$18.3 million in FY 2018-19, with \$6 million in FY 2017-18 and \$12.2 million in FY 2018-19 coming from the Temporary Assistance for Needy Families Block Grant (TANF). Increased funding will serve an estimated additional 1,725 children in FY 2017-18 and 3,525 children in FY 2018-19. Total requirements for NC Pre-K are \$154.5 million in FY 2017-18 and \$163.8 million in FY 2018-19. The revised net appropriation for NC Pre-K is \$69.6 million in FY 2017-18 and \$72.7 million in FY 2018-19. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

43 Child Care Subsidy Market Rate Increase

Fund Code: 1380

Provides additional TANF block grant funds and adjusts Child Care Development Fund (CCDF) Block Grant funds for an increase of \$13 million in FY 2017-18 and \$17 million in FY 2018-19 in block grant funding. The market rate for school-aged children in 3-, 4- and 5- star centers and homes in tier 1 and tier 2 counties is increased to the recommended market rate effective October 1, 2017. Funding of \$3 million is provided in FY 2017-18 and \$4 million in FY 2018-19 for the school-aged market rate increases. The market rate for infants to 2 year olds in 3-, 4- and 5- star centers and homes in tier 3 counties is increased effective October 1, 2017, to the recommended market rate. Funding of \$10 million in FY 2017-18 and \$13 million is provided for this market rate increase. The county tier designations are the designations from the 2015 County Tier designation. The recommended rates are from the 2015 Market Rate Study. Total requirements are \$363.2 million in FY 2017-18 and \$367.2 million in FY 2018-19 for the Child Care Subsidy program. The revised net appropriation for Fund 1380, Subsidized Child Care, from all actions in this report is \$52.6 million in FY 2017-18 and \$56 million in FY 2018-19. (S.B. 430/H.B. 537, S.B. 439, H.B. 610; S.L. 2017-57, Secs. 11B.4 and 11L.1)

44 TANF Contingency Funds for Child Care Subsidy

Fund Code: 1380

(\$3,304,255)

NR

Replaces State appropriation with TANF Contingency funding on a nonrecurring basis. TANF Contingency funding of \$3,304,255 is provided in FY 2017-18. The revised net appropriation for fund code 1380 from all actions in this report is \$52.6 million in FY 2017-18 and \$56 million in FY 2018-19. (S.L. 2017-57, Sec. 11L.1)

45 TANF Funds for Child Care Subsidy**Fund Code:** 1380

(\$392,420) NR

(\$294,697) NR

Replaces State appropriation with TANF funding on a nonrecurring basis. TANF funding of \$392,420 is provided in FY 2017-18 and \$294,697 is provided in FY 2018-19. The revised net appropriation for Fund 1380 from all actions in this report is \$52.6 million in FY 2017-18 and \$56 million in FY 2018-19.
(S.L. 2017-57, Sec. 11L.1)

46 Child Care Quality Improvement**Fund Code:** 1151, 1161, 1380

Provides CCDF Block Grant funding of \$913,972 to establish 12 FTE. The positions established are 1 position to oversee the division's infant-toddler projects; 4 positions for the Subsidized Child Care program; 2 lead workers and 1 staff auditor for program compliance and fraud prevention, and 1 policy/planning consultant to assist with implementing the new CCDF requirements. The remaining 7 positions are established in the Early Education branch to support the early childhood workforce in the areas of licensing, professional development, and educational assessment. The revised net appropriation remains unchanged at \$0 for Fund 1151, Child Care Regulation, at \$38,697 for Fund 1161, Child Care Capacity Building, and \$52.6 million in FY 2017-18 and \$56 million in FY 2018-19 for Fund 1380, Subsidized Child Care.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

47 Smart Start Reading Initiative**Fund Code:** 1162

\$3,500,000 R

\$7,000,000 R

Provides funding to increase access to Dolly Parton's Imagination Library, an early literacy program that mails age-appropriate books to registered children on a monthly basis. Once fully implemented in FY 2018-19, access to the program will be statewide. Total Smart Start funding is increased to \$150.5 million in FY 2017-18 and \$154 million in FY 2018-19. The revised net appropriation for the Smart Start reading initiative, expanding access to Dolly Parton's Imagination Library, is \$3.5 million in FY 2017-18 and \$7 million in FY 2018-19.
(S.B. 280/H.B. 658; S.L. 2017-57, Sec. 11B.9)

48 Smart Start Partnership for Children**Fund Code:** 1271

\$125,000 NR

Provides funding for the Cabarrus Partnership for Children. The revised net appropriation from all actions in this report for Fund 1271 is \$18.6 million in FY 2017-18 and \$18.4 million in FY 2018-19
(S.L. 2017-57, Sec. 6.13)

49 Temporary Assistance for Needy Families (TANF) Block Grant**Fund Code:** N/A

Reduces TANF block grant federal receipts in the amount of \$2,800,000 in each year of the biennium. The revised TANF block grant federal receipts for the Division are \$131.7 million in FY 2017-18 and \$142.4 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

50 Child Care Development Fund (CCDF) Block Grant**Fund Code:** N/A

Budgets additional CCDF block grant federal receipts in the amount of \$10,015,848 in FY 2017-18 and \$9,903,013 in FY 2018-19. The revised CCDF block grant federal receipts for the Division are \$207.7 million in FY 2017-18 and \$207.1 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

Total Legislative Changes	\$6,556,366	R	\$13,183,202	R
	(\$3,571,675)	NR	(\$294,697)	NR
Total Position Changes				
Revised Budget	\$268,428,501		\$278,332,315	

Special Provisions

2017 Session: SB 257

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

Section: 11B.1

Title: NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

Summary: Maintains the current eligibility criteria for the State's prekindergarten program, NC Pre-K.

This section sets forth the requirements for local NC Pre-K contractors and committees. NC Pre-K contractors must continue to issue multi-year contracts, and entities operating NC Pre-K classrooms must adhere to programmatic standards and classroom requirements as prescribed by the Division of Child Development and Early Education (DCDEE). Local NC Pre-K committees are required to use the standard decision-making process developed by DCDEE in awarding prekindergarten classroom slots and in student selection.

DCDEE is required to report annually by March 15 on the number of children served by county, projected expenditures, and the results of an annual evaluation of the program. The report is to be provided to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS), the Office of State Budget and Management, and the Fiscal Research Division (FRD).
(S.B. 430/H.B.537)

Section: 11B.2

Title: STATE AGENCY CONTINUED 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.

DHHS and DPI are required to submit a follow-up report on initial findings and recommendations to the JLOCHHS and the Joint Legislative Education Oversight Committee 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.

DHHS and DPI are directed to develop and implement a standardized program to transition children from preschool to kindergarten and requires the program to contain a specific list of components.

DHHS is required to report on the development of the standardized transition program to the JLOCHHS and the Joint Legislative Education Oversight Committee on or before January 1, 2018.

Section: 11B.3

Title: **CHILD CARE SUBSIDY RATES**

Summary: Sets child care subsidy services income, market rate, and other eligibility and payment criteria.

The maximum gross family income for child care subsidy eligibility is set at 200% of the federal poverty level (FPL) for children age 0-5 and special needs children and at 133% FPL for children age 6-12.

Additionally, this section sets out the requirements for payments to child care facilities and prohibits the use of child care subsidy funds for facility registration fees and transportation services. Eligibility for post-secondary education subsidy is limited to 20 months.

DCDEE is directed to calculate a market rate for each rate category in each county or region, and to define "higher quality care." This section further directs that subsidy funds must not be paid for 1-, or 2- star rated facilities, and prohibits separate licensing requirements for facilities operated pursuant to G.S. 110-106.

Finally, this section directs that Department of Defense-certified child care licensed facilities pursuant to G.S. 110-106.2 may participate in the State subsidized child care program. (S.B.430/H.B. 537)

Section: 11B.4

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

Summary: Requires DHHS to adjust the child care market rate in three-, four-, and five-star rated child care centers and homes effective October 1, 2017 for school aged children in tier 1 and tier 2 counties and for children birth through 2 years of age in tier 3 counties to the recommended market rate in the 2015 Market Rate Study. County tier designations are those established by the N.C. Department of Commerce's 2015 County Tier Designations. (S.B. 430/H.B. 537)

Section: 11B.5

Title: **CHILD CARE ALLOCATION FORMULA**

Summary: Directs DHHS to allocate child care subsidy funds to counties based on the number of children in each county under age 11 in families with all working parents earning less than the applicable FPL percentage set forth in Section 11B.3(a) of this Act. DHHS is authorized to reallocate unused voucher funds to counties based on projected expenditures of all child care subsidy voucher funding.

DCDEE is directed to continue to implement the final 1/3 change in a county's allocation based on the newest census data in FY 2018-19. Counties shall not receive an increase in their allocations if their spending coefficient is less than 92% in the previous fiscal year. DCDEE may waive the spending coefficient requirement due to extraordinary circumstances and is required to report to the JLOCHHS and FRD by October 1st of each year on the use of its waiver authority. (S.B. 430/H.B. 537)

Section: 11B.6

Title: **CODIFY CERTAIN CHILD CARE SUBSIDY PROVISIONS**

Summary: Amends Article 3 of Chapter 143B of the General Statutes by adding Part 10C. Child Care Subsidy

G.S. 143B-168.25 directs that no matching funds may be required of local governments as a condition of receiving their initial allocation of child care funds. All reallocated funds exceeding \$25,000 above a local government's initial allocation shall be matched by 20%.

G.S. 143B-168.26 authorizes DHHS to administer the Child Care Revolving Loan Fund.

G.S. 143B-168.27 directs DCDEE to fund the administrative allowance for county departments of social services at 4% of the county's total child care subsidy funds or \$80,000, whichever is greater. County department of social services are allowed to use up to 2% of subsidy funds allocated to the county for fraud detection and investigation.

DCDEE is allowed to adjust the allocations in the Child Care and Development Fund (CCDF) Block Grant to the final allocations for local departments of social services and the funds allocated for fraud detection and investigation initiatives. DCDEE must submit a report on the final adjustments to the allocations of the administrative costs no later than September 30 of each year to the JLOCHHS and the Fiscal Research Division.
(S.B. 430/H.B. 537)

Section: 11B.7

Title: **CHILD CARE SUBSIDY RECIPIENTS TO COOPERATE WITH CHILD SUPPORT SERVICES/DEMONSTRATION PROJECT**

Summary: Directs DCDEE and the Division of Social Services (DSS) to implement a one-year statewide demonstration project in accordance with S.L. 2015-51 effective January 1, 2018, or 30 days from the date the U.S. Department of Health and Human Services, Office of Child Care approves the revised CCDF plan, whichever occurs later, requiring a custodial parent or other relative or person with primary custody of a child who is receiving child care subsidy payments to cooperate with the county child support services program as a condition of eligibility.

The demonstration project must be conducted in at least three counties, but no more than six, that represent the three regions of the State in both rural and urban settings.

This section sets forth the components of the demonstration project and the reporting requirements. DCDEE and DSS must report on the results of the demonstration project to the JLOCHHS and the Fiscal Research Division no later than March 1, 2019, or if the CCDF plan is approved after January 1, 2018, no later than three months from the date the one-year project is completed, whichever occurs later.
(S.B. 168)

Section: 11B.8

Title: **SMART START INITIATIVE**

Summary: Directs the North Carolina Partnership for Children, Inc. (NCPC) and its board to ensure policies focus on improving child care quality in North Carolina for children from birth to 5 years of age.

NCPC shall maintain administrative costs at no more than 8% of the total statewide allocation to all local partnerships. NCPC shall not reduce allocations for counties with less than 35,000 population below their FY 2012-13 funding level.

This section also sets forth the match requirements for NCPC and the local partnerships. NCPC must compile the match information and report to the JLOCHHS in a format that allow verification by the Department of Revenue.

NCPC is prohibited from allocating funds for capital expenditures, advertising, and promotional activities. Local partnerships are prohibited from using State funds on marketing and advertising. (S.B. 430/H.B. 537)

Section: 11B.9

Title: **SMART START EARLY LITERACY INITIATIVE/DOLLY PARTON'S IMAGINATION LIBRARY**

Summary: Directs NCPC to use its State funds to increase access to Dolly Parton's Imagination Library statewide.

NCPC may use up to 2% of the funds for program evaluation. Funds to be allocated under this section are not subject to administrative cost requirements in Section 11B.8(b) of this act, nor are they subject to the child care services funding requirements in G.S. 143B-168.15(b) and (g) and Section 11B.8(d) of this act.

NCPC shall report on the early literacy initiative, including participation rates and any recommendations, to the JLOCHHS by March 1, 2018. (S.B. 280/H.B. 658)

**Division of Social Services
Budget Code 14440**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$1,852,637,400	\$1,852,637,400
Receipts	\$1,666,042,347	\$1,666,042,347
Net Appropriation	\$186,595,053	\$186,595,053
Legislative Changes		
Requirements	\$30,943,349	\$37,517,370
Receipts	\$16,565,277	\$18,907,579
Net Appropriation	\$14,378,072	\$18,609,791
Revised Budget		
Requirements	\$1,883,580,749	\$1,890,154,770
Receipts	\$1,682,607,624	\$1,684,949,926
Net Appropriation	\$200,973,125	\$205,204,844

General Fund FTE

Base Budget	427.00	427.00
Legislative Changes	0.00	0.00
Revised Budget	427.00	427.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Division of Social Services										
Budget Code 14440		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	17,569,625	11,477,119	6,092,506	-	-	-	17,569,625	11,477,119	6,092,506
1121	EBCI Administrative Funding	781,931	244,740	537,191				781,931	244,740	537,191
1160	Child Welfare Training	7,615,054	6,432,452	1,182,602	3,798,947	2,061,045	1,737,902	11,414,001	8,493,497	2,920,504
1261	Food and Nutrition Education	5,429,115	5,429,115	-	-	-	-	5,429,115	5,429,115	-
1331	Family Preservation and Support	29,859,481	27,875,348	1,984,133	8,339,544	207,000	8,132,544	38,199,025	28,082,348	10,116,677
1371	Child Support Enforcement	150,072,696	149,606,966	465,730	-	-	-	150,072,696	149,606,966	465,730
1372	Food and Nutrition Services	184,770,266	183,362,060	1,408,206	-	-	-	184,770,266	183,362,060	1,408,206
1373	LIEAP	66,583,756	66,578,756	5,000	-	-	-	66,583,756	66,578,756	5,000
1374	Refugee Medical Assistance	63,979	63,979	-	-	-	-	63,979	63,979	-
1376	Medicaid Eligibility	310,125,748	308,494,992	1,630,756	(4,361,975)	(3,087,545)	(1,274,430)	305,763,773	305,407,447	356,326
1381	Refugee Cash and Social Services	5,735,756	5,735,756	-	-	-	-	5,735,756	5,735,756	-
1382	Employment Benefits - Work First Family Assistance	76,181,276	75,459,413	721,863	-	-	-	76,181,276	75,459,413	721,863
1383	Subsidized Child Care Administration	28,045,971	28,045,971	-	-	-	-	28,045,971	28,045,971	-
1384	Employment Benefits	23,808,971	23,808,970	1	300,000	-	300,000	24,108,971	23,808,970	300,001
1411	Case Management and Counseling	21,297,978	20,820,044	477,934	-	-	-	21,297,978	20,820,044	477,934
1430	Dx Child Home Support - Child Protective Services	204,788,578	183,953,630	20,834,948	-	-	-	204,788,578	183,953,630	20,834,948
1451	Adult Home Support - Community Based Services	38,470,075	36,343,344	2,126,731	-	-	-	38,470,075	36,343,344	2,126,731
1453	Adult Home Support - At Risk Case Management (Adult)	10,008,252	9,036,611	971,641	-	-	-	10,008,252	9,036,611	971,641
1481	ID Family Employment - Work First Employment Services	40,206,594	39,814,789	391,805	-	-	-	40,206,594	39,814,789	391,805
1482	ID Family Employment - Food Nutrition Employment/Training	3,353,179	3,353,179	-	-	-	-	3,353,179	3,353,179	-
1491	ID Family Emergency - Emergency Energy Assistance	38,398,157	38,398,157	-	-	-	-	38,398,157	38,398,157	-
1510	Protection and Adult Support - Protection and Guardianship	37,853,100	36,500,850	1,352,250	-	-	-	37,853,100	36,500,850	1,352,250
1531	OOH Child Support - Adoption	134,747,239	90,298,945	44,448,294	200,000	-	200,000	134,947,239	90,298,945	44,648,294
1532	OOH Child Support - Foster Care	241,727,901	197,134,446	44,593,455	7,001,513	5,320,610	1,680,903	248,729,414	202,455,056	46,274,358
1570	OOH Economic Support - State & County Special Assistance	121,388,502	64,018,495	57,370,007	10,000,000	5,000,000	5,000,000	131,388,502	69,018,495	62,370,007
1701	Local/County Operations	52,533,026	52,533,026	-	-	-	-	52,533,026	52,533,026	-
1900	Reserves and Transfers			-	1,073,519	2,755,915	(1,682,396)	1,073,519	2,755,915	(1,682,396)
1991	Federal Indirect Reserve	990,743	990,743	-	-	-	-	990,743	990,743	-
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-
				-						
Division-wide Items				-						
N/A	TANF Block Grants			-	(1,145,250)	(1,145,250)	-	(1,145,250)	(1,145,250)	-
N/A	SSBG Block Grant			-	5,587,401	5,587,401	-	5,587,401	5,587,401	-
N/A	LIHEAP Block Grant			-	(1,989,501)	(1,989,501)	-	(1,989,501)	(1,989,501)	-
N/A	CCDF Block Grant			-	(206,450)	(206,450)	-	(206,450)	(206,450)	-
N/A	CSBG Block Grant			-	3,065,632	3,065,632	-	3,065,632	3,065,632	-
N/A	TANF Cont Block Grant			-	(1,003,580)	(1,003,580)	-	(1,003,580)	(1,003,580)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	183,242	-	183,242	183,242	-	183,242
N/A	State Retirement Contribution	-	-	-	69,269	-	69,269	69,269	-	69,269
N/A	State Health Plan Reserve			-	31,038	-	31,038	31,038	-	31,038
Total		\$1,852,637,400	\$1,666,042,347	\$186,595,053	\$30,943,349	\$16,565,277	\$14,378,072	\$1,883,580,749	\$1,682,607,624	\$200,973,125

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Division of Social Services										
Budget Code 14440		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	17,569,625	11,477,119	6,092,506	-	-	-	17,569,625	11,477,119	6,092,506
1121	EBCI Administrative Funding	781,931	244,740	537,191				781,931	244,740	537,191
1160	Child Welfare Training	7,615,054	6,432,452	1,182,602	3,798,947	2,061,045	1,737,902	11,414,001	8,493,497	2,920,504
1261	Food and Nutrition Education	5,429,115	5,429,115	-	-	-	-	5,429,115	5,429,115	-
1331	Family Preservation and Support	29,859,481	27,875,348	1,984,133	7,339,544	207,000	7,132,544	37,199,025	28,082,348	9,116,677
1371	Child Support Enforcement	150,072,696	149,606,966	465,730	-	-	-	150,072,696	149,606,966	465,730
1372	Food and Nutrition Services	184,770,266	183,362,060	1,408,206	-	-	-	184,770,266	183,362,060	1,408,206
1373	LIEAP	66,583,756	66,578,756	5,000	-	-	-	66,583,756	66,578,756	5,000
1374	Refugee Medical Assistance	63,979	63,979	-	-	-	-	63,979	63,979	-
1376	Medicaid Eligibility	310,125,748	308,494,992	1,630,756	(4,361,975)	(3,087,545)	(1,274,430)	305,763,773	305,407,447	356,326
1381	Refugee Cash and Social Services	5,735,756	5,735,756	-	-	-	-	5,735,756	5,735,756	-
1382	Employment Benefits - Work First Family Assistance	76,181,276	75,459,413	721,863	-	-	-	76,181,276	75,459,413	721,863
1383	Subsidized Child Care Administration	28,045,971	28,045,971	-	-	-	-	28,045,971	28,045,971	-
1384	Employment Benefits	23,808,971	23,808,970	1	300,000	-	300,000	24,108,971	23,808,970	300,001
1411	Case Management and Counseling	21,297,978	20,820,044	477,934	-	-	-	21,297,978	20,820,044	477,934
1430	Dx Child Home Support - Child Protective Services	204,788,578	183,953,630	20,834,948	400,000	69,479	330,521	205,188,578	184,023,109	21,165,469
1451	Adult Home Support - Community Based Services	38,470,075	36,343,344	2,126,731	-	-	-	38,470,075	36,343,344	2,126,731
1453	Adult Home Support - At Risk Case Management (Adult)	10,008,252	9,036,611	971,641	-	-	-	10,008,252	9,036,611	971,641
1481	ID Family Employment - Work First Employment Services	40,206,594	39,814,789	391,805	-	-	-	40,206,594	39,814,789	391,805
1482	ID Family Employment - Food Nutrition Employment/Training	3,353,179	3,353,179	-	-	-	-	3,353,179	3,353,179	-
1491	ID Family Emergency - Emergency Energy Assistance	38,398,157	38,398,157	-	-	-	-	38,398,157	38,398,157	-
1510	Protection and Adult Support - Protection and Guardianship	37,853,100	36,500,850	1,352,250	-	-	-	37,853,100	36,500,850	1,352,250
1531	OOH Child Support - Adoption	134,747,239	90,298,945	44,448,294	500,000	-	500,000	135,247,239	90,298,945	44,948,294
1532	OOH Child Support - Foster Care	241,727,901	197,134,446	44,593,455	14,147,146	10,169,381	3,977,765	255,875,047	207,303,827	48,571,220
1570	OOH Economic Support - State & County Special Assistance	121,388,502	64,018,495	57,370,007	10,000,000	5,000,000	5,000,000	131,388,502	69,018,495	62,370,007
1701	Local/County Operations	52,533,026	52,533,026	-	-	-	-	52,533,026	52,533,026	-
1900	Reserves and Transfers			-	3,229,695	2,755,915	473,780	3,229,695	2,755,915	473,780
1991	Federal Indirect Reserve	990,743	990,743	-	-	-	-	990,743	990,743	-
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-
				-						
Division-wide Items				-						
N/A	TANF Block Grants			-	(1,145,250)	(1,145,250)	-	(1,145,250)	(1,145,250)	-
N/A	SSBG Block Grant			-	5,619,535	5,619,535	-	5,619,535	5,619,535	-
N/A	LIHEAP Block Grant			-	(4,597,583)	(4,597,583)	-	(4,597,583)	(4,597,583)	-
N/A	CCDF Block Grant			-	(206,450)	(206,450)	-	(206,450)	(206,450)	-
N/A	CSBG Block Grant			-	3,065,632	3,065,632	-	3,065,632	3,065,632	-
N/A	TANF Cont Block Grant			-	(1,003,580)	(1,003,580)	-	(1,003,580)	(1,003,580)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	183,242	-	183,242	183,242	-	183,242
N/A	State Retirement Contribution	-	-	-	182,696	-	182,696	182,696	-	182,696
N/A	State Health Plan Reserve			-	65,771	-	65,771	65,771	-	65,771
Total		\$1,852,637,400	\$1,666,042,347	\$186,595,053	\$37,517,370	\$18,907,579	\$18,609,791	\$1,890,154,770	\$1,684,949,926	\$205,204,844

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Social Services		FY 2017-18			
Budget Code 14440		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	91.00	-	-	91.00
1121	ECBI Administrative Funding	-	-	-	-
1160	Child Welfare Training	24.00	-	-	24.00
1261	Food and Nutrition Education	-	-	-	-
1331	Family Preservation and Support	5.00	-	-	5.00
1371	Child Support Enforcement	126.00	-	-	126.00
1372	Food and Nutrition Services	61.00	-	-	61.00
1373	LIEAP	-	-	-	-
1374	Refugee Medical Assistance	-	-	-	-
1375	TANF - Domestic Violence	-	-	-	-
1376	Medicaid Eligibility	-	-	-	-
1381	Refugee Cash and Social Services	5.00	-	-	5.00
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	37.00	-	-	37.00
1451	Adult Home Support - Community Based Services	-	-	-	-
1453	(Adult)	-	-	-	-
1481	Services	11.00	-	-	11.00
1482	Employment/Training	4.00	-	-	4.00
1491	Assistance	-	-	-	-
1492	ID Family Emergency - Family Violence Prevention	-	-	-	-
1510	Guardianship	-	-	-	-
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	39.00	-	-	39.00
Total FTE		427.00	-	-	427.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Social Services					
Budget Code 14440		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	91.00	-	-	91.00
1121	ECBI Administrative Funding	-	-	-	-
1160	Child Welfare Training	24.00	-	-	24.00
1261	Food and Nutrition Education	-	-	-	-
1331	Family Preservation and Support	5.00	-	-	5.00
1371	Child Support Enforcement	126.00	-	-	126.00
1372	Food and Nutrition Services	61.00	-	-	61.00
1373	LIEAP	-	-	-	-
1374	Refugee Medical Assistance	-	-	-	-
1375	TANF - Domestic Violence	-	-	-	-
1376	Medicaid Eligibility	-	-	-	-
1381	Refugee Cash and Social Services	5.00	-	-	5.00
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	37.00	-	-	37.00
1451	Adult Home Support - Community Based Services	-	-	-	-
1453	(Adult)	-	-	-	-
1481	Services	11.00	-	-	11.00
1482	Employment/Training	4.00	-	-	4.00
1491	Assistance	-	-	-	-
1492	ID Family Emergency - Family Violence Prevention	-	-	-	-
1510	Guardianship	-	-	-	-
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	39.00	-	-	39.00
Total FTE		427.00	-	-	427.00

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$186,595,053		\$186,595,053	
Legislative Changes				
(4.0) Division of Social Services				
51 Compensation Increase Reserve	\$183,242	R	\$183,242	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
52 State Retirement Contributions	\$69,269	R	\$182,696	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
53 State Health Plan	\$31,038	R	\$65,771	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

54 Child Welfare Program Improvement Plan

Fund Code: 1160, 1331, 1430, 1531, 1532

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 training on specific child welfare issues. In-home services are expanded. Post permanency support services are expanded to ensure families are supported once permanency is achieved. Funding is also provided to support medical homes for foster care children, and to support the development of a foster care and adoption parent association.

Nonrecurring funding is provided in FY 2018-19 to develop a Placement Prevention practice model for Child Protection Services In-home services. Nonrecurring funding in FY 2018-19 is also provided for a county Child Welfare workforce study, including a market rate analysis for state and county child welfare staff.

The revised net appropriation for the Child Welfare Program Improvement Plan is \$8.9 million in FY 2017-18 and \$9.6 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11C.7)

55 Family/Child Protection & Accountability Act Reserve

Fund Code: 1900

Provides funding for the Family/Child Protection & Accountability Act, and is contingent upon the enactment of House Bill 630 or a substantially similar bill. The revised net appropriation for the Family/Child Protection & Accountability Act Reserve is \$161,439 in FY 2017-18 and \$3.2 million in FY 2018-19.

(H.B. 630 was enacted and is now S.L. 2017-41)

(H.B. 630; S.L. 2017-57, Sec. 11C.12)

56 Temporary Assistance for Facilities that Serve Special Assistance Recipients

Fund Code: 1570

Provides funding on a temporary basis for facilities that serve recipients of State-County Special Assistance. Total funding is \$10 million with a 50% match provided by the appropriate county. The revised net appropriation for temporary assistance for facilities that serve Special Assistance recipients is \$5 million in each year of the biennium.

(S.L. 2017-57, Sec. 11C.13)

FY 17-18

FY 18-19

\$8,730,446

R

\$9,146,696

R

\$330,521

NR

\$161,439

NR

\$3,229,695

NR

\$5,000,000

NR

\$5,000,000

NR

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

57 Foster Care Caseload Growth

\$270,903

R

\$2,451,515

R

Fund Code: 1532

Increases funding for foster care to support growth in the foster care caseload. The revised net appropriation from all actions in this report for fund code 1532, Foster Care, is \$46.3 million in FY 2017-18 and \$48.5 million in FY 2018-19.
(S.B. 430/H.B. 537)

58 Child Advocacy Centers

\$1,000,000

NR

Fund Code: 1331

Provides funding for Child Advocacy Centers. Federal receipts of \$207,000 in each year of the biennium are provided from the Social Services Block Grant. Total requirements for Child Advocacy Centers is \$2 million in FY 2017-18 and \$1 million in FY 2018-19. The revised net appropriation for Child Advocacy Centers is \$1.4 million in FY 2017-18 and \$400,000 in FY 2018-19.
(H.B. 897; S.L. 2017-57, Secs. 6.13 and 11C.15)

59 Child Medical Evaluation Program (CMEP)

Fund Code: 1430

Increases funding for the Child Medical Evaluation Program (CMEP) from the Social Services Block Grant by \$338,000 each year of the biennium to increase the rate paid for medical consultations to the regional average of \$575. The program pays for medical evaluations for children who have been suspected of being physically or sexually abused. Funding in the Division of Social Services is for children who are not eligible for Medicaid. Funding is also provided in the Division of Medical Assistance for children who are Medicaid eligible. Total funding for CMEP in the Division of Social Services budget, Fund 1430, Child Protective Services, is \$1.2 million. The revised net appropriation for Fund 1430, Child Protective Services, is \$20.8 million in FY 2017-18 and \$21.2 million in FY 2018-19.

60 Youth Villages

\$500,000

R

\$500,000

R

Fund Code: 1532

Provides funding to Youth Villages to provide services to improve outcomes for youth 17-21 years of age who transition from foster care through the implementation of outcome-based Transitional Living Services. The revised net appropriation for Youth Villages is \$2.5 million in each year of the biennium.
(S.L. 2017-57, Sec. 11C.9)

61 Eckerd Kids and Caring for Children's Angels Watch Program**Fund Code:** 1331

\$500,000 NR

\$500,000 NR

Provides funding to continue support of the Angels Watch program, a foster care program for children who are ages 0 to 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 a licensed Angel Care foster home for up to 90 days while the family attempts to resolve the issue that keeps them from safely caring for their children. Parents are provided mentoring and links to community resources by program managers and foster parents. The net appropriation for Angels Watch is \$500,000 in each year of the biennium.
(S.L. 2017-57, Sec. 11C.14)

62 Supportive Employment Opportunities**Fund Code:** 1384

\$300,000 NR

\$300,000 NR

Provides funds to Marketing Association for Rehabilitation Centers (MARC), Inc., to fund staffing and positions to focus on business development leadership and technical support for advanced manufacturing. New job opportunities for people who are chronically unemployed will be created. The revised net appropriation for a job creation grant to MARC Inc. is \$300,000.
(S.L. 2017-57, Sec. 6.13)

63 Permanency Innovation Fund**Fund Code:** 1532

\$750,000 NR

\$750,000 NR

Provides additional funding of \$964,878 to the Permanency Innovation Fund to increase the number of youth who are served through the Child Specific Recruitment program which works to find a permanent home for foster care youth. Receipts of \$214,878 are budgeted for this purpose. The revised total requirements for the Permanency Innovation fund is \$3.7 million and the revised net appropriation is \$2,887,526 in each year of the biennium.
(S.B. 444/H.B. 860; S.L. 2017-57, Sec. 11C.9)

64 Medicaid Non-Emergency Medical Transportation**Fund Code:** 1376

(\$1,274,430) R

(\$1,274,430) R

Realigns funding provided to county departments of social services for Medicaid non-emergency medical transportation to the Division of Medical Assistance. Funding for Medicaid non-emergency medical transportation is eliminated in the Division of Social Services budget. The revised net appropriation in Fund 1376, Medicaid Eligibility, is \$356,326 in each year of the biennium.
(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

65 Social Services Block Grant Funds for Counties

(\$2,755,915)

R

(\$2,755,915)

R

Fund Code: 1900

Replaces State General Fund appropriation for Social Services Block Grant (SSBG) services with Social Services Block Grant funds. State funds had been provided to counties when the SSBG block grant was reduced several years ago. This action eliminates General Fund appropriation and provides SSBG funding instead. The revised net appropriation for State SSBG services is \$0 in both years of the biennium.
(S.L. 2017-57, Sec. 11L.1)

66 Boys and Girls Clubs

Fund Code: 1900

\$87,080

NR

Provides funding to support the following Boys and Girls Clubs:

Boys and Girls Club of Wilmington - \$50,000

Boys and Girls Clubs of Central Carolina (Sanford) - \$37,080

The revised net appropriation for the Boys and Girls Clubs is \$2.8 million in each year of the biennium.
(S.L. 2017-57, Sec. 6.13)

67 Waves 4 K.I.D.S.

Fund Code: 1900

\$50,000

NR

Provides funding for Waves 4 K.I.D.S. in Brunswick County. The revised net appropriation for Waves for K.I.D.S. is \$50,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

68 Big Brothers Big Sisters

Fund Code: 1900

\$200,000

NR

Provides funding for Big Brothers Big Sisters of Central Carolinas to support the Big Day at the Lake program. The revised net appropriation for Big Brothers Big Sisters of Central Carolinas Big Day at the Lake program is \$200,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

69 Restoring Hope Center

Fund Code: 1900

\$50,000

NR

Provides funding for the Restoring Hope Center in Laurinburg. The revised net appropriation for the Restoring Hope Center is \$50,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

70 Northern Moore Family Resource Center**Fund Code:** 1900

\$75,000 NR

Provides funding for the Northern Moore Family Resource Center in Moore County. The revised net appropriation for the Northern Moore Family Resource Center is \$75,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 6.13)

71 Children's Home of Cleveland County**Fund Code:** 1900

\$250,000 NR

Provides funding for Children's Home of Cleveland County. The revised net appropriation for Children's Home of Cleveland County is \$250,000. (S.L. 2017-57, Sec. 6.13)

72 Crossnore Children's Home**Fund Code:** 1900

\$200,000 NR

Provides funding for Crossnore Children's Home in Winston-Salem. The revised net appropriation for the Crossnore Children's Home is \$200,000 for FY 2017-18 only. (S.L. 2017-57, Sec. 6.13)

73 Temporary Assistance for Needy Families (TANF) Block Grant**Fund Code:** N/A

Reduces TANF block grant federal receipts in the amount of \$1,145,250 in each year of the biennium. The revised TANF block grant federal receipts for the Division are \$163.7 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

74 TANF Contingency**Fund Code:** N/A

Reduces TANF Contingency block grant federal receipts in the amount of \$1,003,580 in each year of the biennium. This action eliminates TANF Contingency block grant federal receipts for the Division in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

75 Social Services Block Grant (SSBG)**Fund Code:** N/A

Budgets additional SSBG federal receipts in the amount of \$5,587,401 in FY 2017-18 and \$5,619,535 in FY 2018-19. The revised SSBG federal receipts for the Division are \$35 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

76 Low Income Energy Assistance Program (LIEAP) Block Grant**Fund Code:** N/A

Reduces LIEAP block grant federal receipts in the amount of \$1,989,501 in FY 2017-18 and \$4,597,583 in FY 2018-19. The revised LIEAP block grant federal receipts for the Division are \$96.6 million in FY 2017-18 and \$94 million in FY 2018-19. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

77 Child Care Development Fund (CCDF) Block Grant**Fund Code:** N/A

Reduces CCDF block grant federal receipts in the amount of \$206,450 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are \$16.9 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

78 Community Services Block Grant (CSBG)**Fund Code:** N/A

Budgets CSBG federal receipts in the amount of \$3,065,632 in each year of the biennium. The revised CSBG federal receipts for the Division are \$26.9 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

Total Legislative Changes	\$5,754,553	R	\$8,499,575	R
	\$8,623,519	NR	\$10,110,216	NR
Total Position Changes				
Revised Budget	\$200,973,125		\$205,204,844	

Special Provisions

2017 Session: SB 257

Division: (4.0) Division of Social Services

Section: 11C.1

Title: TANF BENEFIT IMPLEMENTATION

Summary: Approves the Temporary Assistance for Needy Families (TANF) 2016-19 State plan, and designates the Electing Counties for the period covered by the plan.

This section authorizes the Department of Health and Human Services (DHHS) to adjust allocations if projections of Work First Family Assistance and Work First Diversion Assistance funds are insufficient. The Office of State Budget and Management must approve of changes to allocations and DHHS must report the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) and the Fiscal Research Division (FRD) if changes are made. (S.B. 430/H.B. 537)

Section: 11C.2

Title: INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

Summary: Notwithstanding G.S. 143B-150.6 and sets forth the standards and reporting requirements for the Intensive Family Preservation Service Program, which provides intensive services for children and families in cases of child abuse, neglect, or dependency where a child may or may not be at imminent risk of removal from the home. (S.B. 430/H.B. 537, H.B. 386)

Section: 11C.3

Title: CHILD CARING INSTITUTIONS

Summary: Limits the maximum reimbursement rates for child caring institutions to the rate established by the DHHS Office of the Controller until the Social Services Commission adopts rules that establish standardized rates. (S.B. 430/H.B. 537)

Section: 11C.4

Title: USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM

Summary: Authorizes the Division of Social Services (DSS) to use available funds for foster care services to continue to support the Guardianship Assistance Program. The program allows existing foster parents to serve as legal guardians of children in foster care. Eligible children must be deemed to be in a permanent family placement setting, eligible for legal guardianship, and otherwise unlikely to receive permanency. The program must provide guardianship services for individuals who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if certain conditions are met. (S.B. 430/H.B. 537)

Section: 11C.5

Title: **CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)**

Summary: Requires funds appropriated to DHHS for NC Reach to be used to continue the program. NC Reach is a child welfare postsecondary support program that provides assistance for the educational needs of youth aging out of foster care and for special needs children adopted from foster care after age 12.
(S.B. 430/H.B. 537)

Section: 11C.6

Title: **FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS**

Summary: Requires the Child Support Services Section of DSS, to retain up to 15% of the annual federal incentive payments to enhance centralized child support services. The Child Support Services Section is required to work with county child support services programs to identify how federal incentive funding could improve centralized services.

The Child Support Services Section is required to allocate no less than 85% of the annual federal incentive payments to county child support services programs to improve effectiveness and efficiency using the federal performance measures. The Child Support Services Section must: (1) work with county child support services programs to examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate, and (2) upon adopting an alternative formula, develop a process to phase in the alternative formula over a 4-year period.

The Child Support Services Section must report on federal child support incentive funding to the JLOCHHS and FRD by November 1 of each year.
(S.B. 430/H.B. 537)

Section: 11C.7

Title: **CHILD WELFARE SYSTEM CHANGES**

Summary: Directs DSS to continue implementing the federal Program Improvement Plan to bring the State into compliance with national standards on child welfare policy and practices. DSS must submit a progress report to the JLOCHHS semiannually on February 1 and August 1 of each year, with the final report due February 1, 2019.

DSS is directed to continue working 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 JLOCHHS quarterly through April 1, 2019.
(S.B. 430/H.B. 537)

Section: 11C.8

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

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

DSS is to report on its progress implementing the pilot program by February 1 following each year the program is in place to the Office of the Governor, the JLOCHHS, and FRD.

Any funding remaining in the 2016-17 fiscal year shall not revert, but shall remain available for continued implementation of the pilot program. DSS may expand the pilot to other public benefits programs if funding and capacity exist.

Section: 11C.9

Title: **SUCCESSFUL TRANSITION/FOSTER CARE YOUTH/PERMANENCY INNOVATION INITIATIVE TECHNICAL CHANGE**

Summary: Continues the Foster Care Transitional Living Initiative Fund to support a demonstration project designed to improve outcomes for youth ages 17-21 years who are transitioning out of foster care. The project will continue to implement outcome-based transitional living services; identify cost-savings in social services, and in juvenile and adult correction services; and take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. Services will be provided by Youth Villages.

This section also amends G.S. 131D-10.9A(c) to delete incorrect references in State law. (S.B. 444/H.B. 860)

Section: 11C.10

Title: **FINAL REPORT/EASTERN BAND OF CHEROKEE INDIANS ASSUMPTION OF SERVICES**

Summary: Requires DSS to submit a final report to the JLOCHHS on the assumption of certain services by the Eastern Band of Cherokee Indians implemented pursuant to Section 12C.10 of S.L. 2015-241, 2015 Appropriations Act, as amended by Section 12C.2 of S.L. 2016-94, 2016 Appropriations Act. The final report is due after the implementation is complete.

This section also repeals Section 12C.10(h) of S.L. 2015-241, which required quarterly reporting on the implementation status of this project.

Section: 11C.12

Title: **FAMILY AND CHILD PROTECTION AND ACCOUNTABILITY ACT**

Summary: Makes the expenditure of the funds in the Family/Child Protection & Accountability Act Reserve contingent upon passage of House Bill 630 of the 2017 Regular Session or any other substantially similar legislation adopted by the 2017 General Assembly. (S.B. 594/H.B. 608; H.B. 630 was enacted and is now S.L. 2017-41, Rylan's Law/Family/Child Protect. & Acc. Act.)

Section: 11C.13

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

Summary: Continues 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 July 1, 2017, and ending June 30, 2019. Counties are required to fund 50% of payment costs. Payments must terminate either by June 30, 2019, or upon depletion of State and county funds allocated each year for this purpose.

Subsection (f) allows DSS to use no more than \$250,000 in nonrecurring funds in each year of the biennium for administrative purposes.

Section: 11C.14

Title: **ECKERD KIDS AND CARING FOR CHILDREN'S ANGEL WATCH PROGRAM/REPORT ON USE OF ADDITIONAL FUNDS**

Summary: Requires DSS to report to the JLOCHHS and FRD by December 1, 2018, on the use of additional funds provided 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.

This section also directs that Fiscal Year 2016-17 funds shall not revert.

Section: 11C.15

Title: **CHILD ADVOCACY CENTER FUNDING**

Summary: Requires funds appropriated for child advocacy centers to be allocated as follows:
(1) up to \$100,000 for each child advocacy center in good standing with the Children's Advocacy Centers of North Carolina, Inc. and (2) \$100,000 to Children's Advocacy Centers of North Carolina, Inc.
(H.B. 897)

**Public Health
Budget Code 14430**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$869,485,765	\$869,493,651
Receipts	\$722,778,748	\$722,780,196
Net Appropriation	\$146,707,017	\$146,713,455
Legislative Changes		
Requirements	\$13,083,471	\$8,807,587
Receipts	\$2,395,965	\$535,824
Net Appropriation	\$10,687,506	\$8,271,763
Revised Budget		
Requirements	\$882,569,236	\$878,301,238
Receipts	\$725,174,713	\$723,316,020
Net Appropriation	\$157,394,523	\$154,985,218

General Fund FTE

Base Budget	1,906.26	1,906.26
Legislative Changes	14.00	14.00
Revised Budget	1,920.26	1,920.26

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Public Health										
Budget Code 14430		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	21,972,920	12,761,512	9,211,408	-	-	-	21,972,920	12,761,512	9,211,408
1151	Forensic Tests for Alcohol	4,324,408	4,323,040	1,368	-	-	-	4,324,408	4,323,040	1,368
1152	Asbestos and Lead-based Paint - Hazard Mgmt	2,012,669	1,716,446	296,223	-	-	-	2,012,669	1,716,446	296,223
1153	Environmental Health Regulation	8,378,213	4,973,147	3,405,066	556,865	556,865	-	8,935,078	5,530,012	3,405,066
1161	Public Health - Capacity Building	14,483,128	1,360,873	13,122,255	-	-	-	14,483,128	1,360,873	13,122,255
1171	State Center for Health Statistics	5,681,088	2,790,375	2,890,713	-	-	-	5,681,088	2,790,375	2,890,713
1172	Office of Chief Medical Examiner	13,133,667	2,676,795	10,456,872	-	-	-	13,133,667	2,676,795	10,456,872
1173	Vital Records	4,170,660	3,081,820	1,088,840	-	-	-	4,170,660	3,081,820	1,088,840
1174	Public Health - Lab	28,680,563	24,103,611	4,576,952	600,000	(3,000,000)	3,600,000	29,280,563	21,103,611	8,176,952
1175	Public Health - Surveillance	11,195,460	9,022,143	2,173,317	-	-	-	11,195,460	9,022,143	2,173,317
1261	Public Health - Promotion	6,858,800	5,846,005	1,012,795	100,000	-	100,000	6,958,800	5,846,005	1,112,795
1262	Health Disparities	3,156,165	36,443	3,119,722	-	-	-	3,156,165	36,443	3,119,722
1264	Public Health - Preparedness and Response	11,854,567	9,741,478	2,113,089	-	-	-	11,854,567	9,741,478	2,113,089
126C	Access Outreach - Chronic Disease	4,605,853	3,755,199	850,654	100,000	-	100,000	4,705,853	3,755,199	950,654
1271	Children and Adult Health Prevention	29,160,286	20,009,922	9,150,364	3,167,000	167,000	3,000,000	32,327,286	20,176,922	12,150,364
1272	Child and Adult Nutrition Services	125,825,146	125,824,614	532	-	-	-	125,825,146	125,824,614	532
1311	HIV/STD Prevention Activities	18,640,702	14,564,149	4,076,553	-	-	-	18,640,702	14,564,149	4,076,553
1312	Medical Evaluation and Risk Assessment	1,331,101	720,949	610,152	-	-	-	1,331,101	720,949	610,152
1313	Wisewoman	1,182,821	1,182,821	-	-	-	-	1,182,821	1,182,821	-
1320	Breast and Cervical Cancer Control	4,794,104	3,186,654	1,607,450	-	-	-	4,794,104	3,186,654	1,607,450
1331	Immunization	9,442,186	8,309,494	1,132,692	-	-	-	9,442,186	8,309,494	1,132,692
1332	Children's Health Services	27,336,804	9,165,299	18,171,505	-	-	-	27,336,804	9,165,299	18,171,505
1370	Refugee Health Assessment	399,134	399,134	-	-	-	-	399,134	399,134	-
13A1	Maternal and Infant Health	51,743,009	39,865,568	11,877,441	1,850,000	-	1,850,000	53,593,009	39,865,568	13,727,441
13A2	Women, Infants and Children (WIC)	296,895,133	296,537,280	357,853	3,862,321	3,862,321	-	300,757,454	300,399,601	357,853
13B0	Oral Health Preventive Services	4,922,010	1,864,294	3,057,716	-	-	-	4,922,010	1,864,294	3,057,716
1421	Sickle Cell Adult Treatment	1,385,940	331,049	1,054,891	-	-	-	1,385,940	331,049	1,054,891
1441	Early Intervention	68,087,441	46,414,313	21,673,128	690,594	-	690,594	68,778,035	46,414,313	22,363,722
1460	Communicable Disease (HIV/AIDS and TB)	80,247,035	63,261,706	16,985,329	-	-	-	80,247,035	63,261,706	16,985,329
14A0	Sickle Cell Support - Children	2,985,803	353,666	2,632,137	-	-	-	2,985,803	353,666	2,632,137
1991	Federal Indirect Reserve	4,598,949	4,598,949	-	-	-	-	4,598,949	4,598,949	-
				-				-	-	-
Division-wide Items				-						
N/A	TANF Block Grant				(572)	(572)	-	(572)	(572)	-
N/A	Preventative Health Block Grant			-	1,133,176	1,133,176	-	1,133,176	1,133,176	-
N/A	Substance Abuse Block Grant			-	199,980	199,980	-	199,980	199,980	-
N/A	Maternal Health Block Grant			-	(522,330)	(522,330)	-	(522,330)	(522,330)	-
N/A	Child Development Block Grant			-	(475)	(475)	-	(475)	(475)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	702,443	-	702,443	702,443	-	702,443
N/A	State Retirement Contribution	-	-	-	275,488	-	275,488	275,488	-	275,488
N/A	State Health Plan Reserve			-	118,981	-	118,981	118,981	-	118,981
Total		\$869,485,765	\$722,778,748	\$146,707,017	\$13,083,471	\$2,395,965	\$10,687,506	\$882,569,236	\$725,174,713	\$157,394,523

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Public Health										
Budget Code 14430		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	21,972,920	12,761,512	9,211,408	-	-	-	21,972,920	12,761,512	9,211,408
1151	Forensic Tests for Alcohol	4,324,408	4,323,040	1,368	-	-	-	4,324,408	4,323,040	1,368
1152	Asbestos and Lead-based Paint - Hazard Mgmt	2,012,669	1,716,446	296,223	-	-	-	2,012,669	1,716,446	296,223
1153	Environmental Health Regulation	8,378,213	4,973,147	3,405,066	559,045	559,045	-	8,937,258	5,532,192	3,405,066
1161	Public Health - Capacity Building	14,483,128	1,360,873	13,122,255	-	-	-	14,483,128	1,360,873	13,122,255
1171	State Center for Health Statistics	5,681,088	2,790,375	2,890,713	-	-	-	5,681,088	2,790,375	2,890,713
1172	Office of Chief Medical Examiner	13,133,667	2,676,795	10,456,872	-	-	-	13,133,667	2,676,795	10,456,872
1173	Vital Records	4,170,660	3,081,820	1,088,840	-	-	-	4,170,660	3,081,820	1,088,840
1174	Public Health - Lab	28,680,563	24,103,611	4,576,952	600,000	(1,000,000)	1,600,000	29,280,563	23,103,611	6,176,952
1175	Public Health - Surveillance	11,195,460	9,022,143	2,173,317	-	-	-	11,195,460	9,022,143	2,173,317
1261	Public Health - Promotion	6,858,800	5,846,005	1,012,795	-	-	-	6,858,800	5,846,005	1,012,795
1262	Health Disparities	3,156,165	36,443	3,119,722	-	-	-	3,156,165	36,443	3,119,722
1264	Public Health - Preparedness and Response	11,854,567	9,741,478	2,113,089	-	-	-	11,854,567	9,741,478	2,113,089
126C	Access Outreach - Chronic Disease	4,605,853	3,755,199	850,654	-	-	-	4,605,853	3,755,199	850,654
1271	Children and Adult Health Prevention	29,160,286	20,009,922	9,150,364	3,167,000	167,000	3,000,000	32,327,286	20,176,922	12,150,364
1272	Child and Adult Nutrition Services	125,825,146	125,824,614	532	-	-	-	125,825,146	125,824,614	532
1311	HIV/STD Prevention Activities	18,640,702	14,564,149	4,076,553	-	-	-	18,640,702	14,564,149	4,076,553
1312	Medical Evaluation and Risk Assessment	1,331,101	720,949	610,152	-	-	-	1,331,101	720,949	610,152
1313	Wisewoman	1,182,821	1,182,821	-	-	-	-	1,182,821	1,182,821	-
1320	Breast and Cervical Cancer Control	4,794,104	3,186,654	1,607,450	-	-	-	4,794,104	3,186,654	1,607,450
1331	Immunization	9,442,186	8,309,494	1,132,692	-	-	-	9,442,186	8,309,494	1,132,692
1332	Children's Health Services	27,336,804	9,165,299	18,171,505	-	-	-	27,336,804	9,165,299	18,171,505
1370	Refugee Health Assessment	399,134	399,134	-	-	-	-	399,134	399,134	-
13A1	Maternal and Infant Health	51,743,009	39,865,568	11,877,441	1,300,000	-	1,300,000	53,043,009	39,865,568	13,177,441
13A2	Women, Infants and Children (WIC)	296,895,133	296,537,280	357,853	-	-	-	296,895,133	296,537,280	357,853
13B0	Oral Health Preventive Services	4,922,010	1,864,294	3,057,716	-	-	-	4,922,010	1,864,294	3,057,716
1421	Sickle Cell Adult Treatment	1,385,940	331,049	1,054,891	-	-	-	1,385,940	331,049	1,054,891
1441	Early Intervention	68,095,327	46,415,761	21,679,566	690,594	-	690,594	68,785,921	46,415,761	22,370,160
1460	Communicable Disease (HIV/AIDS and TB)	80,247,035	63,261,706	16,985,329	-	-	-	80,247,035	63,261,706	16,985,329
14A0	Sickle Cell Support - Children	2,985,803	353,666	2,632,137	-	-	-	2,985,803	353,666	2,632,137
1991	Federal Indirect Reserve	4,598,949	4,598,949	-	-	-	-	4,598,949	4,598,949	-
				-				-	-	-
Division-wide Items				-						
N/A	TANF Block Grant				(572)	(572)	-	(572)	(572)	-
N/A	Preventative Health Block Grant			-	1,133,176	1,133,176	-	1,133,176	1,133,176	-
N/A	Substance Abuse Block Grant			-	199,980	199,980	-	199,980	199,980	-
N/A	Maternal Health Block Grant			-	(522,330)	(522,330)	-	(522,330)	(522,330)	-
N/A	Child Development Block Grant			-	(475)	(475)	-	(475)	(475)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	702,443	-	702,443	702,443	-	702,443
N/A	State Retirement Contribution	-	-	-	726,599	-	726,599	726,599	-	726,599
N/A	State Health Plan Reserve				252,127	-	252,127	252,127	-	252,127
Total		\$869,493,651	\$722,780,196	\$146,713,455	8,807,587	535,824	8,271,763	878,301,238	723,316,020	154,985,218

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Public Health					
Budget Code 14430		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	122.00	-	-	122.00
1151	Forensic Tests for Alcohol	31.00	-	-	31.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	54.00		6.00	60.00
1161	Public Health - Capacity Building	24.00	-	-	24.00
1171	State Center for Health Statistics	53.50	-	-	53.50
1172	Office of Chief Medical Examiner	53.50	-	-	53.50
1173	Vital Records	68.00	-	-	68.00
1174	Public Health - Lab	209.00	-	-	209.00
1175	Public Health - Surveillance	38.00	-	-	38.00
1261	Public Health - Promotion	6.00	-	-	6.00
1262	Health Disparities	4.00	-	-	4.00
1264	Public Health - Preparedness and Response	37.00	-	-	37.00
126C	Access Outreach - Chronic Disease	17.90	-	-	17.90
1271	Children and Adult Health Prevention	62.75	-	-	62.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1273	Race to the Top - Early Learning Challenge	-	-	-	-
1311	HIV/STD Prevention Activities	118.00	-	-	118.00
1312	Medical Evaluation and Risk Assessment	12.00	-	-	12.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	48.00	-	-	48.00
1332	Children's Health Services	37.87	-	-	37.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	39.00	-	-	39.00
13A2	Women, Infants and Children (WIC)	46.00	-	-	46.00
13B0	Oral Health Preventive Services	39.00	-	-	39.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	666.73	8.00	-	674.73
1460	Communicable Disease (HIV/AIDS and TB)	41.00	-	-	41.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
1910	Reserves and Transfers	-	-	-	-
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		1,906.26	8.00	6.00	1,920.26

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Public Health					
Budget Code 14430		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	122.00	-	-	122.00
1151	Forensic Tests for Alcohol	31.00	-	-	31.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	54.00	-	6.00	60.00
1161	Public Health - Capacity Building	24.00	-	-	24.00
1171	State Center for Health Statistics	53.50	-	-	53.50
1172	Office of Chief Medical Examiner	53.50	-	-	53.50
1173	Vital Records	68.00	-	-	68.00
1174	Public Health - Lab	209.00	-	-	209.00
1175	Public Health - Surveillance	38.00	-	-	38.00
1261	Public Health - Promotion	6.00	-	-	6.00
1262	Health Disparities	4.00	-	-	4.00
1264	Public Health - Preparedness and Response	37.00	-	-	37.00
126C	Access Outreach - Chronic Disease	17.90	-	-	17.90
1271	Children and Adult Health Prevention	62.75	-	-	62.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1273	Race to the Top - Early Learning Challenge	-	-	-	-
1311	HIV/STD Prevention Activities	118.00	-	-	118.00
1312	Medical Evaluation and Risk Assessment	12.00	-	-	12.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	48.00	-	-	48.00
1332	Children's Health Services	37.87	-	-	37.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	39.00	-	-	39.00
13A2	Women, Infants and Children (WIC)	46.00	-	-	46.00
13B0	Oral Health Preventive Services	39.00	-	-	39.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	666.73	8.00	-	674.73
1460	Communicable Disease (HIV/AIDS and TB)	41.00	-	-	41.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
1910	Reserves and Transfers	-	-	-	-
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		1,906.26	8.00	6.00	1,920.26

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
		FY 17-18		FY 18-19
Recommended Base Budget		\$146,707,017		\$146,713,455
Legislative Changes				
(5.0) Division of Public Health				
79 Compensation Increase Reserve		\$702,443	R	\$702,443 R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
80 State Retirement Contributions		\$275,488	R	\$726,599 R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
81 State Health Plan		\$118,981	R	\$252,127 R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

82 Children's Developmental Service Agencies (CDSAs)

\$690,594	R
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\$690,594	R
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Fund Code: 1441

8.00

8.00

Provides funds to address staffing deficiencies in the 2 CDSAs remaining subject to a federal corrective action plan: New Bern and Blue Ridge. The revised net appropriation for Early Intervention is \$22.4 million in each year of the biennium. The following positions are established:

New Bern CDSA

#	Title	Cost
2.0	Occupational Therapist	\$173,217
2.0	Physical Therapist	\$191,233
2.0	Speech/Language Pathologist	\$161,850
1.0	Psychologist	\$ 77,860

Blue Ridge CDSA

1.0	Occupational Therapist	\$86,608
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(S.B. 430/H.B. 537)

83 Nurse Family Partnership Program

\$2,000,000	R
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\$2,000,000	R
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Fund Code: 1271

Provides funds to expand the Nurse Family Partnership Program home visiting services. The revised net appropriation for the Nurse Family Partnership Program is \$3.7 million in each year of the biennium.

(S.B. 430/H.B. 537)

84 Smoking Cessation Programs

\$500,000	R
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\$500,000	R
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Fund Code: 1271

Provides funds for QuitlineNC and the You Quit Two Quit smoking cessation programs. The revised net appropriation for Children and Adult Health Prevention from all actions in this report is \$12.1 million in each year of the biennium.

85 Youth Tobacco Prevention

\$500,000	NR
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\$500,000	NR
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Fund Code: 1271

Provides funds to develop strategies to prevent the use of new and emerging tobacco products, including electronic cigarettes, by youth and people of childbearing age. The revised net appropriation for Fund 1271 from all actions in this report is \$12.1 million in each year of the biennium.

(S.B. 478/H.B. 276)

2017 Annotated Conference Committee Report

86 State Laboratory of Public Health

Fund Code: 1174

Provides funds to address the State Laboratory's structural budget deficit. The revised net appropriation for the State Laboratory of Public Health from all actions in this report is \$8.2 million in FY 2017-18 and \$6.2 million in FY 2018-19.
(S.B. 430/H.B. 537, S.L. 2017-57, Sec. 11E.2)

FY 17-18

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

FY 18-19

\$1,000,000 R

87 Communicable Disease Testing

Fund Code: 1174

Provides funds for Hepatitis C and other priority communicable disease testing. Funds may also be used to provide individuals who test positive for communicable diseases access to appropriate health care provider treatment options. The revised net appropriation for the State Laboratory of Public Health from all actions in this report is \$8.2 million in FY 2017-18 and \$6.2 million in FY 2018-19.
(S.L. 2017-57, Sec. 11E.14)

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

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

88 Advisory Council on Rare Diseases

Fund Code: 126C

Provides funds for the Advisory Council on Rare Diseases established by S.L. 2015-199. The Division of Public Health shall transfer the funds to the UNC-Chapel Hill School of Medicine to be used to support start-up costs of the Advisory Council. The revised net appropriation for the Advisory Council on Rare Diseases is \$100,000 in FY 2017-18 only.
(S.B. 310/H.B. 808)

\$100,000 NR

89 Carolina Pregnancy Care Fellowship

Fund Code: 13A1

Provides funds to the Carolina Pregnancy Care Fellowship (CPCF). CPCF shall use \$800,000 to purchase durable medical equipment for clinics that apply to the Fellowship for such equipment. Up to thirty thousand dollars (\$30,000) in each year may be used by CPCF for administrative purposes. Up to \$170,000 may be used each year to provide grants to clinics for training on the use of durable medical equipment. The remaining \$300,000 is provided for the Human Coalition to develop and implement a two-year Continuum of Care pilot program at its Raleigh Clinic. The pilot program shall provide care coordination and medical support to women experiencing crisis pregnancies. The revised net appropriation for the Carolina Pregnancy Care Fellowship is \$1.3 million in each year of the biennium.
(S.L. 2017-57, Sec. 11E.13)

\$1,300,000 NR

\$1,300,000 NR

90 Coastal Pregnancy Center**Fund Code:** 13A1

\$100,000 NR

Provides funds for the Coastal Pregnancy Center located in Beaufort County. The revised net appropriation for the Coastal Pregnancy Center is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

91 H.E.L.P. Center, Inc.**Fund Code:** 13A1

\$450,000 NR

Provides funds for H.E.L.P. Center, Inc. for services for pregnant women who are underinsured or do not qualify for prenatal health care. The revised net appropriation for H.E.L.P. Center, Inc. is \$450,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

(S.L. 2017-197, Sec. 3.3, Budget Technical Corrections, amends this item to specify that the funding may be used to support all nonsectarian services and all recipients of nonsectarian services provided by the H.E.L.P. Center, Inc.)

92 Greene County Wellness Center**Fund Code:** 1261

\$100,000 NR

Provides funds for the Greene County Wellness Center. The revised net appropriation for the Greene County Wellness Center is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

93 UNC Craniofacial Center**Fund Code:** 1332

\$250,000 NR

Provides \$250,000 for the UNC Craniofacial Center. The funds shall be used to supplement the existing contract to provide services for children from birth to 21 with craniofacial abnormalities. The revised net appropriation for the UNC Craniofacial Center is \$250,000 in FY 2017-18 only. Combined with the existing contract, the total FY 2017-18 funding for the UNC Craniofacial Center is \$537,071.
(S.L. 2017-57, Sec. 6.13)

94 Federal Elevated Blood Lead Standard**Fund Code:** 1153

Budgets Medicaid receipts to conform the State's elevated blood lead standard with the federal standard. The receipts will fund 6 full-time positions to handle the increased workload. The receipts total \$556,865 in FY 2017-18 and \$559,045 in FY 2018-19.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11E.6)

95 NC WIC Electronic Benefits Transfer**Fund Code:** 13A2

Budgets federal Women, Infants, and Children (WIC) Program receipts in the amount of \$3,862,321 to transition WIC from a paper food instrument to an electronic benefits transfer (EBT) process for purchasing WIC foods.
(S.B. 430/H.B. 537)

96 Temporary Assistance for Needy Families (TANF) Block Grant**Fund Code:** N/A

Reduces TANF block grant federal receipts in the amount of \$572 in each year of the biennium. The revised TANF block grant federal receipts for the Division are \$3.0 million in each year of the biennium.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

97 Child Care Development Fund (CCDF) Block Grant**Fund Code:** N/A

Reduces CCDF block grant federal receipts in the amount of \$475 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are \$62,205 in each year of the biennium.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

98 Substance Abuse Prevention and Treatment (SAPT) Block Grant**Fund Code:** N/A

Budgets SAPT block grant federal receipts in the amount of \$199,980 in each year of the biennium. The revised SAPT block grant federal receipts for the Division are \$965,949 in each year of the biennium.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

99 Maternal and Child Health (MCH) Block Grant**Fund Code:** N/A

Reduces MCH block grant federal receipts in the amount of \$522,330 in each year of the biennium. The revised MCH block grant federal receipts for the Division are \$18.1 million in each year of the biennium.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

100 Preventive Health Services Block Grant**Fund Code:** N/A

Budgets Preventive Health Services block grant federal receipts in the amount of \$1,133,176 in each year of the biennium. The revised Preventive Health Services block grant federal receipts for the Division are \$6.1 million in each year of the biennium.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	\$5,587,506	R	\$6,171,763	R
	\$5,100,000	NR	\$2,100,000	NR
Total Position Changes	8.00		8.00	
Revised Budget	\$157,394,523		\$154,985,218	

Special Provisions

2017 Session: SB 257

Division: (5.0) Division of Public Health

Section: 11E.1

Title: FUNDS FOR SCHOOL NURSES

Summary: Amends Part 1 of Article 1 of Chapter 130A of the General Statutes to add a new section, 130A-4.3 directing the use of funds appropriated for the School Nurse Funding Initiative (SNFI). SNFI funds shall supplement, not supplant, other State or local funds for school nurses. Local communities shall maintain their current level of effort and funding for school nurses. G.S.130A-4.3 (a) establishes an allocation formula for the distribution of SNFI funds. (S.B. 430/H.B.537)

Section: 11E.2

Title: STRATEGIES FOR ADDRESSING STRUCTURAL BUDGET DEFICIT IN STATE LABORATORY OF PUBLIC HEALTH

Summary: Directs the Division of Public Health (DPH) to review the current fee schedule for services provided by the State Laboratory of Public Health and to report recommended strategies for addressing the laboratory's structural budget deficit. The report is due to the General Assembly by March 1, 2018.

Section: 11E.3

Title: LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO IMPROVE MATERNAL AND CHILD HEALTH

Summary: Directs DHHS to continue the competitive grant process established by Sec. 12E.11, S.L. 2015-241, 2015 Appropriations Act, for local health departments to improve maternal and child health and specifies plan components for administering these grants. Grant recipients shall report on all activities funded with State funds, including outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities. Local health departments shall report annually by December 1st to the Division of Central Management and Support Services.

Grants must be made by July 1st of each year, after which, the Secretary must submit a report to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) providing specific information on each award.

Section: 11E.4

Title: LIMITATION ON USE OF STATE FUNDS

Summary: Extends the limitation on the use of State funds established in S.L. 2015-241, Sec. 12E.13, 2015 Appropriations Act, to the 2017-19 Biennium. State funds may not be used to renew or extend existing contracts or to enter into new contracts for family planning services, pregnancy prevention activities, or adolescent parenting programs with any provider that performs abortions. This section does not apply to the use of State funds to pay any State Health Plan or Medicaid provider for authorized services.

Section: 11E.5

Title: **EVIDENCE-BASED DIABETES PREVENTION PROGRAM TO ELIMINATE HEALTH DISPARITIES**

Summary: Directs the Office of Minority Health (OMH) to continue to administer the evidence-based Diabetes Prevention Program established by S.L. 2016-241, Sec. 12E.3, 2016 Appropriations Act. OMH shall report to the JLOCHHS and FRD by December 1, 2017, and annually thereafter on the status, participant demographics, cost, and outcomes of the Diabetes Prevention Program.
(S.B. 430/H.B.537)

Section: 11E.6

Title: **IMPLEMENTATION OF THE FEDERAL ELEVATED BLOOD STANDARD IN NORTH CAROLINA**

Summary: Amends various State laws to reduce the level of lead detected in the blood of children or pregnant women that defines "confirmed lead poisoning" from 20 micrograms per deciliter to 10 micrograms per deciliter. The level of lead detected in the blood of children or pregnant women that defines an "elevated blood lead level" is reduced from 10 to 5 micrograms per deciliter. Such levels require immediate action to remediate lead hazards in the environment, as recommended by the federal Centers for Disease Control and Prevention.
(S.B. 430/H.B.537)

Section: 11E.7

Title: **AIDS DRUG ASSISTANCE PROGRAM**

Summary: Amends Part 1 of Article 1 of Chapter 130A of the General Statutes to add a new section, G.S.130A-4.4, that directs DHHS to work with the Department of Public Safety (DPS) to ensure that DPS's expenditures for AIDS pharmaceuticals are included in the State matching funds required to draw down federal Ryan White funds.
(S.B. 430/H.B.537)

Section: 11E.8

Title: **IMPLEMENTATION OF COST-NEUTRAL PREMIUM ASSISTANCE PROGRAM WITHIN AIDS DRUG ASSISTANCE PROGRAM (ADAP)**

Summary: Directs DHHS to continue to implement a cost-neutral health insurance premium assistance program within ADAP as established by S.L. 2016-94, Sec. 12E.1, 2016 Appropriations Act. The program shall utilize federal funds to provide individual ADAP participants or subsets of participants premium and cost-sharing assistance to purchase or maintain private health insurance coverage. DHHS shall report by March 1, 2018, to the JLOCHHS and FRD on the implementation of the program.
(S.B. 430/H.B.537)

Section: 11E.9

Title: **USE OF MODIFIED ADJUSTED GROSS INCOME (MAGI) FOR AIDS DRUG ASSISTANCE PROGRAM (ADAP) ELIGIBILITY DETERMINATIONS**

Summary: Implements the use of MAGI beginning January 1, 2018, for ADAP eligibility determination, increasing the income eligibility level for uninsured persons with AIDS/HIV to receive AIDS drug assistance.
(S.B. 430/H.B.537)

Section: 11E.11

Title: **DIVISION OF PUBLIC HEALTH EATING DISORDER STUDY**

Summary: Directs DPH to study eating disorders in North Carolina and report to JLOCHHS by November 1, 2017.
(S.B. 35/H.B. 10)

Section: 11E.12

Title: **EVERY WEEK COUNTS DEMONSTRATION PROJECT**

Summary: Directs the use of \$2.2 million from the federal Maternal and Child Health Block Grant in each year of the 2017-19 Biennium for the Every Week Counts Demonstration Project to be supervised by UNC – Chapel Hill (UNC-CH). The project shall investigate the effectiveness of in-home prenatal care and the use of 17P to prevent pre-term births among low-income, pregnant women in Robeson and Columbus Counties. UNC-CH shall submit a final report to DHHS no later than 6 months after the conclusion of the project. DHHS shall submit a final report to the JLOCHHS and FRD no later than 3 months after receiving the report from UNC-CH.

Section: 11E.13

Title: **FUNDS FOR PREGNANCY CARE INITIATIVES**

Summary: Directs the use of \$1.3 million in nonrecurring funds appropriated to the Carolina Pregnancy Care Fellowship (CPCF) for each year of the 2017-19 Biennium. CPCF shall use \$800,000 to provide grants to clinics to purchase durable medical equipment and may use up to \$170,000 to train clinic staff on the use of the medical equipment, and up to \$30,000 for administrative purposes. The remaining \$300,000 shall be transferred to the Human Coalition to develop and implement a two-year continuum of care pilot project at its Raleigh Clinic.

By November 1, 2017, and periodically thereafter, the Human Coalition shall report to DHHS on the pilot program. By April 1, 2018, DHHS shall report to the JLOCHHS and FRD on the status of the pilot program.

By April 1, 2019, DHHS shall submit a final report on the pilot program to the JLOCHHS and FRD.

Section: 11E.14

Title: **COMMUNICABLE DISEASE TESTING**

Summary: Directs that \$300,000 in recurring funds and \$300,000 in nonrecurring funds appropriated to DPH shall be used to provide testing for Hepatitis C and other priority communicable diseases. The funds shall also be used to provide access to treatment for individuals who test positive for these diseases.

2017 Session: HB 528

Division: (5.0) Division of Public Health

Section: 3.3

Title: **TECHNICAL CHANGE: FUNDS FOR H.E.L.P. CENTER, INC.**

Summary: Amends S.L. 2017-57, Part XI, 2017 Budget Technical Corrections Act, to add a new Section 11E.13A to clarify that funds provided to the H.E.L.P. Center, Inc. may be used to support all nonsectarian services and all recipients of nonsectarian services provided by the H.E.L.P. Center, Inc.

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

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$1,487,463,766	\$1,486,234,730
Receipts	\$755,811,078	\$754,582,042
Net Appropriation	\$731,652,688	\$731,652,688
Legislative Changes		
Requirements	(\$32,709,415)	(\$15,106,558)
Receipts	\$2,674,954	\$11,515,541
Net Appropriation	(\$35,384,369)	(\$26,622,099)
Revised Budget		
Requirements	\$1,454,754,351	\$1,471,128,172
Receipts	\$758,486,032	\$766,097,583
Net Appropriation	\$696,268,319	\$705,030,589

General Fund FTE

Base Budget	11,201.30	11,201.30
Legislative Changes	15.00	15.00
Revised Budget	11,216.30	11,216.30

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Mental Health/Developmental Disabilities/Substance Abuse Services Budget Code 14460										
		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	24,468,132	7,989,504	16,478,628	400,000	-	400,000	24,868,132	7,989,504	16,878,628
1160	MH/DD/SA Workforce Development	1,328,819	1,248,674	80,145	-	-	-	1,328,819	1,248,674	80,145
1262	Enforce Underage Drinking Laws	360,000	360,000	-	-	-	-	360,000	360,000	-
1271	General SA Prevention - Quality Improvement	9,522,255	9,259,532	262,723	-	-	-	9,522,255	9,259,532	262,723
1332	Targeted Substance Abuse Prevention	352,692	337,692	15,000	-	-	-	352,692	337,692	15,000
1422	Community Services - Single Stream Funding	379,737,084	262,728	379,474,356	(86,942,289)	-	(86,942,289)	292,794,795	262,728	292,532,067
1442	Community Substance Abuse Services - Child	3,986,024	3,986,024	-	-	-	-	3,986,024	3,986,024	-
1443	Community Services - Riddle Center - FIPP	2,070,664	2,065,561	5,103	-	-	-	2,070,664	2,065,561	5,103
1444	Community Mental Health Services - Child	10,426,412	8,248,003	2,178,409	50,000	-	50,000	10,476,412	8,248,003	2,228,409
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034
1451	Community Services - Traumatic Brain Injury	606,202	246,984	359,218	500,000	-	500,000	1,106,202	246,984	859,218
1452	Path Homelessness	1,379,000	1,379,000	-	-	-	-	1,379,000	1,379,000	-
1461	Community Mental Health Services - Adult	12,918,103	12,195,332	722,771	100,000	-	100,000	13,018,103	12,195,332	822,771
1462	Community Developmental Disability Services - Adult	1,915,022	1,480,724	434,298	400,000	-	400,000	2,315,022	1,480,724	834,298
1463	Community Substance Abuse Services - Adult	36,449,714	34,253,819	2,195,895	100,000	-	100,000	36,549,714	34,253,819	2,295,895
1464	Community Crisis Services	41,457,644	2,606,000	38,851,644	2,500,000	-	2,500,000	43,957,644	2,606,000	41,351,644
1543	Whitaker School	5,320,140	5,320,140	-	-	-	-	5,320,140	5,320,140	-
1546	Wright School - Child	3,090,124	510	3,089,614	-	-	-	3,090,124	510	3,089,614
1561	Broughton Hospital - Adult	137,589,582	67,775,799	69,813,783	2,500,000	-	2,500,000	140,089,582	67,775,799	72,313,783
1562	Cherry Hospital - Adult	154,585,941	73,465,063	81,120,878	-	-	-	154,585,941	73,465,063	81,120,878
1563	Central Regional Hospital - Adult	219,563,041	108,180,168	111,382,873	-	-	-	219,563,041	108,180,168	111,382,873
1565	Caswell Developmental Center - Adult	92,174,277	91,257,753	916,524	-	-	-	92,174,277	91,257,753	916,524
1566	Murdoch Developmental Center - Adult	105,782,256	104,025,259	1,756,997	-	-	-	105,782,256	104,025,259	1,756,997
1567	J Iverson Riddle Developmental Center - Adult	61,704,322	60,394,303	1,310,019	-	-	-	61,704,322	60,394,303	1,310,019
156A	Longleaf Neuro-Medical Treatment Center - Adult	35,899,787	31,778,532	4,121,255	-	-	-	35,899,787	31,778,532	4,121,255
156B	Black Mountain Neuro-Medical Treatment Center - Adult	29,071,307	27,678,051	1,393,256	-	-	-	29,071,307	27,678,051	1,393,256
156C	O'Berry Neuro-Medical Treatment Center - Adult	55,621,003	55,134,138	486,865	-	-	-	55,621,003	55,134,138	486,865
156D	Julian F Keith ADATC - Adult	15,813,217	15,812,631	586	-	-	-	15,813,217	15,812,631	586
156E	RJ Blackley ADATC - Adult	15,357,273	15,357,273	-	-	-	-	15,357,273	15,357,273	-
156F	Walter B Jones ADATC - Adult	13,711,881	13,711,881	-	-	-	-	13,711,881	13,711,881	-
1910	Reserves and Transfers	14,996,814	-	14,996,814	41,740,844	4,260,240	37,480,604	56,737,658	4,260,240	52,477,418
Division-wide Items				-						
N/A	Social Services Block Grant			-	150,999	150,999	-	150,999	150,999	-
N/A	Mental Health Block Grant			-	63,715	63,715	-	63,715	63,715	-
N/A	Substance Abuse Block Grant			-	(1,800,000)	(1,800,000)	-	(1,800,000)	(1,800,000)	-
N/A	Compensation Increase Reserve			-	5,139,705	-	5,139,705	5,139,705	-	5,139,705
N/A	State Retirement Contribution	-	-	-	1,529,801	-	1,529,801	1,529,801	-	1,529,801
N/A	State Health Plan Reserve			-	857,810	-	857,810	857,810	-	857,810
Total		\$1,487,463,766	\$755,811,078	\$731,652,688	(\$32,709,415)	\$2,674,954	(\$35,384,369)	\$1,454,754,351	\$758,486,032	\$696,268,319

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Mental Health/Developmental Disabilities/Substance Abuse Services Budget Code 14460										
		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	24,468,132	7,989,504	16,478,628	550,000	-	550,000	25,018,132	7,989,504	17,028,628
1160	MH/DD/SA Workforce Development	1,328,819	1,248,674	80,145	-	-	-	1,328,819	1,248,674	80,145
1262	Enforce Underage Drinking Laws	360,000	360,000	-	-	-	-	360,000	360,000	-
1271	General SA Prevention - Quality Improvement	9,522,255	9,259,532	262,723	-	-	-	9,522,255	9,259,532	262,723
1332	Targeted Substance Abuse Prevention	352,692	337,692	15,000	-	-	-	352,692	337,692	15,000
1422	Community Services - Single Stream Funding	379,737,084	262,728	379,474,356	(90,608,677)	-	(90,608,677)	289,128,407	262,728	288,865,679
1442	Community Substance Abuse Services - Child	3,986,024	3,986,024	-	-	-	-	3,986,024	3,986,024	-
1443	Community Services - Riddle Center - FIPP	2,070,664	2,065,561	5,103	-	-	-	2,070,664	2,065,561	5,103
1444	Community Mental Health Services - Child	9,852,876	7,674,467	2,178,409	-	-	-	9,852,876	7,674,467	2,178,409
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034
1451	Community Services - Traumatic Brain Injury	606,202	246,984	359,218	-	-	-	606,202	246,984	359,218
1452	Path Homelessness	1,379,000	1,379,000	-	-	-	-	1,379,000	1,379,000	-
1461	Community Mental Health Services - Adult	12,918,103	12,195,332	722,771	-	-	-	12,918,103	12,195,332	722,771
1462	Community Developmental Disability Services - Adult	1,915,022	1,480,724	434,298	-	-	-	1,915,022	1,480,724	434,298
1463	Community Substance Abuse Services - Adult	35,794,214	33,598,319	2,195,895	100,000	-	100,000	35,894,214	33,598,319	2,295,895
1464	Community Crisis Services	41,457,644	2,606,000	38,851,644	2,500,000	-	2,500,000	43,957,644	2,606,000	41,351,644
1543	Whitaker School	5,320,140	5,320,140	-	-	-	-	5,320,140	5,320,140	-
1546	Wright School - Child	3,090,124	510	3,089,614	-	-	-	3,090,124	510	3,089,614
1561	Broughton Hospital - Adult	137,589,582	67,775,799	69,813,783	2,500,000	-	2,500,000	140,089,582	67,775,799	72,313,783
1562	Cherry Hospital - Adult	154,585,941	73,465,063	81,120,878	-	-	-	154,585,941	73,465,063	81,120,878
1563	Central Regional Hospital - Adult	219,563,041	108,180,168	111,382,873	-	-	-	219,563,041	108,180,168	111,382,873
1565	Caswell Developmental Center - Adult	92,174,277	91,257,753	916,524	-	-	-	92,174,277	91,257,753	916,524
1566	Murdoch Developmental Center - Adult	105,782,256	104,025,259	1,756,997	-	-	-	105,782,256	104,025,259	1,756,997
1567	J Iverson Riddle Developmental Center - Adult	61,704,322	60,394,303	1,310,019	-	-	-	61,704,322	60,394,303	1,310,019
156A	Longleaf Neuro-Medical Treatment Center - Adult	35,899,787	31,778,532	4,121,255	-	-	-	35,899,787	31,778,532	4,121,255
156B	Black Mountain Neuro-Medical Treatment Center - Adult	29,071,307	27,678,051	1,393,256	-	-	-	29,071,307	27,678,051	1,393,256
156C	O'Berry Neuro-Medical Treatment Center - Adult	55,621,003	55,134,138	486,865	-	-	-	55,621,003	55,134,138	486,865
156D	Julian F Keith ADATC - Adult	15,813,217	15,812,631	586	-	-	-	15,813,217	15,812,631	586
156E	RJ Blackley ADATC - Adult	15,357,273	15,357,273	-	-	-	-	15,357,273	15,357,273	-
156F	Walter B Jones ADATC - Adult	13,711,881	13,711,881	-	-	-	-	13,711,881	13,711,881	-
1910	Reserves and Transfers	14,996,814	-	14,996,814	60,386,352	13,132,961	47,253,391	75,383,166	13,132,961	62,250,205
Division-wide Items				-						
N/A	Social Services Block Grant			-	118,865	118,865	-	118,865	118,865	-
N/A	Mental Health Block Grant			-	63,715	63,715	-	63,715	63,715	-
N/A	Substance Abuse Block Grant			-	(1,800,000)	(1,800,000)	-	(1,800,000)	(1,800,000)	-
N/A	Compensation Increase Reserve			-	5,230,595	-	5,230,595	5,230,595	-	5,230,595
N/A	State Retirement Contribution	-	-	-	4,034,851	-	4,034,851	4,034,851	-	4,034,851
N/A	State Health Plan Reserve			-	1,817,741	-	1,817,741	1,817,741	-	1,817,741
Total		\$1,486,234,730	\$754,582,042	\$731,652,688	(\$15,106,558)	\$11,515,541	(\$26,622,099)	\$1,471,128,172	\$766,097,583	\$705,030,589

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	202.00	-	-	202.00
1443	Community Services - Riddle Center - FIPP	25.50	-	-	25.50
1541	Broughton Hospital - Child		-	-	-
1542	Cherry Hospital - Child		-	-	-
1543	Whitaker School	71.00	-	-	71.00
1545	Murdoch Developmental Center - Child		-	-	-
1546	Wright School - Child	38.70	-	-	38.70
1561	Broughton Hospital - Adult	1,328.50	-	-	1,328.50
1562	Cherry Hospital - Adult	1,350.10	-	-	1,350.10
1563	Central Regional Hospital - Adult	1,858.49	-	-	1,858.49
1565	Caswell Developmental Center - Adult	1,423.50	-	-	1,423.50
1566	Murdoch Developmental Center - Adult	1,675.58	-	-	1,675.58
1567	J Iverson Riddle Developmental Center - Adult	940.75	-	-	940.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	505.80	-	-	505.80
156B	Black Mountain Neuro-Medical Treatment Center - Adult	464.00	-	-	464.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	812.00	-	-	812.00
156D	Julian F Keith ADATC - Adult	195.88	-	-	195.88
156E	RJ Blackley ADATC - Adult	153.00	-	-	153.00
156F	Walter B Jones ADATC - Adult	156.50	-	-	156.50
1910	Reserves and Transfers	-	15.00	-	15.00
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		11,201.30	15.00	-	11,216.30

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	202.00	-	-	202.00
1443	Community Services - Riddle Center - FIPP	25.50	-	-	25.50
1541	Broughton Hospital - Child		-	-	-
1542	Cherry Hospital - Child		-	-	-
1543	Whitaker School	71.00	-	-	71.00
1545	Murdoch Developmental Center - Child		-	-	-
1546	Wright School - Child	38.70	-	-	38.70
1561	Broughton Hospital - Adult	1,328.50	-	-	1,328.50
1562	Cherry Hospital - Adult	1,350.10	-	-	1,350.10
1563	Central Regional Hospital - Adult	1,858.49	-	-	1,858.49
1565	Caswell Developmental Center - Adult	1,423.50	-	-	1,423.50
1566	Murdoch Developmental Center - Adult	1,675.58	-	-	1,675.58
1567	J Iverson Riddle Developmental Center - Adult	940.75	-	-	940.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	505.80	-	-	505.80
156B	Black Mountain Neuro-Medical Treatment Center - Adult	464.00	-	-	464.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	812.00	-	-	812.00
156D	Julian F Keith ADATC - Adult	195.88	-	-	195.88
156E	RJ Blackley ADATC - Adult	153.00	-	-	153.00
156F	Walter B Jones ADATC - Adult	156.50	-	-	156.50
1910	Reserves and Transfers	-	15.00	-	15.00
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		11,201.30	15.00	-	11,216.30

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
		FY 17-18		FY 18-19
Recommended Base Budget		\$731,652,688		\$731,652,688
Legislative Changes				
(6.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services				
101	Compensation Increase Reserve	\$5,065,372	R	\$5,065,372 R
	Fund Code: N/A			
	Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)			
102	Compensation Increase Reserve - State Agency Teachers/School Based Administrators	\$74,333	R	\$165,223 R
	Fund Code: N/A			
	Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 8.1, 35.10, and 35.17)			
103	State Retirement Contributions	\$1,529,801	R	\$4,034,851 R
	Fund Code: N/A			
	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

104 State Health Plan

\$857,810

R

\$1,817,741

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)

105 Behavioral Health Funding Changes

(\$9,743,901)

R

(\$1,916,588)

R

Fund Code: 1422, 1464, 1910

(\$43,428,009)

NR

(\$44,605,823)

NR

15.00

15.00

Provides funding for the Three-way beds, US DOJ Settlement, Disability Rights Settlement, Expanding 400 Developmental Disability Innovation Waiver slots, Group Homes, Case Management and Community Substance Abuse Services by redirecting funds from single stream services. The following table reflects the changes for each of these initiatives in FY 2017-18:

	Recurring	Non Recurring
Single Stream Reduction-1422	\$(31,487,366)	\$(55,454,923)
Three-Way Crisis Beds-1464	\$ 2,500,000	
Disability Rights -1910	\$ 6,220,214	\$ 26,914
US DOJ Settlement -1910	\$ 8,889,875	
Expand DD Innovations		
Waiver Slots-1910	\$4,133,376	
Case Management-1910		\$ 2,000,000
Group Home Funding-1910		\$ 5,000,000
Substance Abuse Services-1910		\$ 5,000,000
Appropriations	\$(9,743,901)	\$(43,428,009)

The following table reflects the changes for each of these initiatives in FY 2018-19:

	Recurring	Non Recurring
Single Stream Reduction-1422	\$(36,002,854)	(\$ 54,605,823)
Three-Way Crisis Beds-1464	\$ 2,500,000	
Disability Rights -1910	\$ 6,283,492	
US DOJ Settlement-1910	\$ 17,036,022	
Expand DD Innovations		
Waiver Slots-1910	\$ 8,266,752	
Group Home Funding-1910		\$ 5,000,000
Substance Abuse Services-1910		\$ 5,000,000
Appropriations	\$(1,916,588)	\$(44,605,823)

The revised net appropriation for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services after all changes is \$696,268,319 in FY 2017-18 and \$705,030,589 in FY 2018-19.

(S.B.430/H.B. 537, H.B. 403; S.L. 2017-57, Secs. 11F.2 and 11H.11, H.B. 770)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

106 State Operated Facilities

\$5,610,225

R

\$5,667,125

R

Fund Code: 1910

Adjusts receipts to reflect increasing utilization of State-supported psychiatric hospitals by indigent clients. Funds are provided for inflationary increases for essential operations of State-operated hospitals and patient care support, including utilities, food and drugs. The revised net appropriation for this Fund is \$52,377,418 in FY 2017-18 and \$62,250,205 in FY 2018-19.
(S.B.430/H.B. 537)

107 Broughton Hospital

\$2,500,000

NR

\$2,500,000

NR

Fund Code: 1561

Provides nonrecurring funds for costs incurred by the Department of Health and Human Services should it engage private counsel in accordance with G.S. 147-17 and G.S. 114-2.3 of up to \$2.22 million in litigation services to the Department in anticipated or pending litigation against private third parties arising from delays in the construction of the new Broughton Hospital over the biennium. Additionally provides nonrecurring funds for administrative costs and costs related to design changes, continued use of the existing hospital for staff, costs associated with changing technology and construction delays and additional one-time funding to equip the new hospital. The revised net appropriation for this Fund is \$72,313,783 in each year of the biennium.
(S.L. 2017-57, Sec. 11F.13)

108 Traumatic Brain Injury Pilot

\$150,000

NR

\$300,000

NR

Fund Code: 1110

Provides nonrecurring funding intended to increase compliance with internationally approved evidence-based treatment guidelines. The Division of Mental Health, Developmental Disabilities and Substance Abuse Services shall contract with an external party to assist providers in implementing an interactive quality assessment and quality assurance clinical decision support tool. The revised net appropriation for Fund 1110 is \$16,878,628 in FY 2017-18 and \$17,028,628 in FY 2018-19.
(S.L. 2017-57, Sec. 11F.9)

(S.L. 2017-212, Sec. 3.3, Budget & Agency Technical Corrections, amends S.L. 2017-57, Sec. 11F.9, to clarify that the pilot program shall be conducted at not less than 3 and not more than 5 trauma hospitals licensed in this State. Further required qualifications of the independent entity are described.)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

109 Central Assessment and Navigation Pilot Program

Fund Code: 1110

\$250,000 NR

\$250,000 NR

Provides funding for a paramedicine pilot program at New Hanover Hospital on a nonrecurring basis effective July 1, 2017. The revised net appropriation for Fund 1110 is \$16,878,628 in FY 2017-18 and \$17,028,628 in FY 2018-19.
(S.B. 334; S.L. 2017-57, Sec. 11F.7)

110 Drug Overdose Medication

Fund Code: 1463

\$100,000 R

\$100,000 R

Provides funds to purchase opioid antagonists as defined in G.S. 90-12.7. The revised requirements and net appropriation for Fund 1463 is \$36,549,714 and \$2,295,895, respectively in both years of the biennium.
(S.L. 2017-57, Sec. 11F.14)

111 Community Education for Substance Abuse Needs

Fund Code: 1910

\$150,000 NR

Provides funding for Charlotte-Mecklenburg Hospital Authority, d/b/a Carolinas HealthCare System, to partner with the Charlotte Rescue Mission to conduct community education for substance abuse needs. The revised net appropriation for this initiative is \$150,000 in FY 2017-18.
(S.L. 2017-57, Sec. 6.13)

112 Addiction Treatment Services

Fund Code: 1910

\$100,000 NR

Provides funding for Bridge to Recovery, Inc. for expanding the services of addiction treatment. The revised net appropriation for addiction treatment services at Bridge to Recovery, Inc. is \$100,000 in FY 2017-18.
(S.L. 2017-57, Sec. 6.13)

113 Opioid Overdose Rapid Response Team

Fund Code: 1910

\$250,000 NR

Provides funding for Guilford County for the development of a collaborative effort for rapid response teams to address opioid overdoses. The revised net appropriation for the opioid overdose rapid response team is \$250,000 in FY 2017-18.
(S.L. 2017-57, Sec. 6.13)

114 ReNu Life

Fund Code: 1910

\$500,000 NR

Provides funding to ReNu Life Traumatic Brain Injury Services for building updates and construction. The revised net appropriation for ReNu Life for building updates and construction is \$500,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

115 GiGi Playhouse

Fund Code: 1462

\$400,000 NR

Provides funding for GiGi's Playhouse in Raleigh. The revised net appropriation for Fund 1462 is \$834,298 in FY 2017-18 and \$434,298 in FY 2018-19. (S.L. 2017-57, Sec. 6.13)

116 Sanctuary House

Fund Code: 1461

\$100,000 NR

Provides funding for Sanctuary House in Greensboro, a nonprofit organization which provides services for the rehabilitation of adults living with mental illness. The net revised appropriation for Fund 1461 is \$822,771 in FY 2017-18 and \$722,771 in FY 2018-19. (S.L. 2017-57, Sec. 6.13)

117 Alexander Youth Network

Fund Code: 1444

\$50,000 NR

Provides funding for Alexander Youth Network, which provides professional treatment services to children with serious emotional and behavioral problems. The revised net appropriation for Fund 1444 is \$2,228,409 in FY 2017-18 and \$2,178,409 in FY 2018-19. (S.L. 2017-57, Sec. 6.13)

118 The Enrichment Center

Fund Code: 1910

\$100,000 NR

Provides funding to The Enrichment Center in Winston Salem. The revised net appropriation for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services is \$696,268,319 in FY 2017-18 and \$705,030,589 in FY 2018-19. (S.L. 2017-57, Sec. 6.13)

119 Mental Health Block Grant

Fund Code: N/A

Budgets Mental Health block grant federal receipts in the amount of \$63,715 in each year of the biennium. The revised Mental Health Block Grant federal receipts for the Division are \$17.0 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

120 Substance Abuse Prevention and Treatment (SAPT) Block Grant

Fund Code: N/A

Reduces SAPT block grant federal receipts in the amount of \$1,800,000 in each year of the biennium. The revised SAPT federal receipts for the Division are \$43.3 million in each year of the biennium. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

121 Social Services Block Grant (SSBG)**Fund Code:** N/A

Budgets SSBG federal receipts in the amount of \$150,999 in FY 2017-18 and \$118,865 in FY 2018-19. The revised SSBG federal receipts for the Division are \$4.2 million in each year of the biennium.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11L.1)

Total Legislative Changes	\$3,493,640	R	\$14,933,724	R
	(\$38,878,009)	NR	(\$41,555,823)	NR
Total Position Changes	15.00		15.00	
Revised Budget	\$696,268,319		\$705,030,589	

DHHS - DMH/DD/SAS - Special

Budget Code: 24460

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$20,360,147	\$20,357,999
Recommended Budget		
Requirements	\$11,002,148	\$11,002,148
Receipts	\$11,000,000	\$10,000,000
Positions	1.00	1.00

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 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 application, and a process for allocating grants.
(S.L. 2017-57, Sec. 11F.5)

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

Inpatient Behavioral Health Beds

Transfers funds to the Department of Health and Human Service, 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. Of the funds transferred up to \$4 million will be used for inpatient beds at the Caldwell/UNC Health Care, \$4 million at Mission Health, \$4 million at Cape Fear Valley Medical Center, \$3 million at Good Hope Hospital and \$2 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.
(S.L. 2017-57, Sec. 11F.5)

\$0	R	\$0	R
\$17,000,000	NR	\$0	NR
0.00		0.00	

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$0 R	\$0 R
	\$19,000,000 NR	\$0 NR
	0.00	0.00

Receipts:

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 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 application, and a process for allocating grants.

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

Inpatient Behavioral Health Beds

Transfers funds to the Department of Health and Human Service, 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. Of the funds transferred up to \$4 million will be used for inpatient beds at the Caldwell/UNC Health Care, \$4 million at Mission Health, \$4 million at Cape Fear Valley Medical Center, \$3 million at Good Hope Hospital and \$2 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.

\$0	R	\$0	R
\$17,000,000	NR	\$0	NR

Subtotal Legislative Changes

\$0	R	\$0	R
\$19,000,000	NR	\$0	NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$30,002,148	\$11,002,148
Revised Total Receipts	\$30,000,000	\$10,000,000
Change in Fund Balance	(\$2,148)	(\$1,002,148)
Total Positions	1.00	1.00
Unappropriated Balance Remaining	\$20,357,999	\$19,355,851

Special Provisions

2017 Session: SB 257

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

Section: 11F.1

Title: FUNDS FOR THE NORTH CAROLINA CHILD TREATMENT PROGRAM

Summary: Amends Part 4 of Article 3 of 143B to set forth the allowed purposes for the use of funding for the North Carolina Child Treatment program, that include:

- 1) To continue to provide clinical training and coaching for licensed clinicians
- 2) To maintain and manage a public roster of program graduates
- 3) To partner with leadership outlined to bring effective mental health treatment to children

Section: 11F.2

Title: SINGLE-STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES

Summary: Establishes a requirement for monthly payments to the Local Management Entity/Managed Care Organization (LME/MCO) for single-stream services by the third working day of the month.

The provision specifies the reduction amounts on both a recurring and non-recurring basis for each LME/MCO during the biennium and allows the Secretary to propose an alternative basis for distributing the reduction amounts to LME/MCOs for FY 2018-19.

The provision requires monthly reporting to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) of LME/MCO data and information and directs the Department of Health and Human Services (DHHS) to complete a quarterly financial analysis of each LME/MCO to identify any LME/MCO in danger of failing in the subsequent 2 years, based on solvency standards that will be part of the strategic plan submitted in January 2018.

Allows up to \$30 million in each year of the fiscal biennium to be restored to LME/MCOs for single stream services based on a Medicaid surplus of an equivalent amount certified by Office of State Budget and Management (OSBM).
(S.B. 430/H.B. 537, H.B. 403, H.B. 770)

Section: 11F.3

Title: FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS AND BED DAYS

Summary: Sets forth funding for the purchase of 3-way beds by LME/MCOs and subsequent reporting requirements to the JLOCHHS for the use of the funds.
(S.B. 430/H.B. 537)

Section: 11F.4

Title: **USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND SUBSTANCE ABUSE DISORDER TREATMENT SERVICES**

Summary: Amends S.L. 2015-241, Sec. 12F.312(b), 2015 Appropriations Act to establish that 86% funds spent by LME/MCOs for these Alcohol Drug Abuse Treatment Center (ADATC) must be spent at state-operated facilities in FY 2017-18. The percentage requirement will decrease by 10 percentage points each year thereafter, until the percentage reaches zero.
(S.B. 430/H.B. 537)

Section: 11F.5

Title: **USE OF DOROTHEA DIX HOSPITAL PROPERTY FUNDS FOR THE PURCHASE OF ADDITIONAL PSYCHIATRIC AND FACILITY-BASED CRISIS BEDS**

Summary: Requires that a competitive bid process be established to award grants for facility based crisis beds for children and adolescents. Additionally, this section specifies maximum amounts available for 5 facilities throughout North Carolina for the establishment of new beds and reporting requirements to the JLOCHHS.

Facilities receiving funding will be exempt from Certificate of Need for the beds funded by this provision.

Section: 11F.5A

Title: **FUNDS FOR CASE MANAGEMENT PILOT PROGRAM**

Summary: Directs the Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) to establish a 2 year pilot at Wake County hospital with the largest number of emergency visits, to test the effectiveness of case management system of reducing avoidable emergency department readmissions and emergency department boarding stays among individuals with behavioral health needs.

By December 1, 2020, the Department shall submit a report to the JLOCHHS and the Fiscal Research Division (FRD) evaluating the effectiveness of the pilot program in reducing avoidable emergency department readmissions and emergency department boarding times among individuals with behavioral health needs

Section: 11F.6

Title: **ADDITIONS TO THE STRATEGIC PLAN FOR IMPROVEMENT OF BEHAVIORAL HEALTH SERVICES**

Summary: Amends S.L. 2016-94, Section 12F.10(b), Appropriations Act of 2016 to direct the DHHS to integrate other studies and reports into its strategic plan for improving State-funded behavioral health services.

Section: 11F.7

Title: **MENTAL HEALTH/SUBSTANCE USE DISORDER CENTRAL ASSESSMENT AND NAVIGATION SYSTEM PILOT PROGRAM**

Summary: Sets forth the requirements for non-recurring funding in both years of the biennium to oversee the establishment of a 2-year pilot project in New Hanover County to focus on assessing and directing individuals seeking mental health or substance use disorder services to appropriate community based services, including reporting on July 1, 2018 to the JLOCHHS and FRD. (S.B. 334)

Section: 11F.8

Title: **TRAUMATIC BRAIN INJURY FUNDING**

Summary: Sets forth uses for the recurring Traumatic Brain Injury (TBI) funding to assist families in accessing the continuum of care, to provide educational programs, and to support residential programs designed to serve people with TBI. (S.B. 430/H.B. 537)

Section: 11F.9

Title: **ADULT AND PEDIATRIC TRAUMATIC BRAIN INJURY PILOT PROGRAM**

Summary: Sets forth non-recurring funding to be used to develop and implement an adult and pediatric trauma injury pilot program to increase compliance with internationally-approved evidence-based treatment guidelines to reduce patient mortality, improve patient level of recovery and reduce long-term costs.

The section also requires DMHDDSAS to report to the JLOCHHS by January 7, 2019 submit a final report effectiveness reduce patient mortality, improve patient level of recovery and reduce long-term costs.

(S.L. 2017-212, Section 3.3 amends S.L. 2017-57, Appropriations Act of 2017, Section 11F.9, to direct that the traumatic brain injury pilot program be conducted at not less than 3 and not more than 5 trauma hospitals licensed in this State. Further, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall use the funds appropriated to enter into a contract with an independent entity with specified qualifications to operate the pilot program authorized by this section.)

Section: 11F.10

Title: **EXPANSION AND RENAMING OF PRESCRIPTION DRUG ADVISORY COMMITTEE**

Summary: Amends G.S. 90-113.75A to codify subsections (m) through (q) of Section 12F.16 of S.L. 2015-241, 2105 Appropriations Act, and amends to expand and rename the Prescription Drug Advisory Committee to include strategic objectives and reporting on reducing opioid abuse in North Carolina. (S.B. 430/H.B. 537)

Section: 11F.11

Title: **STUDY CONTINUING EDUCATION FOR HEALTH CARE PROVIDERS LICENSED TO PRESCRIBE CONTROLLED SUBSTANCES**

Summary: Encourages the North Carolina Area Health Education Centers program to report to the JLOCHHS and FRD on the feasibility of providing continuing education for health care providers licensed to prescribe controlled substances.

Section: 11F.12

Title: **STUDY ON STATEWIDE EXPANSION OF THE WRIGHT SCHOOL**

Summary: Directs DHHS to study and report to the JLOCHHS and FRD by March 1, 2018, on the feasibility, cost, and obstacles to establishing additional State-operated facilities to provide residential mental health treatment to children ages 6 to 12 with serious emotional and behavioral disorders.

Section: 11F.13

Title: **FUNDS FOR BROUGHTON HOSPITAL LITIGATION COSTS RELATED TO CONSTRUCTION DELAYS AND TO EXTEND THE STUDY ON THE FUTURE USE OF BROUGHTON HOSPITAL FACILITIES**

Summary: Establishes maximum spending amounts of nonrecurring funds for litigation services related to construction delays, the purchase and installation of equipment and a study for proposed uses of the existing Broughton Hospital facilities.

Section: 11F.14

Title: **FUNDS FOR OVERDOSE MEDICATION**

Summary: Sets forth the uses of the \$100,000 of recurring funding for the purchase of opioid antagonist to be distributed the North Carolina Harm Reduction Coalition and North Carolina law enforcement agencies.

Section: 11F.14A

Title: **FUNDS TO ADDRESS NORTH CAROLINA'S OPIOID CRISIS**

Summary: Sets forth the uses, outcomes, and reporting to the JLOCHHS on November 1, 2018 and November 1, 2019 for the funds recently awarded to the State by the federal Substance Abuse and Mental Health Services Administration for a two-year period.

Section: 11F.16

Title: **REPEAL OF LME/MCO CLINICAL INTEGRATION ACTIVITIES REPORT**

Summary: Repeals Subsection (e) of Section 12F.4A of S.L. 2013-360, Appropriations Act of 2013.

Section: 11F.18

Title: **STUDY ON SITE-OF-USE SOLUTIONS FOR SAFE DISPOSAL OF PRESCRIPTION DRUGS**

Summary: Directs the DMHDDSAS to study and submit a report by December 1, 2017, to the JLOCHHS and FRD on simple site-of-use solutions for the safe disposal of prescription drugs.

Section: 11F.18A

Title: **SUPPLEMENTAL SHORT-TERM ASSISTANCE FOR GROUP HOMES**

Summary: Sets forth requirements for the use of \$5 million in recurring funding in each year of the biennium for monthly financial assistance to group homes on behalf of eligible residents.

2017 Session: SB 582

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

Section: 3.1

Title: **TECHNICAL CHANGE: FQHC OPIOID PILOT**

Summary: Amends S.L. 2016-94, Sec. 12F.1, 2016 Appropriations Act, to eliminate the requirement for a randomized control group for the three-year pilot program to be conducted by designated Federally Qualified Health Centers to address North Carolina's opioid addiction and overdose crisis.

Section: 3.3

Title: **TECHNICAL CHANGE: TRAUMATIC BRAIN INJURY PILOT**

Summary: Amends S.L. 2017-57, Sec. 11F.9, Appropriations Act of 2017, to direct that the traumatic brain injury pilot program be conducted at not less than 3 and not more than 5 trauma hospitals licensed in this State. Further, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall use the funds appropriated to enter into a contract with an independent entity with specified qualifications to operate the pilot program authorized by this section.

**Vocational Rehabilitation
Budget Code 14480**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$144,601,997	\$144,652,560
Receipts	\$106,199,843	\$106,232,993
Net Appropriation	\$38,402,154	\$38,419,567
Legislative Changes		
Requirements	\$431,634	\$635,924
Receipts	\$0	\$0
Net Appropriation	\$431,634	\$635,924
Revised Budget		
Requirements	\$145,033,631	\$145,288,484
Receipts	\$106,199,843	\$106,232,993
Net Appropriation	\$38,833,788	\$39,055,491

General Fund FTE

Base Budget	985.25	985.25
Legislative Changes	0.00	0.00
Revised Budget	985.25	985.25

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Vocational Rehabilitation										
Budget Code 14480		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	8,787,302	6,466,222	2,321,080	-	-	-	8,787,302	6,466,222	2,321,080
1261	Access Outreach - VR & IL Client Advoc & Assist	372,704	372,704	-	-	-	-	372,704	372,704	-
1263	Outreach - Service Access Grant	299,400	299,400	-	-	-	-	299,400	299,400	-
1452	Adults Home Support - Independent Living - Rehab	16,875,372	3,544,805	13,330,567	-	-	-	16,875,372	3,544,805	13,330,567
1470	Assistive Technology Equipment Loan	1,764,765	803,207	961,558	-	-	-	1,764,765	803,207	961,558
1480	Vocational Rehabilitation - Employment Services	115,555,129	93,766,180	21,788,949	-	-	-	115,555,129	93,766,180	21,788,949
1991	Indirect Reserve	947,325	947,325	-	-	-	-	947,325	947,325	-
				-						
Division-wide Items				-						
N/A	Compensation Increase Reserve			-	291,256	-	291,256	291,256	-	291,256
N/A	State Retirement Contribution				91,044	-	91,044	91,044	-	91,044
N/A	State Health Plan Reserve				49,334	-	49,334	49,334	-	49,334
Total		\$144,601,997	\$106,199,843	\$38,402,154	\$431,634	\$0	\$431,634	\$145,033,631	\$106,199,843	\$38,833,788

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Vocational Rehabilitation										
Budget Code 14480		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	8,787,302	6,466,222	2,321,080	-	-	-	8,787,302	6,466,222	2,321,080
1261	Access Outreach - VR & IL Client Advoc & Assist	372,704	372,704	-	-	-	-	372,704	372,704	-
1263	Outreach - Service Access Grant	299,400	299,400	-	-	-	-	299,400	299,400	-
1452	Adults Home Support - Independent Living - Rehab	16,883,030	3,544,805	13,338,225	-	-	-	16,883,030	3,544,805	13,338,225
1470	Assistive Technology Equipment Loan	1,765,548	803,207	962,341	-	-	-	1,765,548	803,207	962,341
1480	Vocational Rehabilitation - Employment Services	115,597,251	93,799,330	21,797,921	-	-	-	115,597,251	93,799,330	21,797,921
1991	Indirect Reserve	947,325	947,325	-	-	-	-	947,325	947,325	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	291,256	-	291,256	291,256	-	291,256
N/A	State Retirement Contribution				240,128	-	240,128	240,128	-	240,128
N/A	State Health Plan Reserve				104,540	-	104,540	104,540	-	104,540
Total		\$144,652,560	\$106,232,993	\$38,419,567	\$635,924	\$0	\$635,924	\$145,288,484	\$106,232,993	\$39,055,491

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	76.76	-	-	76.76
1261	Access Outreach - VR & IL Client Advocacy & Assistance	4.00	-	-	4.00
1263	Outreach - Service Access Grant	-	-	-	-
1452	Adults Home Support - Ind Living - Rehabilitation	67.00	-	-	67.00
1470	Assistive Technology Equipment Loan	18.00	-	-	18.00
1480	Vocational Rehabilitation - Employment Services	819.50	-	-	819.50
1991	Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		985.25	-	-	985.25

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	76.76	-	-	76.76
1261	Access Outreach - VR & IL Client Advocacy & Assistance	4.00	-	-	4.00
1263	Outreach - Service Access Grant	-	-	-	-
1452	Adults Home Support - Ind Living - Rehabilitation	67.00	-	-	67.00
1470	Assistive Technology Equipment Loan	18.00	-	-	18.00
1480	Vocational Rehabilitation - Employment Services	819.50	-	-	819.50
1991	Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		985.25	-	-	985.25

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$38,402,154		\$38,419,567	
Legislative Changes				
(7.0) Division of Vocational Rehabilitation				
122 Compensation Increase Reserve	\$291,256	R	\$291,256	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
123 State Retirement Contributions	\$91,044	R	\$240,128	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
124 State Health Plan	\$49,334	R	\$104,540	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

Total Legislative Changes	\$431,634	R	\$635,924	R
Total Position Changes				
Revised Budget	\$38,833,788		\$39,055,491	

Special Provisions

2017 Session: SB 257

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 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$68,617,712	\$68,617,712
Receipts	\$51,171,185	\$51,171,185
Net Appropriation	\$17,446,527	\$17,446,527
Legislative Changes		
Requirements	\$1,644,443	\$2,520,936
Receipts	\$317,163	\$570,745
Net Appropriation	\$1,327,280	\$1,950,191
Revised Budget		
Requirements	\$70,262,155	\$71,138,648
Receipts	\$51,488,348	\$51,741,930
Net Appropriation	\$18,773,807	\$19,396,718

General Fund FTE

Base Budget	569.50	569.50
Legislative Changes	7.00	14.00
Revised Budget	576.50	583.50

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Division of Health Service Regulation										
Budget Code 14470		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	4,748,736	3,242,504	1,506,232	-	-	-	4,748,736	3,242,504	1,506,232
1151	Acute and Home Care Licensure and Certification	4,303,649	4,062,437	241,212	271,709	108,983	162,726	4,575,358	4,171,420	403,938
1152	Nursing Home and Adult Care Licensure and Certification	17,139,631	12,152,169	4,987,462	379,941	160,107	219,834	17,519,572	12,312,276	5,207,296
1153	Construction	6,477,729	4,897,348	1,580,381	-	-	-	6,477,729	4,897,348	1,580,381
1154	Health Care Personnel Registry	4,703,698	3,659,028	1,044,670	168,000	48,073	119,927	4,871,698	3,707,101	1,164,597
1155	Jails and Detention Centers Inspections	167,716		167,716	-	-	-	167,716	-	167,716
1156	Regulatory - Mental Health Licensure and Certification	6,772,684	4,567,207	2,205,477	-	-	-	6,772,684	4,567,207	2,205,477
1157	Radiation Protection	4,966,581	4,966,581	-	-	-	-	4,966,581	4,966,581	-
1161	Preparedness - Statewide Health Planning	2,495,405	2,616	2,492,789	-	-	-	2,495,405	2,616	2,492,789
1162	Preparedness - Hospital Preparedness	11,685,319	11,685,319	-	-	-	-	11,685,319	11,685,319	-
1163	Preparedness - Local Emergency Medical Services	3,885,360	664,772	3,220,588	350,000	-	350,000	4,235,360	664,772	3,570,588
1991	Indirect Reserve	1,271,204	1,271,204	-	-	-	-	1,271,204	1,271,204	-
				-						
				-						
Undesignated Items										
N/A	Compensation Increase Reserve			-	301,635	-	301,635	301,635	-	301,635
N/A	State Retirement Contribution	-	-	-	122,066	-	122,066	122,066	-	122,066
N/A	State Health Plan Reserve				51,092	-	51,092	51,092	-	51,092
Total		\$68,617,712	\$51,171,185	\$17,446,527	\$1,644,443	\$317,163	\$1,327,280	\$70,262,155	\$51,488,348	\$18,773,807

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Division of Health Service Regulation		Base 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	4,748,736	3,242,504	1,506,232	-	-	-	4,748,736	3,242,504	1,506,232
1151	Acute and Home Care Licensure and Certification	4,303,649	4,062,437	241,212	609,612	245,550	364,062	4,913,261	4,307,987	605,274
1152	Nursing Home and Adult Care Licensure and Certification	17,139,631	12,152,169	4,987,462	649,473	273,688	375,785	17,789,104	12,425,857	5,363,247
1153	Construction	6,477,729	4,897,348	1,580,381	-	-	-	6,477,729	4,897,348	1,580,381
1154	Health Care Personnel Registry	4,703,698	3,659,028	1,044,670	180,000	51,507	128,493	4,883,698	3,710,535	1,173,163
1155	Jails and Detention Centers Inspections	167,716		167,716	-	-	-	167,716	-	167,716
1156	Regulatory - Mental Health Licensure and Certification	6,772,684	4,567,207	2,205,477	-	-	-	6,772,684	4,567,207	2,205,477
1157	Radiation Protection	4,966,581	4,966,581	-	-	-	-	4,966,581	4,966,581	-
1161	Preparedness - Statewide Health Planning	2,495,405	2,616	2,492,789	-	-	-	2,495,405	2,616	2,492,789
1162	Preparedness - Hospital Preparedness	11,685,319	11,685,319	-	-	-	-	11,685,319	11,685,319	-
1163	Preparedness - Local Emergency Medical Services	3,885,360	664,772	3,220,588	350,000	-	350,000	4,235,360	664,772	3,570,588
1991	Indirect Reserve	1,271,204	1,271,204	-	-	-	-	1,271,204	1,271,204	-
				-						
				-						
Undesignated Items										
N/A	Compensation Increase Reserve			-	301,635	-	301,635	301,635	-	301,635
N/A	State Retirement Contribution	-	-	-	321,950	-	321,950	321,950	-	321,950
N/A	State Health Plan Reserve				108,266	-	108,266	108,266	-	108,266
Total		\$68,617,712	\$51,171,185	\$17,446,527	\$2,520,936	\$570,745	\$1,950,191	\$71,138,648	\$51,741,930	\$19,396,718

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	26.00	-	-	26.00
1151	Acute and Home Care Licensure and Certification	47.00	3.00	-	50.00
1152	Certification	199.00	4.00	-	203.00
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	11.00	-	-	11.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
1991	Indirect Reserve	-	-	-	-
Total FTE		569.50	7.00	-	576.50

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	26.00	-	-	26.00
1151	Acute and Home Care Licensure and Certification	47.00	7.00	-	54.00
1152	Certification	199.00	7.00	-	206.00
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	11.00	-	-	11.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
1991	Indirect Reserve	-	-	-	-
Total FTE		569.50	14.00	-	583.50

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$17,446,527		\$17,446,527	
Legislative Changes				
(8.0) Division of Health Service Regulation				
125 Compensation Increase Reserve	\$301,635	R	\$301,635	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
126 State Retirement Contributions	\$122,066	R	\$321,950	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
127 State Health Plan	\$51,092	R	\$108,266	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

128 Adult and Acute Care Inspections

Fund Code: 1151,1152

\$372,380 R
\$10,180 NR
7.00

\$729,667 R
\$10,180 NR
14.00

Provides funding to increase staff in the Acute and Home Care Section and the Adult Care Section to improve timeliness of inspections of various facilities, including hospitals, hospices, home care agencies, Ambulatory Surgical Centers, End Stage Renal Disease facilities and adult and family care homes. The additional positions will assist in meeting the Center for Medicare and Medicaid Services requirements for inspecting certain facilities. The revised net appropriation for Fund 1151, Acute and Home Care Licensure and Certification, is \$403,938 in FY 2017-18 and \$605,274 in FY 2018-19 and for Fund 1152, Nursing Home and Adult Care Licensure and Certification, is \$5.2 million in FY 2017-18 and \$5.4 million in FY 2018-19.

The following positions are established:

FY 2017-18

Fund 1151

1 Nurse Consultant J \$70,000
1 Nurse Consultant C \$60,000
1 Processing Assistant IV \$33,619

Fund 1152

1 Facility Survey Consultant I \$56,000
1 Nurse Consultant J \$64,000
1 Nurse Consultant C \$60,000
1 Facility Branch Manager \$72,000

FY 2018-19

Fund 1151

4 Nurse Consultant C \$60,000

Fund 1152

1 Facility Survey Consultant I \$56,000
2 Nurse Consultant C \$60,000

(S.B. 430/H.B. 537)

129 Community Paramedicine Pilot Project

Fund Code: 1163

\$350,000 NR

\$350,000 NR

Provides funding to continue the pilot to expand the role of paramedics to allow them to divert persons to community-based initiatives designed to avoid non-emergency use of hospital emergency departments. The revised net appropriation for the Community Paramedicine Pilot Project is \$350,000 in each year of the biennium.
(S.L. 2017-57, Sec. 11G.1)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

130 Automated Background Check Management System

\$119,927

R

\$128,493

R

Fund Code: 1110

Provides funding for the ongoing support of the Automated Background Check Management System used by long term care providers to fund background checks on non-licensed staff providing hands-on care to patients/residents as required by general statute. The system was developed from a federal grant. The revised net appropriation for the Automated Background Check Management System is \$119,927 in FY 2017-18 and \$128,493 in FY 2018-19.

(S.B. 430/H.B. 537)

Total Legislative Changes

\$967,100

R

\$1,590,011

R

\$360,180

NR

\$360,180

NR

Total Position Changes

7.00

14.00

Revised Budget

\$18,773,807

\$19,396,718

Special Provisions

2017 Session: SB 257

Division: (8.0) Division of Health Service Regulation

Section: 11G.1

Title: FUNDS TO CONTINUE COMMUNITY PARAMEDICINE PILOT PROGRAM

Summary: Continues the paramedicine pilot program in New Hanover, McDowell, and Wake counties aimed at expanding the role of paramedics thus enhancing community-based initiatives that provide appropriate care rather than emergency rooms and unnecessary admissions into health care facilities.

DHHS shall submit an updated report on the community paramedicine pilot program to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) and the Fiscal Research Division (FRD) by November 1, 2019.

Section: 11G.2

Title: FACILITIES INCLUDED UNDER SINGLE HOSPITAL LICENSE

Summary: Amends G.S. 131E-77(e1) to make technical changes to the definition of facilities included in a single hospital license.

Section: 11G.3

Title: MORATORIUM ON SPECIAL CARE UNIT LICENSES

Summary: Prohibits the Division of Health Service Regulation from issuing any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114, with certain exceptions, from July 1, 2017 to June 30, 2019.

DHHS must submit a report to the JLOCHHS and FRD by March 1, 2019, regarding special care units in the State.
(S.B. 430/H.B. 537)

**Division of Medical Assistance
Budget Code 14445**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$14,253,706,179	\$14,253,706,349
Receipts	\$10,568,910,124	\$10,568,910,209
Net Appropriation	\$3,684,796,055	\$3,684,796,140
Legislative Changes		
Requirements	\$51,413,599	\$383,526,202
Receipts	\$45,454,483	\$266,641,130
Net Appropriation	\$5,959,116	\$116,885,072
Revised Budget		
Requirements	\$14,305,119,778	\$14,637,232,551
Receipts	\$10,614,364,607	\$10,835,551,339
Net Appropriation	\$3,690,755,171	\$3,801,681,212

General Fund FTE

Base Budget	416.51	416.51
Legislative Changes	0.00	0.00
Revised Budget	416.51	416.51

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Division of Medical Assistance Budget Code 14445		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Medical Assistance Administration	41,789,996	24,202,829	17,587,167	-	-	-	41,789,996	24,202,829	17,587,167
1102	Contracts and Agreements	146,950,173	109,403,441	37,546,732	6,208,404	4,656,303	1,552,101	153,158,577	114,059,744	39,098,833
1103	Health Information Technology	55,235,572	54,704,435	531,137	-	-	-	55,235,572	54,704,435	531,137
1310	Medical Assistance Payments	12,272,598,208	8,159,249,303	4,113,348,905	343,621,385	357,958,767	(14,337,382)	12,616,219,593	8,517,208,070	4,099,011,523
1311	Community Care North Carolina	208,672,077	141,360,178	67,311,899	(191,187)	3,322,252	(3,513,439)	208,480,890	144,682,430	63,798,460
1320	Medical Assistance Cost Settlements	348,061,840	337,059,826	11,002,014	(60,298,642)	(73,204,780)	12,906,138	287,763,198	263,855,046	23,908,152
1330	Payment Adjustments	(97,495,734)	(71,133,698)	(26,362,036)	13,355,774	15,419,818	(2,064,044)	(84,139,960)	(55,713,880)	(28,426,080)
1331	Rebates	(1,188,015,970)	(797,092,021)	(390,923,949)	(46,470,819)	(43,064,052)	(3,406,767)	(1,234,486,789)	(840,156,073)	(394,330,716)
1337	Consolidated Supplemental Hospital Payments	2,465,910,017	2,611,155,831	(145,245,814)	(159,087,280)	(188,579,174)	29,491,894	2,306,822,737	2,422,576,657	(115,753,920)
1910	Reserves and Transfers	-	-	-	(46,054,652)	(31,054,652)	(15,000,000)	(46,054,652)	(31,054,652)	(15,000,000)
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	210,490	-	210,490	210,490	-	210,490
N/A	State Retirement Contribution			-	84,472	-	84,472	84,472	-	84,472
N/A	State Health Plan Reserve				35,653	-	35,653	35,653	-	35,653
Total		\$14,253,706,179	\$10,568,910,124	\$3,684,796,055	\$51,413,599	\$45,454,483	\$5,959,116	\$14,305,119,778	\$10,614,364,607	\$3,690,755,171

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Division of Medical Assistance Budget Code 14445		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Medical Assistance Administration	41,790,166	24,202,914	17,587,252	-	-	-	41,790,166	24,202,914	17,587,252
1102	Contracts and Agreements	146,950,173	109,403,441	37,546,732	8,945,366	6,709,025	2,236,341	155,895,539	116,112,466	39,783,073
1103	Health Information Technology	55,235,572	54,704,435	531,137	-	-	-	55,235,572	54,704,435	531,137
1310	Medical Assistance Payments	12,272,598,208	8,159,249,303	4,113,348,905	769,635,070	650,404,751	119,230,319	13,042,233,278	8,809,654,054	4,232,579,224
1311	Community Care North Carolina	208,672,077	141,360,178	67,311,899	5,524,073	7,673,653	(2,149,580)	214,196,150	149,033,831	65,162,319
1320	Medical Assistance Cost Settlements	348,061,840	337,059,826	11,002,014	(48,738,476)	(60,757,710)	12,019,234	299,323,364	276,302,116	23,021,248
1330	Payment Adjustments	(97,495,734)	(71,133,698)	(26,362,036)	13,355,774	14,971,238	(1,615,464)	(84,139,960)	(56,162,460)	(27,977,500)
1331	Rebates	(1,188,015,970)	(797,092,021)	(390,923,949)	(122,106,778)	(93,168,032)	(28,938,746)	(1,310,122,748)	(890,260,053)	(419,862,695)
1337	Consolidated Supplemental Hospital Payments	2,465,910,017	2,611,155,831	(145,245,814)	(197,287,073)	(227,881,205)	30,594,132	2,268,622,944	2,383,274,626	(114,651,682)
1910	Reserves and Transfers	-	-	-	(46,310,590)	(31,310,590)	(15,000,000)	(46,310,590)	(31,310,590)	(15,000,000)
Undesignated Items										
N/A	Compensation Increase Reserve			-	210,490	-	210,490	210,490	-	210,490
N/A	State Retirement Contribution			-	222,795	-	222,795	222,795	-	222,795
N/A	State Health Plan Reserve				75,551	-	75,551	75,551	-	75,551
Total		\$14,253,706,349	\$10,568,910,209	\$3,684,796,140	\$383,526,202	\$266,641,130	\$116,885,072	\$14,637,232,551	\$10,835,551,339	\$3,801,681,212

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Medical Assistance					
Budget Code 14445		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	404.51	-	-	404.51
1102	Contracts and Agreements	-	-	-	-
1103	Health Information Technology	12.00	-	-	12.00
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	-	-	-	-
1991	Federal Indirect Reserves	-	-	-	-
1992	Prior Year Earned Revenue	-	-	-	-
1993	Prior Year Audit and Adjustments	-	-	-	-
Total FTE		416.51	-	-	416.51

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Medical Assistance					
Budget Code 14445		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	404.51	-	-	404.51
1102	Contracts and Agreements	-	-	-	-
1103	Health Information Technology	12.00	-	-	12.00
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	-	-	-	-
1991	Federal Indirect Reserves	-	-	-	-
1992	Prior Year Earned Revenue	-	-	-	-
1993	Prior Year Audit and Adjustments	-	-	-	-
Total FTE		416.51	-	-	416.51

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$3,684,796,055		\$3,684,796,140	
Legislative Changes				
(9.0) Division of Medical Assistance				
131 Compensation Increase Reserve	\$210,490	R	\$210,490	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
132 State Retirement Contributions	\$84,472	R	\$222,795	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
133 State Health Plan	\$35,653	R	\$75,551	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

134 Medicaid Rebase	\$66,736,218	R	\$177,366,678	R
Fund Code: 1310, 1311, 1320, 1330, 1331, 1337	(\$62,974,884)	NR	(\$64,774,677)	NR
Provides funding for changes in utilization, enrollment, enrollment mix and prices in the Medicaid base budget. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19. (S.B. 430/H.B. 537)				
135 LME/MCO Intergovernmental Transfer	(\$17,736,485)	R	(\$18,028,217)	R
Fund Code: 1310				
Adjusts the budget to reflect LME/MCO (Local Management Entity/Managed Care Organization) intergovernmental transfers on a recurring basis in each year of the biennium to fund a portion of the State's Medicaid spending for behavioral health services. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19. (S.L. 2017-57, Sec. 11H.10)				
136 NC TRACKS Changes and Enhancements				
Fund Code: 1102	\$1,552,101	NR	\$2,236,341	NR
Provides funding for programming the NC TRACKS claims payment system to support critical, rate changes, prior approval contracts, improved claims processing and related changes. The revised net appropriation for the Division of Medical Assistance Fund 1102 is \$39,098,833 in FY 2017-18 and \$39,783,073 in FY 2018-19.				
137 Personal Care Service Rate	\$1,279,339	R	\$2,738,419	R
Fund Code: 1310				
Increases personal care services fee for service and CAP-C rate to an effective hourly rate of \$15.60 from an effective rate of \$15.52 per hour for services occurring after December 31, 2017. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19. (S.L. 2017-57, Sec. 11H.12)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

138 Child Medical Evaluation Program

\$385,000

R

\$385,000

R

Fund Code: 1310

Increases funding for the Child Medical Evaluation Program (CMEP) in the Division of Medical Assistance to increase the rate paid for medical consultations for children who are Medicaid eligible to the regional average of \$575. The program pays for medical evaluations for children who may have been subjected to physical and sexual abuse. Funding is also provided in the Division of Social Services budget. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19.

139 Graduate Medical Education

\$30,000,000

NR

\$30,000,000

NR

Fund Code: 1310

Reinstates funding to maintain the graduate medical education add-on to the inpatient hospital DRG payment effective July 1, 2017. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19. (S.L. 2017-57, Sec. 11H.13)

140 Management Flexibility Reduction

(\$15,000,000)

NR

(\$15,000,000)

NR

Fund Code: 1310

Directs the Department to identify savings or reduced spending within their authority defined in G.S.108A-54(e). The Department shall report by January 1, 2018 on actions or changes in spending that will result in lower overall appropriations needed for FY 2017-19. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19.

141 Retro Authorization for Personal Care Services (PCS)

\$1,387,212

R

\$1,452,692

R

Fund Code: 1310

Provides funding to extend retro authorization for PCS services from 10 days to 30 days. The revised net appropriation for the Division of Medical Assistance from all actions in this report is \$3,690,755,171 in FY 2017-18 and \$3,801,681,212 in FY 2018-19. (H.B. 879; S.L. 2017-57, Sec. 11H.12A)

Total Legislative Changes

\$52,381,899

R

\$164,423,408

R

(\$46,422,783)

NR

(\$47,538,336)

NR

Total Position Changes

Revised Budget

\$3,690,755,171

\$3,801,681,212

Special Provisions

2017 Session: SB 257

Division: (9.0) Division of Medical Assistance

Section: 11H.1

Title: **MEDICAID ELIGIBILITY**

Summary: Sets forth standards and categories for Medicaid eligibility determination.
(S.B. 430/H.B. 537)

Section: 11H.2

Title: **MEDICAID ANNUAL REPORT**

Summary: Requires the Division of Medical Assistance (DMA) to continue publishing the Medicaid Annual Report.
(S.B. 430/H.B. 537)

Section: 11H.3

Title: **PROVIDER APPLICATION AND RECREDENTIALING FEE**

Summary: Amends Chapter 108A to add a new section G.S. 108C-2.1, codifying the requirements for Medicaid provider application and recredentiaing fee.
(S.B. 430/H.B. 537)

Section: 11H.4

Title: **ADMINISTRATIVE HEARINGS FUNDING**

Summary: Provides for a transfer of funds to Office of Administrative Hearings for mediation services and other contracted services related to the Medicaid appeals process.
(S.B. 430/H.B. 537)

Section: 11H.5

Title: **ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE**

Summary: Sets forth the requirement for the Department of Health and Human Services (DHHS) to account for certain receivables reserved at the end of the year as non-tax revenues.
(S.B. 430/H.B. 537)

Section: 11H.6

Title: **VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT**

Summary: Authorizes DMA, subject to federal approval, to contract for services, medical equipment, supplies, and appliances using volume purchase plans and single source procurement.
(S.B. 430/H.B. 537)

Section: 11H.7

Title: **ANNUAL ISSUANCE OF MEDICAID IDENTIFICATION CARDS**

Summary: Requires DHHS to issue Medicaid cards on an annual basis and requires DHHS to update its rules regarding the identification cards.
(S.B. 430/H.B. 537)

Section: 11H.8

Title: **LME/MCO OUT-OF-NETWORK AGREEMENTS**

Summary: Requires the DHHS to ensure that LME/MCOs utilize standardized agreements for any services obtained by an individual outside of their catchment area.
(S.B. 430/H.B. 537)

Section: 11H.9

Title: **MEDICAID CONTINGENCY RESERVE**

Summary: Sets forth how funds in the Medicaid Contingency Reserve may be used for Medicaid budget shortfalls and stipulates that funds may be expended only upon an appropriation by the General Assembly. This section also sets forth General Assembly's intent to appropriate the funds only when the Office of State Budget and Management has verified (1) there is a shortfall, (2) specified the amount of the shortfall, and (3) provided an analysis of the causes of the shortfall to the Fiscal Research Division (FRD).
(S.B. 430/H.B. 537)

Section: 11H.10

Title: **LME/MCO INTERGOVERNMENTAL TRANSFERS**

Summary: Sets forth the amount of funding each LME/MCO will transfer to DMA to support behavioral health services funded by Medicaid.

Section: 11H.11

Title: **EXPAND NORTH CAROLINA INNOVATIONS WAIVER SLOTS**

Summary: Requires DMA to increase the number of Innovations Waiver slots by 400 effective January 1, 2018.
(S.B. 430/H.B. 537)

Section: 11H.12

Title: **INCREASE PERSONAL CARE SERVICE RATE**

Summary: Requires DMA to increase the Personal Care Services rate to an effective hourly rate of \$15.76, to be billed in 15 minute increments.

Section: 11H.12A

Title: **RETROACTIVE PERSONAL CARE SERVICES PAYMENT**

Summary: Extends the allowable retroactive authorization payment period for Personal Care Services from 10 days to 30 days beginning August 1, 2017.
(H.B. 879)

Section: 11H.13

Title: **GRADUATE MEDICAL EDUCATION MEDICAID REIMBURSEMENT**

Summary: Sets forth the requirement that Graduate Medical Education (GME) payments to hospitals be funded through Medicaid transformation to managed care and requires a report from DMA to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice (JLOCMNCHC).

Section: 11H.14

Title: **PLAN TO IMPLEMENT COVERAGE FOR HOME VISITS FOR PREGNANT WOMEN AND FAMILIES WITH YOUNG CHILDREN**

Summary: Sets forth the requirement for DMA to develop and report on a plan to implement the coverage for home visits consistent with the Nurse Family Practice model. The report must indicate whether DMA intends to add coverage pursuant to its authority under 108A-54(e) or whether additional appropriations are needed.
(S.B. 428)

Section: 11H.14A

Title: **PLAN TO ESTABLISH MEDICAID COVERAGE FOR AMBULANCE TRANSPORTS TO ALTERNATIVE APPROPRIATE CARE LOCATIONS**

Summary: Sets forth requirement for DMA to report to the JLOCMNCHC and FRD by November 1, 2017, on a plan for Medicaid coverage for ambulance transports for individuals in behavioral health crisis from hospital emergency rooms to alternative locations.
(S.B. 383/H.B. 477)

Section: 11H.15

Title: **NC TRACKS ENHANCEMENTS TO PREVENT AND DETECT FRAUD, WASTE AND ABUSE**

Summary: Requires DHHS to enhance the information system's capability to detect fraud, waste, and abuse prior to the payment of claims using existing contracts.

Section: 11H.16

Title: **DURATION OF MEDICAID AND NC HEALTH CHOICE PROGRAM MODIFICATIONS**

Summary: Clarifies that, consistent with its authority over the Medicaid program, DHHS is only required to maintain modifications to the Medicaid/NC Health Choice programs required by this Act through June 30, 2019.

Section: 11H.17

Title: **MEDICAID TRANSFORMATION TECHNICAL AND CLARIFYING CHANGES**

Summary: Exempts services provided by Local Education Authorities and CDSAs from capitated Prepaid Health Plan contracts under Medicaid Transformation and Reorganization and amends G.S. 1430-216.8(b)(i) to correct a statutory reference.
(S.B. 430/H.B. 537)

Section: 11H.19

Title: **PREPAYMENT CLAIMS REVIEW MODIFICATIONS**

Summary: Amends G.S. 108C-7 to extend the time allowed for a provider to be placed on prepayment review from 12 months to 24 months. This section requires that the amount of claims that must be submitted in order to attain required clean claims rates must be at least 50% of the claim volume that was submitted prior to being placed on prepayment review.

This section specifies that if a claim for services provided with the timeframe that the provider was on prepayment review is submitted after the review period has ended, that claim may still be subject to review prior to payment.
(S.B. 430/H.B. 537)

Section: 11H.20

Title: **MEDICAID ELIGIBILITY MONITORING**

Summary: Amends Article 2, Chapter 108A to require DMA to review certain information concerning changes in circumstances that may affect a Medicaid beneficiary's eligibility. DMA must then share any information it obtains with the relevant county department of social services and report to the JLOCMNCHC by October 1, 2017.

A county department of social services must notify the beneficiary of the information received and what actions to take, including redetermining eligibility, based upon the beneficiary's response.
(S.B. 422)

Section: 11H.21

Title: **MEDICAID ELIGIBILITY DETERMINATION TIMELINESS REPORTING**

Summary: Amends Part 10 of Article 2 of Chapter 108A to codify the report requirements to the JLOCMNCHC by November 1st of each year regarding Medicaid eligibility determination timeliness.
(S.B. 430/H.B. 537)

Section: 11H.22

Title: **SUPPORT IMPROVEMENT IN THE ACCURACY OF MEDICAID ELIGIBILITY DETERMINATIONS**

Summary: Amends G.S. 108A-25(b) and sets forth that DMA is responsible for administering Medicaid and that eligibility determinations have been delegated to the counties.

This section requires DHHS to report to the JLOCMNCHC by November 1, 2017 on progress to address the accuracy of eligibility County department determinations identified in the January 2017 State Auditor's performance audit.

This section requires annual audits of the county Medicaid determinations based on standards for accuracy and quality assurance set by the Department in rule beginning in January 1, 2019.

This section establishes the counties' financial responsibility for errors attributable to the county and requires the Department to develop a training and certification program that all county caseworkers would be required to complete every 3 years.
(S.B. 546)

Section: 11H.23

Title: **MEDICAID SUBROGATION RIGHTS CONFORMING CHANGES**

Summary: Amends G.S. 108A-57 and sets forth federal laws for Medicaid subrogation slated to take effect October 1, 2017, and changes to conform to the federal changes, should they be implemented.

Section: 11H.25

Title: **STUDY PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY**

Summary: Requires DMA to study the Program of All-Inclusive Care for the Elderly (PACE) and to report to the JLOCMNCHC by March 1, 2018, on the requirements including an assessment of the State's long-term care needs for the next 10 years, and an evaluation of State regulations placed upon PACE providers.

**NC Health Choice
Budget Code 14446**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$184,098,555	\$184,098,555
Receipts	\$140,651,619	\$140,651,619
Net Appropriation	\$43,446,936	\$43,446,936
Legislative Changes		
Requirements	\$10,890,195	\$22,433,122
Receipts	\$53,877,883	\$65,483,649
Net Appropriation	(\$42,987,688)	(\$43,050,527)
Revised Budget		
Requirements	\$194,988,750	\$206,531,677
Receipts	\$194,529,502	\$206,135,268
Net Appropriation	\$459,248	\$396,409

General Fund FTE

Base Budget	2.00	2.00
Legislative Changes	0.00	0.00
Revised Budget	2.00	2.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

NC Health Choice											
Budget Code 14446			Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Health Choice Administration		172,504	171,264	1,240	-	-	-	172,504	171,264	1,240
1102	Contracts and Agreements		1,880,000	1,868,156	11,844	-	-	-	1,880,000	1,868,156	11,844
1310	Health Choice Payments		177,621,855	135,837,457	41,784,398	11,338,547	52,673,683	(41,335,136)	188,960,402	188,511,140	449,262
1311	Community Care North Carolina		8,034,131	6,159,812	1,874,319	(681,351)	1,188,299	(1,869,650)	7,352,780	7,348,111	4,669
1320	Settlements		(2,790,285)	(2,790,285)	-	-	-	-	(2,790,285)	(2,790,285)	-
1330	Payment Adjustments		(417,348)	(298,060)	(119,288)	119,138	8,455	110,683	(298,210)	(289,605)	(8,605)
1331	Rebates		(402,302)	(296,725)	(105,577)	112,893	7,446	105,447	(289,409)	(289,279)	(130)
					-						
Undesignated Items					-						
N/A	Compensation Increase Reserve				-	620	-	620	620	-	620
N/A	State Retirement Contribution		-	-	-	243	-	243	243	-	243
N/A	State Health Plan Reserve				-	105	-	105	105	-	105
Total			\$184,098,555	\$140,651,619	\$43,446,936	\$10,890,195	\$53,877,883	(\$42,987,688)	\$194,988,750	\$194,529,502	\$459,248

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

NC Health Choice											
Budget Code 14446			Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Health Choice Administration		172,504	171,264	1,240	-	-	-	172,504	171,264	1,240
1102	Contracts and Agreements		1,880,000	1,868,156	11,844	-	-	-	1,880,000	1,868,156	11,844
1310	Health Choice Payments		177,621,855	135,837,457	41,784,398	22,430,079	63,833,522	(41,403,443)	200,051,934	199,670,979	380,955
1311	Community Care North Carolina		8,034,131	6,159,812	1,874,319	(230,472)	1,642,542	(1,873,014)	7,803,659	7,802,354	1,305
1320	Settlements		(2,790,285)	(2,790,285)	-				(2,790,285)	(2,790,285)	-
1330	Payment Adjustments		(417,348)	(298,060)	(119,288)	119,138	269	118,869	(298,210)	(297,791)	(419)
1331	Rebates		(402,302)	(296,725)	(105,577)	112,893	7,316	105,577	(289,409)	(289,409)	-
				-	-						
Undesignated Items					-						
N/A	Compensation Increase Reserve				-	620	-	620	620	-	620
N/A	State Retirement Contribution		-	-	-	641	-	641	641	-	641
N/A	State Health Plan Reserve				-	223	-	223	223	-	223
Total			\$184,098,555	\$140,651,619	\$43,446,936	22,433,122	65,483,649	(43,050,527)	\$206,531,677	\$206,135,268	\$396,409

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

NC Health Choice					
Budget Code 14446		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	2.00	-	-	2.00
1102	Contracts and Agreements	-	-	-	-
1310	Health Choice Payments	-	-	-	-
1311	Community Care North Carolina	-	-	-	-
1330	Payment Adjustments	-	-	-	-
1331	Rebates	-	-	-	-
1340	Undispositioned Receipts	-	-	-	-
Total FTE		2.00	-	-	2.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

NC Health Choice					
Budget Code 14446		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	2.00	-	-	2.00
1102	Contracts and Agreements	-	-	-	-
1310	Health Choice Payments	-	-	-	-
1311	Community Care North Carolina	-	-	-	-
1330	Payment Adjustments	-	-	-	-
1331	Rebates	-	-	-	-
1340	Undispositioned Receipts	-	-	-	-
Total FTE		2.00	-	-	2.00

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
		FY 17-18		FY 18-19
Recommended Base Budget		\$43,446,936		\$43,446,936
Legislative Changes				
(10.0) NC Health Choice				
142	Compensation Increase Reserve	\$620	R	\$620 R
	Fund Code: N/A			
	Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)			
143	State Retirement Contributions	\$243	R	\$641 R
	Fund Code: N/A			
	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
144	State Health Plan	\$105	R	\$223 R
	Fund Code: N/A			
	Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

145 NC Health Choice Match Rate and Rebase

Fund Code: 1310, 1311, 1330, 1331

\$1,496,379	R	\$3,856,135	R
(\$44,485,035)	NR	(\$46,908,146)	NR

Reduces net General Fund support for NC Health Choice due to an enhanced federal match rate included in the federal Patient Protection and Affordable Care Act that is effective through September 30, 2019. Funds are provided for changes in enrollment and utilization. The revised net appropriation for NC Health Choice services is \$459,248 in FY 2017-18 and \$396,409 in FY 2018-19. (S.B. 430/H.B. 537)

Total Legislative Changes

\$1,497,347	R	\$3,857,619	R
(\$44,485,035)	NR	(\$46,908,146)	NR

Total Position Changes

Revised Budget

\$459,248	\$396,409
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Special Provisions

2017 Session: SB 257

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 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$44,560,621	\$44,560,621
Receipts	\$36,227,168	\$36,227,168
Net Appropriation	\$8,333,453	\$8,333,453
Legislative Changes		
Requirements	\$113,314	\$173,628
Receipts	\$0	\$0
Net Appropriation	\$113,314	\$173,628
Revised Budget		
Requirements	\$44,673,935	\$44,734,249
Receipts	\$36,227,168	\$36,227,168
Net Appropriation	\$8,446,767	\$8,507,081

General Fund FTE

Base Budget	332.09	332.09
Legislative Changes	0.00	0.00
Revised Budget	332.09	332.09

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Services for the Blind/Deaf/Hard of Hearing										
Budget Code 14450		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,308,819	1,815,355	493,464	-	-	-	2,308,819	1,815,355	493,464
1261	Access and Outreach Deaf Comm - Local Agency	3,061,463	3,061,463	-	-	-	-	3,061,463	3,061,463	-
1410	Deaf and Hard of Hearing - Client Services	11,987,092	11,987,092	-	-	-	-	11,987,092	11,987,092	-
1420	Medical Eye Care Services	2,567,215		2,567,215	-	-	-	2,567,215	-	2,567,215
1451	Indep Living Services - Chore & Adjustment Serv	5,762,160	4,393,831	1,368,329	-	-	-	5,762,160	4,393,831	1,368,329
1452	Independent Living Rehabilitation Services	1,604,014	927,009	677,005	-	-	-	1,604,014	927,009	677,005
1481	Vocational Rehabilitation - Employment	16,125,417	12,897,977	3,227,440	-	-	-	16,125,417	12,897,977	3,227,440
1482	Small Business Employment Services	898,265	898,265	-	-	-	-	898,265	898,265	-
1991	Federal Indirect Reserve	246,176	246,176	-	-	-	-	246,176	246,176	-
				-						
				-						
Division-wide Items				-						
N/A	Social Services Block Grant				-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve			-	77,122	-	77,122	77,122	-	77,122
N/A	State Retirement Contribution	-	-	-	24,015	-	24,015	24,015	-	24,015
N/A	State Health Plan Reserve				12,177	-	12,177	12,177	-	12,177
Total		\$44,560,621	\$36,227,168	\$8,333,453	\$113,314	\$0	\$113,314	\$44,673,935	\$36,227,168	\$8,446,767

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Services for the Blind/Deaf/Hard of Hearing										
Budget Code 14450		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,308,819	1,815,355	493,464	-	-	-	2,308,819	1,815,355	493,464
1261	Access and Outreach Deaf Comm - Local Agency	3,061,463	3,061,463	-	-	-	-	3,061,463	3,061,463	-
1410	Deaf and Hard of Hearing - Client Services	11,987,092	11,987,092	-	-	-	-	11,987,092	11,987,092	-
1420	Medical Eye Care Services	2,567,215	-	2,567,215	-	-	-	2,567,215	-	2,567,215
1451	Indep Living Services - Chore & Adjustment Serv	5,762,160	4,393,831	1,368,329	-	-	-	5,762,160	4,393,831	1,368,329
1452	Independent Living Rehabilitation Services	1,604,014	927,009	677,005	-	-	-	1,604,014	927,009	677,005
1481	Vocational Rehabilitation - Employment	16,125,417	12,897,977	3,227,440	-	-	-	16,125,417	12,897,977	3,227,440
1482	Small Business Employment Services	898,265	898,265	-	-	-	-	898,265	898,265	-
1991	Federal Indirect Reserve	246,176	246,176	-	-	-	-	246,176	246,176	-
				-						
				-						
Division-wide Items				-						
N/A	Social Services Block Grant				-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve				84,485	-	84,485	84,485	-	84,485
N/A	State Retirement Contribution	-	-	-	63,339	-	63,339	63,339	-	63,339
N/A	State Health Plan Reserve				25,804	-	25,804	25,804	-	25,804
Total		\$44,560,621	\$36,227,168	\$8,333,453	\$173,628	\$0	\$173,628	\$44,734,249	\$36,227,168	\$8,507,081

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	21.00	-	-	21.00
1160	Deaf and Hard of Hearing - State Capacity Building	-	-	-	-
1261	Access & Outreach Deaf Comm - Local Agency	38.00	-	-	38.00
1262	Access and Outreach Deaf Community - Citizens	-	-	-	-
1410	Deaf and Hard of Hearing - Client Services	30.00	-	-	30.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Indep Living Services-Chore & Adjmt Services	69.58	-	-	69.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	141.51	-	-	141.51
1482	Small Business Employment Services	11.00	-	-	11.00
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		332.09	-	-	332.09

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	21.00	-	-	21.00
1160	Deaf and Hard of Hearing - State Capacity Building	-	-	-	-
1261	Access & Outreach Deaf Comm - Local Agency	38.00	-	-	38.00
1262	Access and Outreach Deaf Community - Citizens	-	-	-	-
1410	Deaf and Hard of Hearing - Client Services	30.00	-	-	30.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Indep Living Services-Chore & Adjmt Services	69.58	-	-	69.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	141.51	-	-	141.51
1482	Small Business Employment Services	11.00	-	-	11.00
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		332.09	-	-	332.09

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$8,333,453		\$8,333,453	
Legislative Changes				
(11.0) Division of Services for the Blind and Services for the Deaf and Hard of Hearing				
146 Compensation Increase Reserve	\$71,893	R	\$71,893	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
147 Compensation Increase Reserve - State Agency Teachers/School Based Administrators	\$5,229	R	\$12,592	R
Fund Code: N/A				
Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 8.1, 35.10, and 35.17)				
148 State Retirement Contributions	\$24,015	R	\$63,339	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

149 State Health Plan

\$12,177

R

\$25,804

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)

Total Legislative Changes

\$113,314

R

\$173,628

R

Total Position Changes

Revised Budget

\$8,446,767

\$8,507,081

Special Provisions

2017 Session: SB 257

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

Section:

Title: **No Special Provisions**

Summary:

**Division of Health Benefits
Budget Code 14447**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$9,671,582	\$9,671,582
Receipts	\$0	\$0
Net Appropriation	\$9,671,582	\$9,671,582
Legislative Changes		
Requirements	\$63,469	\$107,508
Receipts	\$0	\$0
Net Appropriation	\$63,469	\$107,508
Revised Budget		
Requirements	\$9,735,051	\$9,779,090
Receipts	\$0	\$0
Net Appropriation	\$9,735,051	\$9,779,090

General Fund FTE

Base Budget	28.00	28.00
Legislative Changes	0.00	0.00
Revised Budget	28.00	28.00

Summary of General Fund Appropriations

Fiscal Year 2017-18

2017 Legislative Session

Division of Health Benefits										
Budget Code 14447		Base Budget			Legislative Changes			Revised Budget		
Fund				Net			Net			Net
Code	Fund Name	Requirements	Receipts	Appropriation	Requirements	Receipts	Appropriation	Requirements	Receipts	Appropriation
1101	Administration	9,671,582		9,671,582	-	-	-	9,671,582	-	9,671,582
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	34,714	-	34,714	34,714	-	34,714
N/A	State Retirement Contribution	-	-	-	22,875	-	22,875	22,875	-	22,875
N/A	State Health Plan Reserve				5,880	-	5,880	5,880	-	5,880
Total		\$9,671,582	\$0	\$9,671,582	\$63,469	\$0	\$63,469	\$9,735,051	\$0	\$9,735,051

Summary of General Fund Appropriations

Fiscal Year 2018-19

2017 Legislative Session

Division of Health Benefits										
Budget Code 14447		Base Budget			Legislative Changes			Revised Budget		
Fund										
Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administration	9,671,582		9,671,582	-	-	-	9,671,582	-	9,671,582
Undesignated Items										
N/A	Compensation Increase Reserve				34,714	-	34,714	34,714	-	34,714
N/A	State Retirement Contribution	-	-	-	60,334	-	60,334	60,334	-	60,334
N/A	State Health Plan Reserve				12,460	-	12,460	12,460	-	12,460
Total		\$9,671,582	\$0	\$9,671,582	\$107,508	\$0	\$107,508	\$9,779,090	\$0	\$9,779,090

**Summary of General Fund Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session**

Division of Health Benefits					
Budget Code 14447		<u>Base</u>	<u>Legislative Changes</u>	<u>Revised</u>	
Fund		Total	Net	Total	
Code	Fund Name	Requirements	Appropriation	Receipts	Requirements
1101	Administration	28.00	-	-	28.00
1102	Contracts and Agreements	-	-	-	-
1310	Health Choice Payments	-	-	-	-
1311	Community Care North Carolina	-	-	-	-
1330	Payment Adjustments	-	-	-	-
1331	Rebates	-	-	-	-
1340	Undispositioned Receipts	-	-	-	-
Total FTE		28.00	-	-	28.00

Summary of General Fund Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Benefits					
Budget Code 14447		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund		Total	Net		Total
Code	Fund Name	Requirements	Appropriation	Receipts	Requirements
1101	Administration	28.00	-	-	28.00
1102	Contracts and Agreements	-	-	-	-
1310	Health Choice Payments	-	-	-	-
1311	Community Care North Carolina	-	-	-	-
1330	Payment Adjustments	-	-	-	-
1331	Rebates	-	-	-	-
1340	Undispositioned Receipts	-	-	-	-
Total FTE		28.00	-	-	28.00

2017 Annotated Conference Committee Report

Health and Human Services

GENERAL FUND				
		FY 17-18		FY 18-19
Recommended Base Budget		\$9,671,582		\$9,671,582
Legislative Changes				
Health Benefits				
150 Compensation Increase Reserve		\$34,714	R	\$34,714 R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
151 State Retirement Contributions		\$22,875	R	\$60,334 R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
152 State Health Plan		\$5,880	R	\$12,460 R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

Total Legislative Changes	\$63,469	R	\$107,508	R
Total Position Changes				
Revised Budget	\$9,735,051		\$9,779,090	

Special Provisions

2017 Session: SB 257

Division: Health Benefits

Section: 11I.1

Title: DIVISION OF HEALTH BENEFITS FEDERAL FUNDS

Summary: Establishes that any federal receipts that the Division of Health Benefits (DHB) may be eligible to receive shall not be transferred or used for any purpose other than for DHB Medicaid transformation project expenditures and that any unspent State appropriations shall revert to the General Fund at the end of the 2017-2019 biennium.

Agriculture and Natural and Economic Resources Section H

Department of Agriculture and Consumer Services
Budget Code 13700

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$174,507,551	\$174,509,551
Receipts	\$55,537,775	\$55,537,775
Net Appropriation	\$118,969,776	\$118,971,776
Legislative Changes		
Requirements	\$14,700,128	\$3,881,909
Receipts	\$0	\$0
Net Appropriation	\$14,700,128	\$3,881,909
Revised Budget		
Requirements	\$189,207,679	\$178,391,460
Receipts	\$55,537,775	\$55,537,775
Net Appropriation	\$133,669,904	\$122,853,685

General Fund FTE

Base Budget	1,811.62	1,811.62
Legislative Changes	0.00	0.00
Revised Budget	1,811.62	1,811.62

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Agriculture and Consumer Services		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13700										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1011	General Administration	2,067,777	206,044	1,861,733	-	-	-	2,067,777	206,044	1,861,733
1012	Administrative Services	2,317,408	846,103	1,471,305	-	-	-	2,317,408	846,103	1,471,305
1013	Public Affairs	468,763	-	468,763	-	-	-	468,763	-	468,763
1014	Human Resources	1,705,350	266,260	1,439,090	-	-	-	1,705,350	266,260	1,439,090
1017	Emergency Programs Division	1,901,180	337,776	1,563,404	-	-	-	1,901,180	337,776	1,563,404
1018	Internal Audit	283,564	85,732	197,832	-	-	-	283,564	85,732	197,832
1019	IT Services	2,169,414	301,539	1,867,875	-	-	-	2,169,414	301,539	1,867,875
1020	Markets	10,486,014	2,127,659	8,358,355	1,621,922	-	1,621,922	12,107,936	2,127,659	9,980,277
1027	Property and Construction	724,287	198,399	525,888	-	-	-	724,287	198,399	525,888
1035	Small Farms	284,450	46,789	237,661	-	-	-	284,450	46,789	237,661
1040	Agronomic Services	4,624,791	1,285,070	3,339,721	-	-	-	4,624,791	1,285,070	3,339,721
1050	Federal - State Agricultural Statistics	1,083,404	177,149	906,255	-	-	-	1,083,404	177,149	906,255
1070	Commercial Feed and Pet Food	1,739,966	1,424,092	315,874	-	-	-	1,739,966	1,424,092	315,874
1080	Commercial Fertilizer Analysis	568,813	-	568,813	(65,169)	-	(65,169)	503,644	-	503,644
1090	Pesticide Control and Analysis	3,837,884	3,744,539	93,345	-	-	-	3,837,884	3,744,539	93,345
1100	Food, Drug, and Cosmetic Analysis	11,131,934	3,328,892	7,803,042	75,000	-	75,000	11,206,934	3,328,892	7,878,042
1120	Structural Pest	1,212,229	688,462	523,767	-	-	-	1,212,229	688,462	523,767
1130	Veterinary Services	13,023,012	2,571,182	10,451,830	12,056	-	12,056	13,035,068	2,571,182	10,463,886
1140	Meat and Poultry Inspection	8,331,783	4,184,769	4,147,014	-	-	-	8,331,783	4,184,769	4,147,014
1150	Weights and Measures Inspection	1,293,230	367,000	926,230	-	-	-	1,293,230	367,000	926,230
1160	Gasoline and Oil Inspection	5,478,971	5,478,971	-	-	-	-	5,478,971	5,478,971	-
1175	Seed and Fertilizer	1,508,972	807,024	701,948	-	-	-	1,508,972	807,024	701,948
1180	Plant Protection	5,651,208	2,298,581	3,352,627	-	-	-	5,651,208	2,298,581	3,352,627
1190	Research Stations - Operating	14,602,836	2,743,116	11,859,720	400,000	-	400,000	15,002,836	2,743,116	12,259,720
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-	-	-	-	-	-
1210	Distribution of USDA Donations	6,287,393	3,918,932	2,368,461	-	-	-	6,287,393	3,918,932	2,368,461
1510	NC Forest Service	46,835,654	10,744,639	36,091,015	5,865,000	-	5,865,000	52,700,654	10,744,639	41,956,015
1530	NC Forest Service - Dare Bomb Range	1,409,455	1,409,455	-	-	-	-	1,409,455	1,409,455	-
1535	NC Forest Service - Young Offenders Program	1,170,094	200	1,169,894	-	-	-	1,170,094	200	1,169,894
1610	NC Forest Service - Federal Grants	2,607,183	2,607,183	-	-	-	-	2,607,183	2,607,183	-
1611	Soil and Water Conservation	13,708,901	2,035,091	11,673,810	250,000	-	250,000	13,958,901	2,035,091	11,923,810
1990	Reserves and Transfers	4,684,504	-	4,684,504	4,108,000	-	4,108,000	8,792,504	-	8,792,504
1991	Indirect Cost - Reserve	1,307,127	1,307,127	-	-	-	-	1,307,127	1,307,127	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,656,466	-	1,656,466	1,656,466	-	1,656,466
N/A	State Retirement Contributions	-	-	-	496,413	-	496,413	496,413	-	496,413
N/A	State Health Plan Reserve	-	-	-	280,440	-	280,440	280,440	-	280,440
Total		\$174,507,551	\$55,537,775	\$118,969,776	\$14,700,128	\$0	\$14,700,128	\$189,207,679	\$55,537,775	\$133,669,904

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Agriculture and Consumer Services Budget Code 13700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1011	General Administration	2,067,777	206,044	1,861,733	-	-	-	2,067,777	206,044	1,861,733
1012	Administrative Services	2,317,408	846,103	1,471,305	-	-	-	2,317,408	846,103	1,471,305
1013	Public Affairs	468,763	-	468,763	-	-	-	468,763	-	468,763
1014	Human Resources	1,705,350	266,260	1,439,090	-	-	-	1,705,350	266,260	1,439,090
1017	Emergency Programs Division	1,901,180	337,776	1,563,404	-	-	-	1,901,180	337,776	1,563,404
1018	Internal Audit	283,564	85,732	197,832	-	-	-	283,564	85,732	197,832
1019	IT Services	2,169,414	301,539	1,867,875	-	-	-	2,169,414	301,539	1,867,875
1020	Markets	10,486,014	2,127,659	8,358,355	300,000	-	300,000	10,786,014	2,127,659	8,658,355
1027	Property and Construction	724,287	198,399	525,888	-	-	-	724,287	198,399	525,888
1035	Small Farms	284,450	46,789	237,661	-	-	-	284,450	46,789	237,661
1040	Agronomic Services	4,624,791	1,285,070	3,339,721	-	-	-	4,624,791	1,285,070	3,339,721
1050	Federal - State Agricultural Statistics	1,083,404	177,149	906,255	-	-	-	1,083,404	177,149	906,255
1070	Commercial Feed and Pet Food	1,739,966	1,424,092	315,874	-	-	-	1,739,966	1,424,092	315,874
1080	Commercial Fertilizer Analysis	568,813	-	568,813	(65,169)	-	(65,169)	503,644	-	503,644
1090	Pesticide Control and Analysis	3,837,884	3,744,539	93,345	-	-	-	3,837,884	3,744,539	93,345
1100	Food, Drug, and Cosmetic Analysis	11,131,934	3,328,892	7,803,042	75,000	-	75,000	11,206,934	3,328,892	7,878,042
1120	Structural Pest	1,212,229	688,462	523,767	-	-	-	1,212,229	688,462	523,767
1130	Veterinary Services	13,023,012	2,571,182	10,451,830	12,056	-	12,056	13,035,068	2,571,182	10,463,886
1140	Meat and Poultry Inspection	8,331,783	4,184,769	4,147,014	-	-	-	8,331,783	4,184,769	4,147,014
1150	Weights and Measures Inspection	1,293,230	367,000	926,230	-	-	-	1,293,230	367,000	926,230
1160	Gasoline and Oil Inspection	5,478,971	5,478,971	-	-	-	-	5,478,971	5,478,971	-
1175	Seed and Fertilizer	1,508,972	807,024	701,948	-	-	-	1,508,972	807,024	701,948
1180	Plant Protection	5,651,208	2,298,581	3,352,627	-	-	-	5,651,208	2,298,581	3,352,627
1190	Research Stations - Operating	14,602,836	2,743,116	11,859,720	-	-	-	14,602,836	2,743,116	11,859,720
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-	-	-	-	-	-
1210	Distribution of USDA Donations	6,287,393	3,918,932	2,368,461	-	-	-	6,287,393	3,918,932	2,368,461
1510	NC Forest Service	46,837,654	10,744,639	36,093,015	-	-	-	46,837,654	10,744,639	36,093,015
1530	NC Forest Service - Dare Bomb Range	1,409,455	1,409,455	-	-	-	-	1,409,455	1,409,455	-
1535	NC Forest Service - Young Offenders Program	1,170,094	200	1,169,894	-	-	-	1,170,094	200	1,169,894
1610	NC Forest Service - Federal Grants	2,607,183	2,607,183	-	-	-	-	2,607,183	2,607,183	-
1611	Soil and Water Conservation	13,708,901	2,035,091	11,673,810	-	-	-	13,708,901	2,035,091	11,673,810
1990	Reserves and Transfers	4,684,504	-	4,684,504	-	-	-	4,684,504	-	4,684,504
1991	Indirect Cost - Reserve	1,307,127	1,307,127	-	-	-	-	1,307,127	1,307,127	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,656,466	-	1,656,466	1,656,466	-	1,656,466
N/A	State Retirement Contributions	-	-	-	1,309,290	-	1,309,290	1,309,290	-	1,309,290
N/A	State Health Plan Reserve	-	-	-	594,266	-	594,266	594,266	-	594,266
Total		\$174,509,551	\$55,537,775	\$118,971,776	\$3,881,909	\$0	\$3,881,909	\$178,391,460	\$55,537,775	\$122,853,685

**Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session**

Department of Agriculture and Consumer Services					
Budget Code 13700		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	19.80	-	-	19.80
1012	Administrative Services	30.00	-	-	30.00
1013	Public Affairs	5.00	-	-	5.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	16.00	-	-	16.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	1.00	-	96.00
1027	Property and Construction	8.00	-	-	8.00
1035	Small Farms	3.00	-	-	3.00
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	14.00	-	-	14.00
1070	Commercial Feed and Pet Food	21.00	-	-	21.00
1080	Commercial Fertilizer Analysis	7.00	-	-	7.00
1090	Pesticide Control and Analysis	50.80	-	-	50.80
1100	Food, Drug, and Cosmetic Analysis	116.00	-	-	116.00
1120	Structural Pest	18.70	-	-	18.70
1130	Veterinary Services	139.00	(1.00)	-	138.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	17.00	-	-	17.00
1160	Gasoline and Oil Inspection	75.00	-	-	75.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	61.75	(1.00)	-	60.75
1190	Research Stations - Operating	163.00	-	-	163.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	44.00	-	-	44.00
1510	NC Forest Service	573.37	-	-	573.37
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	25.00	-	-	25.00
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	1.00	-	1.00
1991	Indirect Cost - Reserve	-	-	-	-
Total FTE		1,811.62	-	-	1,811.62

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Agriculture and Consumer Services					
Budget Code 13700		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	19.80	-	-	19.80
1012	Administrative Services	30.00	-	-	30.00
1013	Public Affairs	5.00	-	-	5.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	16.00	-	-	16.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	1.00	-	96.00
1027	Property and Construction	8.00	-	-	8.00
1035	Small Farms	3.00	-	-	3.00
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	14.00	-	-	14.00
1070	Commercial Feed and Pet Food	21.00	-	-	21.00
1080	Commercial Fertilizer Analysis	7.00	-	-	7.00
1090	Pesticide Control and Analysis	50.80	-	-	50.80
1100	Food, Drug, and Cosmetic Analysis	116.00	-	-	116.00
1120	Structural Pest	18.70	-	-	18.70
1130	Veterinary Services	139.00	(1.00)	-	138.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	17.00	-	-	17.00
1160	Gasoline and Oil Inspection	75.00	-	-	75.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	61.75	(1.00)	-	60.75
1190	Research Stations - Operating	163.00	-	-	163.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	44.00	-	-	44.00
1510	NC Forest Service	573.37	-	-	573.37
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	25.00	-	-	25.00
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	1.00	-	1.00
1991	Indirect Cost - Reserve	-	-	-	-
Total FTE		1,811.62	-	-	1,811.62

2017 Annotated Conference Committee Report

Agriculture and Consumer Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$118,969,776		\$118,971,776	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve	\$1,656,466	R	\$1,656,466	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.3, 35.11, and 35.12)				
2 State Retirement Contributions	\$496,413	R	\$1,309,290	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
3 State Health Plan	\$280,440	R	\$594,266	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Food and Drug

4 Vacant Position (\$65,169) R (\$65,169) R

Fund Code: 1080

-1.00

-1.00

Eliminates the salary and benefits of 1 vacant position within the Food and Drug Division that has been vacant for more than 12 months.

60011913 - Chemist II (1.0 FTE)

The revised net appropriation to the Division from all changes is \$8.7 million in each year of the biennium.

5 Additional Operating Costs \$75,000 R \$75,000 R

Fund Code: 1100

Provides funding for ongoing operational costs, including scientific and laboratory supplies, equipment, maintenance agreements, and utility costs. The revised net appropriation to the Division from all changes is \$8.7 million in each year of the biennium. (S.B. 430/H.B. 537)

Forest Service

6 Firefighting Equipment
Fund Code: 1510 \$2,300,000 NR

Provides nonrecurring funds for the purchase of an airplane for firefighting and readiness response. The revised net appropriation to the Forest Service for firefighting and readiness response is \$2.3 million in FY 2017-18 only. (S.B. 430/H.B. 537)

7 Hemlock Restoration
Fund Code: 1510 \$200,000 NR

Provides funding for hemlock restoration initiatives within the Forest Service Forest Health Branch. The revised net appropriation to the Forest Service for hemlock restoration is \$200,000 in FY 2017-18 only.

8 Linville River Nursery
Fund Code: 1510 \$200,000 NR

Provides nonrecurring funds for the Linville River Nursery. The Forest Service is directed to continue operating the Linville River Nursery throughout FY 2017-18. The revised net appropriation for the Linville River Nursery is \$200,000 in FY 2017-18 only. (S.B. 341/H.B. 535; S.L. 2017-57, Sec. 12.4)

Agriculture and Consumer Services

9 Mountain Island Educational State Forest**Fund Code:** 1510

\$3,165,000 NR

Provides additional funding for the Mountain Island Educational State Forest. The Forest Service is directed to transfer these funds to a new nonreverting special fund within budget code 23700. A corresponding item showing the transfer of these funds can be found in the special fund pages. The revised net appropriation for the Forest Service from all changes is \$43.1 million in FY 2017-18 and \$37.3 million in FY 2018-19.

(This item also appears in the Agriculture and Consumer Services special funds in the Agriculture and Natural and Economic Resources (ANER) section. See page H 13.)

Markets**10 International Marketing****Fund Code:** 1020

\$250,000 R

\$300,000 R

\$523,461 NR
1.00

1.00

Increases funding for the International Marketing Program to enhance marketing opportunities for agricultural products of the State and for an additional FTE for the program. This additional FTE is for an International Marketing Specialist II position with total salary and benefits of \$71,939 out of funds appropriated. The revised net appropriation to the Markets Division from all changes is \$10.0 million in FY 2017-18 and \$8.7 million in FY 2018-19. (S.B. 430/H.B. 537)

11 Food Marketing**Fund Code:** 1020

\$250,000 NR

Provides funding for food marketing related to the Food Science Processing and Innovation Center in the Core Laboratory of the North Carolina Research Campus. These marketing funds will be used to connect farmers with prospective customers, promote inbound and outbound international trade missions, strengthen existing promotional campaigns around selected commodities, and other related marketing uses. The revised net appropriation to the Markets Division from all changes is \$10.0 million in FY 2017-18 and \$8.7 million in FY 2018-19.

12 Domestic Marketing**Fund Code:** 1020

\$523,461 NR

Increases funding for the Domestic Marketing Program to enhance marketing opportunities for agricultural products of the State. The revised net appropriation to the Markets Division from all changes is \$10.0 million in FY 2017-18 and \$8.7 million in FY 2018-19.

13 Southeastern North Carolina Agricultural Events Center**Fund Code:** 1020

\$75,000 NR

Provides nonrecurring funding for the Southeastern North Carolina Agricultural Events Center in Lumberton for improvements related to seating and the sound system. The revised net appropriation to the Markets Division from all changes is \$10.0 million in FY 2017-18 and \$8.7 million in FY 2018-19. (S.B. 669)

Research Stations**14 Seasonal Labor For Research Stations****Fund Code:** 1190

\$400,000 NR

Provides additional funding for seasonal labor costs at agricultural research stations. These funds will support the expanded number and scope of research projects across the State. The revised net appropriation to the Research Stations Division is \$12.3 million in FY 2017-18 and \$11.9 million in FY 2018-19. (S.B. 430/H.B. 537)

Reserves and Transfers**15 Tobacco Trust Fund****Fund Code:** 1990

\$900,000 NR

Provides additional funding to the Tobacco Trust Fund (TTF), which provides grants to tobacco-related farms and businesses. A corresponding item showing the transfer of these funds can be found in the TTF special fund pages. The revised net appropriation to the TTF based on this adjustment is \$2.9 million in FY 2017-18 and \$2.0 million in FY 2018-19. (S.L. 2017-57, Sec. 12.10)

(This item also appears in the Agriculture and Consumer Services special funds in the ANER section. See page H 15.)

16 Agricultural Development and Farmland Preservation Trust Fund**Fund Code:** 1990

\$2,000,000 NR

1.00

1.00

Provides additional nonrecurring funding to the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF), which supports the purchase of agricultural conservation easements and funds public and private enterprise programs that will promote profitable and sustainable family farms. A corresponding item showing the transfer of these funds can be found in the ADFPTF special fund pages. An additional FTE is provided to ADFPTF. ADFPTF is directed to use existing recurring funding for this new position. Of the funds appropriated to ADFPTF, \$25,000 will be used for the new Beehive Grant Program. A corresponding special provision describes the operations of the Beehive Grant Program. The revised net appropriation to ADFPTF is \$4.6 million in FY 2017-18 and \$2.6 million in FY 2018-19.

(S.B. 430/H.B. 537, H.B. 756; S.L. 2017-57, Sec. 12.6)

(This item also appears in the Agriculture and Consumer Services special funds in the ANER section. See page H 13.)

17 Association of Agricultural Fairs**Fund Code:** 1990

\$300,000 NR

Provides a grant to the Association of Agricultural Fairs. The revised net appropriation to the Association is \$300,000 in FY 2017-18 only.

18 Healthy Food Small Retailers**Fund Code:** 1990

\$250,000 NR

Provides funds to increase the availability of fresh agricultural products in food deserts located in the State. The revised net appropriation for this program is \$250,000 in FY 2017-18 only. (S.B. 498, H.B. 387; S.L. 2017-57, Sec. 12.5)

19 Supplemental Funding**Fund Code:** 1990

\$250,000 NR

Provides funds to offset costs potentially incurred through intervention in federal litigation over the Environmental Protection Agency's Waters of the United States rule. These funds may also be used for any other purpose deemed necessary by the Department. A corresponding special provision provides further guidance. The revised net appropriation for the potential litigation expenses related to the Waters of the United States rule is \$250,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 12.2)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

20 Grants-in-Aid

Fund Code: 1990

\$408,000 NR

Provides funding for grants-in-aid as follows.

Tyrrell County 4-H Club (\$125,000)

Lenoir County to address flood damage in the Lenoir County Livestock Arena (\$83,000)

Cleveland County Fair Association for repair and renovation of buildings on the grounds of the Cleveland County Fairgrounds (\$200,000)

The revised net appropriation for grants-in-aid for these purposes is \$408,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

Soil and Water

21 Agricultural Water Resources Assistance Program (AgWRAP)

Fund Code: 1611

\$250,000 NR

Provides funding to supplement existing cost-share funding for AgWRAP, a program that implements best management practices to conserve and protect water resources, increases water-use efficiency, and increases water storage and availability for agricultural purposes. The revised net appropriation to the AgWRAP program is \$1.2 million in FY 2017-18 and \$1.0 million in FY 2018-19.

Veterinary Services

22 Vacant Position

Fund Code: 1130

(\$62,944) R (\$62,944) R

-1.00

-1.00

Eliminates the salary and benefits of 1 vacant position within the Division that has been vacant for more than 12 months.

60012109 - Animal Health Technician I (1.0 FTE)

The revised net appropriation to the Division from all changes is \$10.5 million in each year of the biennium.

23 Additional Operating Costs

Fund Code: 1130

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

Provides funding for ongoing operational costs, including scientific and laboratory supplies, equipment, maintenance agreements, and utility costs. The revised net appropriation to the Division from all changes is \$10.5 million in each year of the biennium.
(S.B. 430/H.B. 537)

Total Legislative Changes	\$2,705,206	R	\$3,881,909	R
	\$11,994,922	NR		
Total Position Changes	0.00		0.00	
Revised Budget	\$133,669,904		\$122,853,685	

DACS - Special Revenue

Budget Code: 23700

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$11,103,636	\$11,919,405
Recommended Budget		
Requirements	\$7,263,165	\$7,263,165
Receipts	\$8,078,934	\$8,078,934
Positions	38.73	38.73
Legislative Changes		
Requirements:		
Agricultural Development and Farmland Preservation Trust Fund (2108)	\$0 R	\$0 R
Adjusts the budget to reflect the transfer of an additional \$2.0 million from the General Fund in FY 2017-18. Of the funds appropriated to the Agricultural Development and Farmland Preservation Trust Fund, \$25,000 will be used for the new Beehive Grant Program. A corresponding special provision describes the operations of the Beehive Grant Program. (S.L. 2017-57, Sec. 12.6)	\$2,000,000 NR 0.00	\$0 NR 0.00
(This item also appears in the Agriculture and Consumer Services General Fund in the ANER section. See page H 10, item 16.)		
Forest Service - Mountain Island Educational State Forest	\$0 R	\$0 R
Establishes a budget for a new special fund to be operated by the North Carolina Forest Service for the use of the Mountain Island Educational State Forest.	\$3,165,000 NR 0.00	\$0 NR 0.00
(This item also appears in the Agriculture and Consumer Services General Fund in the ANER section. See page H 8, item 9.)		
Subtotal Legislative Changes	\$0 R \$5,165,000 NR 0.00	\$0 R \$0 NR 0.00

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Receipts:		
Agricultural Development and Farmland Preservation Trust Fund (2108)	\$0 R	\$0 R
Adjusts the budget to reflect the transfer of an additional \$2.0 million from the General Fund in FY 2017-18.	\$2,000,000 NR	\$0 NR
Forest Service - Mountain Island Educational State Forest	\$0 R	\$0 R
Establishes a budget for a new special fund to be operated by the North Carolina Forest Service for the use of Mountain Island Educational State Forest to reflect the transfer of \$3.2 million from the General Fund in FY 2017-18.	\$3,165,000 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$5,165,000 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$12,428,165	\$7,263,165
Revised Total Receipts	\$13,243,934	\$8,078,934
Change in Fund Balance	\$815,769	\$815,769
Total Positions	38.73	38.73
<hr/>		
Unappropriated Balance Remaining	\$11,919,405	\$12,735,174

DACS - Tobacco Trust Fund

Budget Code: 23703

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$8,141,248	\$3,904,583
Recommended Budget		
Requirements	\$4,341,957	\$4,341,957
Receipts	\$2,225,292	\$2,225,292
Positions	3.00	3.00
Legislative Changes		
Requirements:		
Fund Balance Technical Adjustment (2801)	\$0 R	\$0 R
Adjusts the fund balance to align to the actual fund balance. This is a technical adjustment.	\$4,239,049 NR	\$0 NR
	0.00	0.00
Base Budget Technical Adjustment (2801)	(\$2,334,825) R	(\$2,334,825) R
Adjusts the budget for the Tobacco Trust Fund to align with actual requirements. This is a technical adjustment.	\$0 NR	\$0 NR
	0.00	0.00
Tobacco Trust Fund (2801)	\$0 R	\$0 R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18.	\$900,000 NR	\$0 NR
	0.00	0.00
(This item also appears in the Agriculture and Consumer Services General Fund in the ANER section. See page H 9, item 15.)		
Subtotal Legislative Changes	(\$2,334,825) R	(\$2,334,825) R
	\$5,139,049 NR	\$0 NR
	0.00	0.00

Receipts:

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Base Budget Technical Adjustment (2801)		
Adjusts the budget for the Tobacco Trust Fund to align with actual receipts. This is a technical adjustment.	(\$215,776) R	(\$215,776) R
	\$0 NR	\$0 NR
Tobacco Trust Fund (2801)		
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18.	\$0 R	\$0 R
	\$900,000 NR	\$0 NR
Subtotal Legislative Changes	(\$215,776) R	(\$215,776) R
	\$900,000 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$7,146,181	\$2,007,132
Revised Total Receipts	\$2,909,516	\$2,009,516
Change in Fund Balance	(\$4,236,665)	\$2,384
Total Positions	3.00	3.00
<hr/>		
Unappropriated Balance Remaining	\$3,904,583	\$3,906,967

Special Provisions

2017 Session: SB 257

Department: Agriculture and Consumer Services

Section: 12.1

Title: **ELIMINATE PESTICIDE ADVISORY COMMITTEE**

Summary: Repeals G.S. 143-439 and G.S. 143-460(6) to eliminate the Pesticide Advisory Committee effective July 1, 2017.

Section: 12.2

Title: **SUPPLEMENTAL FUNDING FOR DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Summary: Allows the Department of Agriculture and Consumer Services (DACS) to use up to \$250,000 of funds appropriated to offset costs potentially incurred by the Department in federal litigation to protect the rights of landowners and citizens of the State impacted by the Environmental Protection Agency's Waters of the United States rule. DACS is permitted to hire private counsel for such federal litigation.

Section: 12.4

Title: **KEEP LINVILLE RIVER NURSERY OPEN**

Summary: Directs the North Carolina Forest Service (NCFS) to keep the Linville River Nursery open in FY 2017-18.
(S.B. 341/H.B. 535)

Section: 12.5

Title: **HEALTHY FOOD/SMALL RETAILER**

Summary: Continues 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 reimbursements to accept, or apply to accept, Supplemental Nutrition Assistance Program (SNAP) benefits and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits. DACS must report on the activities of the program to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (JLOC on ANER) and the Fiscal Research Division (FRD) by October 1, 2018.
(S.B. 498, H.B. 387)

Section: 12.6

Title: **BEEHIVE GRANT FUND**

Summary: Creates a new Article 55A of G.S. 106 to establish the North Carolina Beehive Grant Fund within DACS using the personnel and administrative resources of the Agricultural Development and Farmland Preservation Trust Fund program. The new Beehive Grant Program shall use the Fund to encourage the establishment of new beehives in the State by providing grants to Certified Beekeepers, as determined by the North Carolina State Beekeepers Association, who are at least 18 years of age and seeking funds to purchase either a new hive for bees or materials or supplies for the construction of a new hive for bees. Grants are limited to \$200 per new hive up to a maximum of \$2,400 per grant recipient in any year.
(H.B. 756)

Section: 12.7

Title: **NEW MARKET OPPORTUNITIES FOR FARMERS**

Summary: Allows DACS to carry forward to FY 2017-18 any nonrecurring funds appropriated to the Marketing Division for new market opportunities in FY 2016-17. The Marketing Division is directed to use the funds carried forward to identify new market opportunities for agricultural and silvicultural producers related to products that producers currently hold, produce, or are capable of producing.

Section: 12.9

Title: **FOREST SERVICE DISASTER FUNDS**

Summary: Permits NCFS to use unencumbered and unexpended funds allocated in S.L. 2016-124, Sec. 4.1(10), Disaster Recovery Act of 2016, to purchase and remove swine operations located in the 100-year floodplain in any county eligible for funding under S.L. 2016-124.

Section: 12.10

Title: **TOBACCO TRUST FUND COMMISSION/ADMINISTRATIVE AND OPERATING EXPENSES**

Summary: Permits the Tobacco Trust Fund Commission to use \$375,000 in FY 2017-18 for administrative and operating expenses and to purchase a grants management system.

**Department of Labor
Budget Code 13800**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$32,764,338	\$32,771,935
Receipts	\$16,242,410	\$16,242,410
Net Appropriation	\$16,521,928	\$16,529,525
Legislative Changes		
Requirements	\$1,093,051	\$1,290,426
Receipts	\$0	\$0
Net Appropriation	\$1,093,051	\$1,290,426
Revised Budget		
Requirements	\$33,857,389	\$34,062,361
Receipts	\$16,242,410	\$16,242,410
Net Appropriation	\$17,614,979	\$17,819,951

General Fund FTE

Base Budget	381.29	381.29
Legislative Changes	0.00	0.00
Revised Budget	381.29	381.29

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Labor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13800										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1120	Administrative Services	3,324,405	1,754,032	1,570,373	200,000	-	200,000	3,524,405	1,754,032	1,770,373
1210	Research and Information Technology	601,772	537,004	64,768	-	-	-	601,772	537,004	64,768
1310	Boiler Inspection Division	2,204,107	2,204,107	-	-	-	-	2,204,107	2,204,107	-
1320	Elevator Inspection Division	4,261,451	4,261,451	-	-	-	-	4,261,451	4,261,451	-
1330	Mine and Quarry Inspection Division	357,311	-	357,311	-	-	-	357,311	-	357,311
1331	Federal Mine Safety and Health Act	153,752	153,752	-	-	-	-	153,752	153,752	-
1340	Wage and Hour Division	2,148,296	-	2,148,296	-	-	-	2,148,296	-	2,148,296
1345	Employment Discrimination Bureau	575,001	-	575,001	-	-	-	575,001	-	575,001
1350	Occupational Health and Safety Administration	7,179,828	3,613,759	3,566,069	-	-	-	7,179,828	3,613,759	3,566,069
1351	Review Commission	257,729	-	257,729	-	-	-	257,729	-	257,729
1352	OSHA - State Funds	7,706,143	-	7,706,143	500,000	-	500,000	8,206,143	-	8,206,143
1353	OSHA - Federal Funds	1,256,197	1,256,197	-	-	-	-	1,256,197	1,256,197	-
1358	Bureau of Consultative Services	1,460,323	1,314,288	146,035	-	-	-	1,460,323	1,314,288	146,035
1360	OSHA/BLS Statistical Program	260,406	130,203	130,203	-	-	-	260,406	130,203	130,203
1991	Indirect Costs - Reserve	1,017,617	1,017,617	-	-	-	-	1,017,617	1,017,617	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	258,647	-	258,647	258,647	-	258,647
N/A	State Retirement Contributions	-	-	-	90,594	-	90,594	90,594	-	90,594
N/A	State Health Plan Reserve	-	-	-	43,810	-	43,810	43,810	-	43,810
Total		\$32,764,338	\$16,242,410	\$16,521,928	\$1,093,051	\$0	\$1,093,051	\$33,857,389	\$16,242,410	\$17,614,979

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Labor										
Budget Code 13800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1120	Administrative Services	3,324,405	1,754,032	1,570,373	200,000	-	200,000	3,524,405	1,754,032	1,770,373
1210	Research and Information Technology	601,772	537,004	64,768	-	-	-	601,772	537,004	64,768
1310	Boiler Inspection Division	2,204,107	2,204,107	-	-	-	-	2,204,107	2,204,107	-
1320	Elevator Inspection Division	4,261,451	4,261,451	-	-	-	-	4,261,451	4,261,451	-
1330	Mine and Quarry Inspection Division	357,311	-	357,311	-	-	-	357,311	-	357,311
1331	Federal Mine Safety and Health Act	153,752	153,752	-	-	-	-	153,752	153,752	-
1340	Wage and Hour Division	2,148,296	-	2,148,296	-	-	-	2,148,296	-	2,148,296
1345	Employment Discrimination Bureau	575,001	-	575,001	-	-	-	575,001	-	575,001
1350	Occupational Health and Safety Administration	7,179,828	3,613,759	3,566,069	-	-	-	7,179,828	3,613,759	3,566,069
1351	Review Commission	257,729	-	257,729	-	-	-	257,729	-	257,729
1352	OSHA - State Funds	7,713,740	-	7,713,740	500,000	-	500,000	8,213,740	-	8,213,740
1353	OSHA - Federal Funds	1,256,197	1,256,197	-	-	-	-	1,256,197	1,256,197	-
1358	Bureau of Consultative Services	1,460,323	1,314,288	146,035	-	-	-	1,460,323	1,314,288	146,035
1360	OSHA/BLS Statistical Program	260,406	130,203	130,203	-	-	-	260,406	130,203	130,203
1991	Indirect Costs - Reserve	1,017,617	1,017,617	-	-	-	-	1,017,617	1,017,617	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	258,647	-	258,647	258,647	-	258,647
N/A	State Retirement Contributions	-	-	-	238,943	-	238,943	238,943	-	238,943
N/A	State Health Plan Reserve	-	-	-	92,836	-	92,836	92,836	-	92,836
Total		\$32,771,935	\$16,242,410	\$16,529,525	\$1,290,426	\$0	\$1,290,426	\$34,062,361	\$16,242,410	\$17,819,951

**Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session**

Department of Labor					
Budget Code 13800		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	40.080	-	-	40.08
1210	Research and Information Technology	5.170	-	-	5.17
1310	Boiler Inspection Division	23.000	-	-	23.00
1320	Elevator Inspection Division	49.000	-	-	49.00
1330	Mine and Quarry Inspection Division	4.600	-	-	4.60
1331	Federal Mine Safety and Health Act	1.400	-	-	1.40
1340	Wage and Hour Division	31.000	-	-	31.00
1345	Employment Discrimination Bureau	8.000	-	-	8.00
1350	Occupational Health and Safety Administration	87.770	-	-	87.77
1351	Review Commission	3.000	-	-	3.00
1352	OSHA - State Funds	96.560	-	-	96.56
1353	OSHA - Federal Funds	9.920	-	-	9.92
1358	Bureau of Consultative Services	17.790	-	-	17.79
1360	OSHA/BLS Statistical Program	4.000	-	-	4.00
1991	Indirect Costs - Reserve	-	-	-	-
					-
Total FTE		381.29	-	-	381.29

**Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session**

Department of Labor					
Budget Code 13800		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	40.080	-	-	40.08
1210	Research and Information Technology	5.170	-	-	5.17
1310	Boiler Inspection Division	23.000	-	-	23.00
1320	Elevator Inspection Division	49.000	-	-	49.00
1330	Mine and Quarry Inspection Division	4.600	-	-	4.60
1331	Federal Mine Safety and Health Act	1.400	-	-	1.40
1340	Wage and Hour Division	31.000	-	-	31.00
1345	Employment Discrimination Bureau	8.000	-	-	8.00
1350	Occupational Health and Safety Administration	87.770	-	-	87.77
1351	Review Commission	3.000	-	-	3.00
1352	OSHA - State Funds	96.560	-	-	96.56
1353	OSHA - Federal Funds	9.920	-	-	9.92
1358	Bureau of Consultative Services	17.790	-	-	17.79
1360	OSHA/BLS Statistical Program	4.000	-	-	4.00
1991	Indirect Costs - Reserve	-	-	-	-
					-
Total FTE		381.29	-	-	381.29

2017 Annotated Conference Committee Report

Labor

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$16,521,928	\$16,529,525
Legislative Changes			
Reserve for Salaries and Benefits			
24 Compensation Increase Reserve	\$258,647	R	\$258,647 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)			
25 State Retirement Contributions	\$90,594	R	\$238,943 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
26 State Health Plan	\$43,810	R	\$92,836 R
Fund Code: N/A			
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Administrative Services

27 Information Technology

\$200,000

R

\$200,000

R

Fund Code: 1120

Provides additional funds to support the increased cost of server maintenance and other fees charged by the Department of Information Technology. The revised net appropriation for the Administrative Services Division is \$1.8 million in each year of the biennium.

(S.B. 430/H.B. 537)

Occupational Safety and Health (OSH)

28 OSH Compensation

\$500,000

R

\$500,000

R

Fund Code: 1352

Provides additional funds to increase OSH staff salaries to a level that more accurately reflects the market rate. The revised net appropriation for the OSH Division following this change is \$12.3 million in each year of the biennium.

(S.B. 430/H.B. 537)

Total Legislative Changes

\$1,093,051

R

\$1,290,426

R

Total Position Changes

Revised Budget

\$17,614,979

\$17,819,951

Special Provisions

2017 Session: SB 257

Department: Labor

Section:

Title: **No Special Provisions**

Summary:

**Department of Environmental Quality
Budget Code 14300**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$228,135,484	\$228,135,484
Receipts	\$150,280,572	\$150,280,572
Net Appropriation	\$77,854,912	\$77,854,912
Legislative Changes		
Requirements	\$757,055	(\$400,558)
Receipts	\$441,640	\$441,640
Net Appropriation	\$315,415	(\$842,198)
Revised Budget		
Requirements	\$228,892,539	\$227,734,926
Receipts	\$150,722,212	\$150,722,212
Net Appropriation	\$78,170,327	\$77,012,714

General Fund FTE

Base Budget	1,110.86	1,110.86
Legislative Changes	(14.75)	(14.75)
Revised Budget	1,096.11	1,096.11

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Environmental Quality Budget Code 14300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1125	DENR - Coal Ash Management	-	-	-	-	-	-	-	-	-
1130	Regional Field Offices Support Services	5,291,069	2,597,509	2,693,560	(325,000)	175,000	(500,000)	4,966,069	2,772,509	2,193,560
1140	Administrative Services	10,110,436	3,143,271	6,967,165	(158,511)	-	(158,511)	9,951,925	3,143,271	6,808,654
1315	Marine Fisheries - Administration	2,624,211	329,307	2,294,904	100,000	-	100,000	2,724,211	329,307	2,394,904
1320	Marine Fisheries - Research and Management	11,190,493	3,531,516	7,658,977	1,392,632	87,544	1,305,088	12,583,125	3,619,060	8,964,065
1325	Marine Fisheries - Law Enforcement	7,297,026	3,063,561	4,233,465	-	-	-	7,297,026	3,063,561	4,233,465
1460	WIF - Water Infrastructure	102,491,628	82,215,250	20,276,378	345,000	-	345,000	102,836,628	82,215,250	20,621,378
1490	Water Supply Protection	5,460,394	5,224,940	235,454	-	118,060	(118,060)	5,460,394	5,343,000	117,394
1495	Shellfish Sanitation	2,045,884	322,945	1,722,939	-	-	-	2,045,884	322,945	1,722,939
1610	LWS - Natural Resource Planning and Construction	712,949	563,590	149,359	-	-	-	712,949	563,590	149,359
1615	Division of Env. Asst. and Customer Srv. (DEACS)	3,148,056	237,461	2,910,595	-	-	-	3,148,056	237,461	2,910,595
1620	Division of Water Resources Water Planning	5,291,054	1,958,612	3,332,442	-	-	-	5,291,054	1,958,612	3,332,442
1625	Coastal Management	6,162,823	4,792,662	1,370,161	-	27,172	(27,172)	6,162,823	4,819,834	1,342,989
1635	DWR - Laboratory Services Water Sciences Section	2,486,644	733,475	1,753,169	-	-	-	2,486,644	733,475	1,753,169
1660	Groundwater Protection	863,939	863,939	-	-	-	-	863,939	863,939	-
1665	Groundwater Storage Tanks - Leaking	3,645,604	3,645,542	62	-	-	-	3,645,604	3,645,542	62
1671	UST - Compliance, Inspection	5,346,712	4,261,955	1,084,757	(11,762)	-	(11,762)	5,334,950	4,261,955	1,072,995
1685	State Revolving Fund	41,361	41,361	-	-	-	-	41,361	41,361	-
1690	Water Resources - Control	12,942,923	6,421,589	6,521,334	-	33,864	(33,864)	12,942,923	6,455,453	6,487,470
1695	Water Resources - Permit Fee	4,213,462	4,213,462	-	-	-	-	4,213,462	4,213,462	-
1705	Water Resources - Albemarle/Pamlico Sounds	1,187,006	1,187,006	-	-	-	-	1,187,006	1,187,006	-
1710	Water Resources - EPA Grant	273,038	273,038	-	-	-	-	273,038	273,038	-
1720	Water Resources - Non-Point Source	3,684,095	3,684,095	-	-	-	-	3,684,095	3,684,095	-
1725	Wetlands-Program Development	1,073	1,073	-	-	-	-	1,073	1,073	-
1730	Land Resources-Administration	359,750	-	359,750	-	-	-	359,750	-	359,750
1735	Geological Survey	1,052,127	99,657	952,470	-	-	-	1,052,127	99,657	952,470
1740	Land Quality	5,400,890	1,560,581	3,840,309	94,183	-	94,183	5,495,073	1,560,581	3,934,492
1749	DENR-Energy Office	1,693,173	-	1,693,173	(944,539)	-	(944,539)	748,634	-	748,634
1760	Solid Waste Management	11,578,052	8,260,100	3,317,952	(26,298)	-	(26,298)	11,551,754	8,260,100	3,291,654
1770	Air Quality Control	4,198,773	4,198,773	-	-	-	-	4,198,773	4,198,773	-
1910	Reserves and Transfers	4,486,537	-	4,486,537	(678,114)	-	(678,114)	3,808,423	-	3,808,423
1940	Federal-Special-Indirect	2,854,302	2,854,302	-	-	-	-	2,854,302	2,854,302	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	639,171	-	639,171	639,171	-	639,171
N/A	State Retirement Contributions	-	-	-	222,429	-	222,429	222,429	-	222,429
N/A	State Health Plan Reserve	-	-	-	107,864	-	107,864	107,864	-	107,864
Total		\$228,135,484	\$150,280,572	\$77,854,912	\$757,055	\$441,640	\$315,415	\$228,892,539	\$150,722,212	\$78,170,327

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Environmental Quality Budget Code 14300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1125	DENR - Coal Ash Management	-	-	-	-	-	-	-	-	-
1130	Regional Field Offices Support Services	5,291,069	2,597,509	2,693,560	(325,000)	175,000	(500,000)	4,966,069	2,772,509	2,193,560
1140	Administrative Services	10,110,436	3,143,271	6,967,165	(158,511)	-	(158,511)	9,951,925	3,143,271	6,808,654
1315	Marine Fisheries - Administration	2,624,211	329,307	2,294,904	100,000	-	100,000	2,724,211	329,307	2,394,904
1320	Marine Fisheries - Research and Management	11,190,493	3,531,516	7,658,977	745,086	87,544	657,542	11,935,579	3,619,060	8,316,519
1325	Marine Fisheries - Law Enforcement	7,297,026	3,063,561	4,233,465	-	-	-	7,297,026	3,063,561	4,233,465
1460	WIF - Water Infrastructure	102,491,628	82,215,250	20,276,378	-	-	-	102,491,628	82,215,250	20,276,378
1490	Water Supply Protection	5,460,394	5,224,940	235,454	-	118,060	(118,060)	5,460,394	5,343,000	117,394
1495	Shellfish Sanitation	2,045,884	322,945	1,722,939	-	-	-	2,045,884	322,945	1,722,939
1610	LWS - Natural Resource Planning and Construction	712,949	563,590	149,359	-	-	-	712,949	563,590	149,359
1615	Division of Env. Asst. and Customer Srv. (DEACS)	3,148,056	237,461	2,910,595	-	-	-	3,148,056	237,461	2,910,595
1620	Division of Water Resources Water Planning	5,291,054	1,958,612	3,332,442	-	-	-	5,291,054	1,958,612	3,332,442
1625	Coastal Management	6,162,823	4,792,662	1,370,161	-	27,172	(27,172)	6,162,823	4,819,834	1,342,989
1635	DWR - Laboratory Services Water Sciences Section	2,486,644	733,475	1,753,169	-	-	-	2,486,644	733,475	1,753,169
1660	Groundwater Protection	863,939	863,939	-	-	-	-	863,939	863,939	-
1665	Groundwater Storage Tanks - Leaking	3,645,604	3,645,542	62	-	-	-	3,645,604	3,645,542	62
1671	UST - Compliance, Inspection	5,346,712	4,261,955	1,084,757	(11,762)	-	(11,762)	5,334,950	4,261,955	1,072,995
1685	State Revolving Fund	41,361	41,361	-	-	-	-	41,361	41,361	-
1690	Water Resources - Control	12,942,923	6,421,589	6,521,334	-	33,864	(33,864)	12,942,923	6,455,453	6,487,470
1695	Water Resources - Permit Fee	4,213,462	4,213,462	-	-	-	-	4,213,462	4,213,462	-
1705	Water Resources - Albemarle/Pamlico Sounds	1,187,006	1,187,006	-	-	-	-	1,187,006	1,187,006	-
1710	Water Resources - EPA Grant	273,038	273,038	-	-	-	-	273,038	273,038	-
1720	Water Resources - Non-Point Source	3,684,095	3,684,095	-	-	-	-	3,684,095	3,684,095	-
1725	Wetlands-Program Development	1,073	1,073	-	-	-	-	1,073	1,073	-
1730	Land Resources-Administration	359,750	-	359,750	-	-	-	359,750	-	359,750
1735	Geological Survey	1,052,127	99,657	952,470	-	-	-	1,052,127	99,657	952,470
1740	Land Quality	5,400,890	1,560,581	3,840,309	(155,817)	-	(155,817)	5,245,073	1,560,581	3,684,492
1749	DENR-Energy Office	1,693,173	-	1,693,173	(944,539)	-	(944,539)	748,634	-	748,634
1760	Solid Waste Management	11,578,052	8,260,100	3,317,952	(26,298)	-	(26,298)	11,551,754	8,260,100	3,291,654
1770	Air Quality Control	4,198,773	4,198,773	-	-	-	-	4,198,773	4,198,773	-
1910	Reserves and Transfers	4,486,537	-	4,486,537	(1,078,114)	-	(1,078,114)	3,408,423	-	3,408,423
1940	Federal-Special-Indirect	2,854,302	2,854,302	-	-	-	-	2,854,302	2,854,302	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	639,171	-	639,171	639,171	-	639,171
N/A	State Retirement Contributions	-	-	-	586,656	-	586,656	586,656	-	586,656
N/A	State Health Plan Reserve	-	-	-	228,570	-	228,570	228,570	-	228,570
Total		\$228,135,484	\$150,280,572	\$77,854,912	(\$400,558)	\$441,640	(\$842,198)	\$227,734,926	\$150,722,212	\$77,012,714

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

Department of Environmental Quality					
Budget Code 14300		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	(3.28)	-	-	(3.28)
1130	Regional Field Offices Support Services	39.00	(7.00)	-	32.00
1140	Administrative Services	68.45	(2.00)	-	66.45
1315	Marine Fisheries - Administration	26.47	-	-	26.47
1320	Marine Fisheries - Research and Management	111.53	-	-	111.53
1325	Marine Fisheries - Law Enforcement	81.00	-	-	81.00
1460	WIF - Water Infrastructure	7.00	-	-	7.00
1490	Water Supply Protection	59.00	(1.50)	1.50	59.00
1495	Shellfish Sanitation	24.00	-	-	24.00
1610	LWS - Natural Resource Planning and Construction	7.00	-	-	7.00
1615	Division of Env. Asst. and Customer Srv. (DEACS)	34.95	-	-	34.95
1620	Division of Water Resources Water Planning	32.44	-	-	32.44
1625	Coastal Management	48.65	-	-	48.65
1635	DWR - Laboratory Services Water Sciences Section	28.50	-	-	28.50
1660	Groundwater Protection	11.33	-	-	11.33
1665	Groundwater Storage Tanks - Leaking	30.20	-	-	30.20
1671	UST - Compliance, Inspection	61.15	(0.25)	-	60.90
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	138.97	(0.50)	0.50	138.97
1695	Water Resources - Permit Fee	50.74	-	-	50.74
1705	Water Resources - Albemarle/Pamlico Sounds	14.00	-	-	14.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	22.50	-	-	22.50
1725	Wetlands-Program Development	-	-	-	-
1730	Land Resources-Administration	3.04	-	-	3.04
1735	Geological Survey	12.05	-	-	12.05
1740	Land Quality	57.02	(2.00)	-	55.02
1749	DENR-Energy Office	5.00	(3.00)	-	2.00
1760	Solid Waste Management	112.32	(0.50)	-	111.82
1770	Air Quality Control	25.83	-	-	25.83
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
Total FTE		1,110.86	(16.75)	2.00	1,096.11

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

Department of Environmental Quality					
Budget Code 14300		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	(3.28)	-	-	(3.28)
1130	Regional Field Offices Support Services	39.00	(7.00)	-	32.00
1140	Administrative Services	68.45	(2.00)	-	66.45
1315	Marine Fisheries - Administration	26.47	-	-	26.47
1320	Marine Fisheries - Research and Management	111.53	-	-	111.53
1325	Marine Fisheries - Law Enforcement	81.00	-	-	81.00
1460	WIF - Water Infrastructure	7.00	-	-	7.00
1490	Water Supply Protection	59.00	(1.50)	1.50	59.00
1495	Shellfish Sanitation	24.00	-	-	24.00
1610	LWS - Natural Resource Planning and Construction	7.00	-	-	7.00
1615	Division of Env. Asst. and Customer Srv. (DEACS)	34.95	-	-	34.95
1620	Division of Water Resources Water Planning	32.44	-	-	32.44
1625	Coastal Management	48.65	-	-	48.65
1635	DWR - Laboratory Services Water Sciences Section	28.50	-	-	28.50
1660	Groundwater Protection	11.33	-	-	11.33
1665	Groundwater Storage Tanks - Leaking	30.20	-	-	30.20
1671	UST - Compliance, Inspection	61.15	(0.25)	-	60.90
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	138.97	(0.50)	0.50	138.97
1695	Water Resources - Permit Fee	50.74	-	-	50.74
1705	Water Resources - Albemarle/Pamlico Sounds	14.00	-	-	14.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	22.50	-	-	22.50
1725	Wetlands-Program Development	-	-	-	-
1730	Land Resources-Administration	3.04	-	-	3.04
1735	Geological Survey	12.05	-	-	12.05
1740	Land Quality	57.02	(2.00)	-	55.02
1749	DENR-Energy Office	5.00	(3.00)	-	2.00
1760	Solid Waste Management	112.32	(0.50)	-	111.82
1770	Air Quality Control	25.83	-	-	25.83
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
Total FTE		1,110.86	(16.75)	2.00	1,096.11

2017 Annotated Conference Committee Report

Environmental Quality

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$77,854,912		\$77,854,912	
Legislative Changes				
Reserve for Salaries and Benefits				
29 Compensation Increase Reserve	\$639,171	R	\$639,171	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
30 State Retirement Contributions	\$222,429	R	\$586,656	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
31 State Health Plan	\$107,864	R	\$228,570	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

Department-wide**32 Reorganization through Reduction**

(\$828,114)

R

(\$1,078,114)

R

Fund Code: 1910

Reduces net appropriations for the Department and authorizes the Secretary to use the Reorganization through Reduction (RTR) program in collaboration with the Office of State Human Resources to achieve operating efficiencies in order to make these reductions. In FY 2017-18, the Secretary is allowed to use up to \$250,000 of the savings as well as funds from other sources to pay for the associated severance packages. The revised net appropriation for the Department from this change is \$77.0 million in FY 2017-18 and \$76.8 million in FY 2018-19. (S.L. 2017-57, Sec.13.26)

Administrative Services**33 Administrative Positions**

(\$158,511)

R

(\$158,511)

R

Fund Code: 1140

-2.00

-2.00

Eliminates the salaries and benefits of 2 filled positions in the Administrative Services Division.

60010378 - Legislative Affairs Program Manager (1.0 FTE)
60035434 - Information/Communications Spec. III (1.0 FTE)

The revised net appropriation for Administrative Services following this change is \$6.8 million in each year of the biennium.

Coastal Management**34 Operating Expenses**

(\$27,172)

R

(\$27,172)

R

Fund Code: 1625

Shifts funding for operating expenses for the Division of Coastal Management from net appropriations to federal funds and permit fee receipts. The revised net appropriation for the Division is \$1.3 million in each year of the biennium.

Energy Office

35 Energy Centers

(\$656,933)

R

(\$656,933)

R

Fund Code: 1749

Reduces funding provided to the Department for the university energy centers to \$400,000. These funds shall be split equally between NC A&T University and Appalachian State University. No funds are appropriated for the transfer to the energy center at NC State University. The revised net appropriation for this transfer to the energy centers is \$400,000 in each year of the biennium.

(S.L. 2017-197, Sec. 4.4.(b), Budget Technical Corrections, modifies this item to split the remaining funds equally between NC A&T University, Appalachian State University, and NC State University.)

36 Energy Office Consolidation

(\$200,000)

R

(\$200,000)

R

Fund Code: 1749

-2.00

-2.00

Reduces funding for the Energy Office after it is consolidated with the Utility Savings Initiative. As part of this reduction, the Department shall eliminate two positions and may reduce operating expenses and/or salary reserve to achieve the remainder of the savings. The revised net appropriation for the Energy Office will be adjusted accordingly prior to certification. (S.L. 2017-57, Sec. 13.26)

37 Vacant Position

(\$87,606)

R

(\$87,606)

R

Fund Code: 1749

-1.00

-1.00

Eliminates the salary and benefits of 1 position within the Energy Office.

65017884 - Hydro/Geologist (1.0 FTE)

As of the end of April 2017, this position had been vacant for approximately 8 months. The remaining net appropriation for salaries and benefits in the Energy Office administration following this change is \$347,252 in each year of the biennium.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Energy, Mineral, and Land Resources (DEMLR)

38 Vacant Positions

(\$155,817)

R

(\$155,817)

R

Fund Code: 1740

-2.00

-2.00

Eliminates the salaries and benefits of 2 vacant positions within DEMLR.

60032436 - Engineer (1.0 FTE)

60035292 - Community Planner II (1.0 FTE)

As of the end of April 2017, these positions had been vacant for approximately 12 months. The remaining net appropriation for salaries and benefits in the Land Quality Program following this change is \$3.1 million in each year of the biennium.

39 Dam Safety Program

Fund Code: 1740

\$250,000

NR

Continues funding for the Dam Safety Program at the same level as FY 2016-17 for one year. These funds will be used to hire contract or temporary positions to manage and conduct the annual reviews of the emergency action plans and associated dam safety inspections and technical assistance for intermediate- and high-hazard dams as required by Part 5 of S.L. 2014-122, the Coal Ash Management Act of 2014. The revised net appropriation for miscellaneous contracts in the Land Quality Program following this change is \$315,475 in FY 2017-18 and \$65,475 in FY 2018-19.

(S.B. 430/H.B. 537)

Environmental Assistance and Customer Srv. (DEACS)

40 Regional Office Support

(\$500,000)

R

(\$500,000)

R

Fund Code: 1130

-7.00

-7.00

Reduces funding for DEACS support in the Department's regional offices by approximately 19%. To achieve this reduction, the Department shall eliminate 1 position from each of the 7 Regional Offices and may reduce operating expenses and/or salary reserve to achieve the remainder. The Department shall also offset \$175,000 of this reduction through receipts. The revised net appropriation for DEACS Regional Offices following this change is \$2.2 million in each year of the biennium.

41 DEACS Programs

Fund Code: 1615

Transfers the staff and operating costs associated with the Utility Savings Initiative to the Energy Office. A corresponding special provision provides additional guidance. The revised net appropriation for DEACS programs will be adjusted accordingly prior to certification.

(S.L. 2017-57, Sec. 13.26)

Environmental Quality

Marine Fisheries**42 Fisheries Information Network Maintenance**

\$100,000

R

\$100,000

R

Fund Code: 1315

Provides funding for annual licensing and hosting fees needed to support an upgraded Fisheries Information Network (FIN). FIN is the Division's database for collecting and managing statistical data and information on North Carolina's commercial fisheries. The revised net appropriation for maintenance of FIN is \$100,000 in each year of the biennium.
(S.B. 430/H.B. 537)

43 Oyster Sanctuaries

\$500,000

R

\$500,000

R

Fund Code: 1320

\$500,000

NR

Continues funding for oyster sanctuaries at the same level as FY 2016-17 and makes \$500,000 of the funding recurring. The revised net appropriation for oyster sanctuaries is \$1.4 million in FY 2017-18 and \$850,000 in FY 2018-19.
(S.B. 430/H.B. 537)

44 Shellfish Rehabilitation

\$155,088

R

\$157,542

R

Fund Code: 1320

Provides funding for cultch planting. The revised net appropriation for cultch planting is \$1.1 million in each year of the biennium.
(S.B. 430/H.B. 537)

45 Oyster Study and Shellfish Mariculture Plan**Fund Code:** 1320

\$150,000

NR

Provides \$150,000 on a nonrecurring basis for the Division of Marine Fisheries to contract with the North Carolina Policy Collaboratory to study and advance efforts to ecologically restore and achieve economic stability of the shellfish industry and to develop a Shellfish Mariculture Plan. The revised net appropriation for this study and plan development is \$150,000 in FY 2017-18 only.

46 Receipt-supported Positions**Fund Code:** 1320

Authorizes the Division to establish 2 additional Marine Fisheries Technician II positions within the Fisheries Independent Assessment Program. These positions shall be supported by receipts from the sales of Coastal Recreational Fishing Licenses (CRFL). The revised net appropriation for these 2 positions is \$0 in each year of the biennium.

(This item also appears in the Environmental Quality special funds in the ANER section. See page H 42.)

(S.L. 2017-197, Sec. 4.4.(a), Budget Technical Corrections, amends this item to clarify that these positions are authorized in the Marine Resources Fund (Fund Code 24323-2143).)

Reserves and Transfers**47 FerryMon****Fund Code:** 1910

\$150,000 NR

Provides funding to the Institute of Marine Sciences at the University of North Carolina at Chapel Hill for the continuation of the North Carolina ferry-based water quality monitoring program. The revised net appropriation for this program is \$150,000 in FY 2017-18 only.

Waste Management**48 Vacant Position**

(\$11,762) R

(\$11,762) R

Fund Code: 1671

-0.25

-0.25

Eliminates the salary and benefits of 0.25 of a position within the Underground Storage Tank section.

65024020 - Program Assistant V (0.25 FTE)

As of the end of April 2017, this position had been vacant for approximately 12 months. The remaining net appropriation for the Underground Storage Tank section following this change is \$1.1 million in each year of the biennium.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

49 Vacant Positions

(\$26,298) R

(\$26,298) R

Fund Code: 1760

-0.50

-0.50

Eliminates the salaries and benefits of the following vacant positions within Solid Waste Management.

65024017 - Paralegal II (0.25 FTE)

65024020 - Program Assistant V (0.25 FTE)

As of the end of April 2017, these positions had been vacant for approximately 12 months. Each of these positions is a net appropriation reduction of 0.25 FTE for a total reduction of 0.50 FTE. The remaining net appropriation for Solid Waste Management following this change is \$3.3 million in each year of the biennium.

Water Infrastructure

50 Water Infrastructure Projects

Fund Code: 1460

\$345,000 NR

Provides funding for various water infrastructure projects:

Town of Four Oaks (\$40,000)

Town of Benson (\$80,000)

Town of Taylorsville (\$125,000)

Davidson County for Wil-Cox Bridge and Sewer Expansion (\$100,000)

The revised net appropriation for these water infrastructure projects is \$345,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 13.22)

(S.L. 2017-212, Section 4.2, Budget & Agency Technical Corrections, amends this item to split the appropriation for Davidson County into two \$50,000 projects, a sewer project and a preservation project for the Wil-Cox bridge.)

Water Resources

51 Water Quality Position

(\$33,864) R

(\$33,864) R

Fund Code: 1690

-0.50

-0.50

Shifts funding for 0.5 positions to federal receipts. The revised net appropriation for the Water Quality Control Program following this change is \$6.5 million in each year in the biennium.

52 Water Supply Positions

(\$118,060) R

(\$118,060) R

Fund Code: 1490

-1.50

-1.50

Shifts funding for 1.5 positions to federal grants and other receipts. The revised net appropriation for the Water Supply Protection Program following this change is \$117,394 in each year of the biennium.

Environmental Quality

Total Legislative Changes	(\$1,079,585)	R	(\$842,198)	R
	\$1,395,000	NR		
Total Position Changes	-16.75		-16.75	
Revised Budget	\$78,170,327		\$77,012,714	

DENR - Special

Budget Code: 24300

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$47,251,591	\$47,227,954
Recommended Budget		
Requirements	\$73,786,686	\$73,786,686
Receipts	\$73,763,049	\$73,763,049
Positions	198.00	198.00

Legislative Changes**Requirements:****Mercury Switch Removal Program**

Provides funds to continue the Mercury Switch Removal Program in the Division of Waste Management set to sunset effective June 30, 2017 per S.L. 2016-94, the 2016 Appropriations Act. The reinstatement mirrors the extension of the National Mercury Switch Recovery Program through December 2021. The program will be funded via a \$0.20 per certificate of title fee transfer from the Division of Motor Vehicles. This transfer fee is reduced from the \$0.50 per certificate of title fee transfer that existed before the program was eliminated. (S.L. 2017-57, Sec. 13.21 and 34.37)

\$486,538	R	\$496,154	R
\$0	NR	\$0	NR
0.00		0.00	

(A related item appears in the Transportation section. See page K 36, item 54.)

Subtotal Legislative Changes	\$486,538	R	\$496,154	R
	\$0	NR	\$0	NR
	0.00		0.00	

Receipts:**Mercury Switch Removal Program**

Provides funds to continue the Mercury Switch Removal Program in the Division of Waste Management set to sunset effective June 30, 2017 per S.L. 2016-94, the 2016 Appropriations Act. The reinstatement mirrors the extension of the National Mercury Switch Recovery Program through December 2021. The program will be

\$486,538	R	\$496,154	R
\$0	NR	\$0	NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
funded via a \$0.20 per certificate of title fee transfer from the Division of Motor Vehicles. This transfer fee is reduced from the \$0.50 per certificate of title fee transfer that existed before the program was eliminated.		
Subtotal Legislative Changes	\$486,538 R \$0 NR	\$496,154 R \$0 NR
Revised Total Requirements	\$74,273,224	\$74,282,840
Revised Total Receipts	\$74,249,587	\$74,259,203
Change in Fund Balance	(\$23,637)	(\$23,637)
Total Positions	198.00	198.00
Unappropriated Balance Remaining	\$47,227,954	\$47,204,317

DENR - Marine Resources Fund

Budget Code: 24323

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$10,525,947	\$8,264,555
Recommended Budget		
Requirements	\$10,845,989	\$10,845,989
Receipts	\$8,584,597	\$8,584,597
Positions	24.00	24.00

Legislative Changes**Requirements:****Receipt-supported Positions**

Budgets the 2 additional Marine Fisheries Technician II positions within the Fisheries Independent Assessment Program authorized in this Act. These positions shall be supported by receipts from the sales of Coastal Recreational Fishing Licenses (CRFL).

\$87,544	R	\$87,544	R
\$0	NR	\$0	NR
2.00		2.00	

(This item also appears in the Environmental Quality General Fund in the ANER section. See page H 37, item 46.)

(S.L. 2017-197, Sec. 4.4.(a), Budget Technical Corrections, amends this item to clarify that these positions are authorized in the Marine Resources Fund (Fund Code 24323-2143).)

Subtotal Legislative Changes	\$87,544	R	\$87,544	R
	\$0	NR	\$0	NR
	2.00		2.00	

Receipts:**Receipt-supported Positions**

Budgets the 2 additional Marine Fisheries Technician II positions within the Fisheries Independent Assessment Program authorized in this Act. These positions shall be supported by receipts from the sales of Coastal Recreational Fishing Licenses (CRFL).

\$87,544	R	\$87,544	R
\$0	NR	\$0	NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$87,544 R \$0 NR	\$87,544 R \$0 NR
Revised Total Requirements	\$10,933,533	\$10,933,533
Revised Total Receipts	\$8,672,141	\$8,672,141
Change in Fund Balance	(\$2,261,392)	(\$2,261,392)
Total Positions	26.00	26.00
Unappropriated Balance Remaining	\$8,264,555	\$6,003,163

Special Provisions

2017 Session: SB 257

Department: Environmental Quality

Section: 13.1

Title: **I & M AIR POLLUTION CONTROL ACCOUNT**

Summary: Modifies G.S. 143-215.3A(b1) following a recommendation by the Department of Environmental Quality (DEQ) to broaden the possible uses of funds within the Inspections and Maintenance (I&M) Air Pollution Control Account. Previously, the funds were limited to activities designed to control air pollution from mobile sources only.
(S.B. 430/H.B. 537)

Section: 13.2

Title: **VOLKSWAGEN SETTLEMENT FUNDS**

Summary: Establishes guidelines for the creation of the Beneficiary Mitigation Plan required in advance of the State receiving its share of the Volkswagen environmental mitigation trust funds. This section directs the lead agency, as designated by the Governor, to consult with the Departments of Transportation and Commerce while creating the plan.

Subsection (b) references the requirements in G.S. 114-2.4A(f) and directs the lead agency to consult with the Joint Legislative Commission on Governmental Operations, the Chairs of the House Appropriations Committee, the Chairs of the Senate Appropriations/Base Budget Committee, and FRD before expending these trust funds.

Section: 13.3

Title: **PRE-REGULATORY LANDFILL REPURPOSING**

Summary: Sets aside \$1 million to the City of Havelock from the Inactive Hazardous Sites Cleanup Fund for the repurposing of the Phoenix Recycling site.

Section: 13.4

Title: **PRE-REGULATORY LANDFILL ASSUMPTION OF RISK**

Summary: Amends G.S. 130A-310.6(c) to direct the Secretary of Environmental Quality to establish a program that allows owners of property containing a pre-1983 landfill to withdraw the property from the Department's remediation program if the owner signs an assumption of liability agreement and provides financial assurance for future impacts. The requirement for financial assurance does not extend to owners whose property was used by a local government as a municipal landfill without compensation to the owner. DEQ shall provide an interim report by April 1, 2018, and recurring updates each February 1 thereafter to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD.

Section: 13.5

Title: **STUDY SOLID WASTE DISPOSAL TAX**

Summary: Directs the Environmental Review Commission (ERC) to study the solid waste disposal tax imposed under Article 5G of G.S. 105. In its study, the ERC shall evaluate the history of the revenues and expenditures of the funds received by this tax by both the State and local governments.
(H.B. 321)

Section: 13.6

Title: **STUDY EROSION AND SEDIMENT CONTROL/NPDES STORMWATER MERGER**

Summary: Directs DEQ to study the possible merger of the Sedimentation and Erosion Control permitting program with the Department's National Pollutant Discharge Elimination System (NPDES) Stormwater permitting program. As part of this merger, DEQ shall study the impacts of abolishing the Sedimentation Control Commission (established in Article 4 of G.S. 113A) and transferring the duties to the Environmental Management Commission (EMC). The Department shall provide its report no later than April 1, 2018, to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD.

Section: 13.7

Title: **DIGITAL DATA STUDY**

Summary: Directs the NC Policy Collaboratory at UNC Chapel Hill (Collaboratory), in conjunction with DEQ and the Department of Information Technology, to develop a proposal to digitize and streamline access to environmental monitoring and natural resource management data. The Collaboratory shall provide its proposal no later than March 1, 2018, to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD.

Section: 13.8

Title: **STUDY ACQUISITION OF DEDICATED DREDGING CAPACITY**

Summary: Directs DEQ to study the feasibility of the State purchasing 1 or more dredges. The Department shall consider cost, potential utilization, and opportunities for shared-use arrangements with other states or the Army Corps of Engineers. The Department shall provide its study and any recommendations for fiscal or legislative actions no later than April 1, 2018, to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD.

Section: 13.10

Title: **WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS**

Summary: Allows the Division of Water Infrastructure to use State funds in excess of those needed to match federal Drinking or Clean Water State Revolving Fund grants in the State's water and wastewater infrastructure grant program.

Section: 13.12

Title: **OYSTER RESEARCH REPORTING**

Summary: Requires the Division of Marine Fisheries (DMF) and the University of North Carolina at Wilmington to report on the use of funds provided for oyster research and restoration activities. The report is due to the Chairs of the Appropriations Committees on ANER and FRD by March 1, 2018.

Section: 13.13

Title: **CONTINUE RESEARCH SUPPORT FOR SHELLFISH INDUSTRY**

Summary: Requires 3 shellfish related reports from the Collaboratory.

Subsection (a) amends S.L. 2016-94, Sec. 14.11, 2016 Appropriations Act, to require the Collaboratory, not the Chief Sustainability Officer, to complete the study required by that section and makes clarifying changes to both the study and the members of the stakeholder group that the Collaboratory must convene as part of the study.

Subsection (b) requires the Collaboratory to prepare a Shellfish Mariculture Plan and submit it by December 31, 2018 to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD.

Subsection (d) directs the Collaboratory to work with several organizations, departments, and associations to develop conceptual plans and recommendations for economic development related to promotion of the State's shellfish harvesting heritage. The plans and recommendations must include the creation of a North Carolina Oyster Trail and a North Carolina Oyster Festival. The Collaboratory must submit the conceptual plans and recommendations by December 31, 2018, to the JLOC on ANER, the Chairs of the Appropriations Committee on ANER, and FRD.

(S.L. 2017-197, Sec. 4.1, Budget Technical Corrections, amends Sec. 13.13.(d) to change the due date of the plans and recommendations from March 1, 2018 to December 31, 2018.)

Section: 13.14

Title: **MARINE PATROL/SHELLFISH SANITATION EQUIPMENT SALES**

Summary: Authorizes DMF to sell certain equipment and vessels and retain the proceeds from those sales to purchase new equipment and vessels in order to modernize the Division's fleet. The Division shall report to the JLOC on ANER and FRD on the proceeds of these sales and the Division's plan for the use of the proceeds.
(S.B. 430/H.B. 537)

Section: 13.15

Title: **ASSENT TO PROVISIONS OF CERTAIN FEDERAL FISHERIES ACTS**

Summary: Ensures that North Carolina is in compliance with federal requirements for receiving grant funds from several U.S. Fish and Wildlife administered programs including grants authorized in the Dingell-Johnson Sport Fish Restoration Act and the Pittman-Robertson Act.

Subsections (a) and (b) clarify that DMF is subject to Article 23 of Chapter 113 and adds DMF to G.S. 113-307.1.

Subsections (c) and (d) update the North Carolina Marine Resources Fund and the Marine Resources Endowment Fund so that DMF, not the Marine Fisheries Commission, has the authority to disburse these funds as required by federal regulation.
(S.B. 430/H.B. 537)

Section: 13.16

Title: **DMF ARTIFICIAL REEFS PROGRAM FUNDING CLARIFICATION**

Summary: Amends G.S. 113-175.1 to clarify that the Marine Resources Fund may be used to construct artificial reefs in the estuarine and ocean waters up to 20 nautical miles from land.

Section: 13.19

Title: **UST PROGRAM RULE MAKING AND REPORT**

Summary: Directs the EMC to adopt temporary rules pertaining to underground storage tank initial abatement requirements modified by S.L. 2015-241, Sec. 14.16B, 2015 Appropriations Act. The EMC shall adopt these temporary rules no later than October 1, 2017, and the rules shall expire upon the effective date of the permanent rules. The EMC shall report the status of the rulemaking required by this section and by S.L. 2015-241 to the Chairs of the JLOC on ANER and FRD no later than December 31, 2017.
(H.B. 770)

Section: 13.21

Title: **MERCURY SWITCH PROGRAM EXTENSION**

Summary: Revises S.L. 2016-94, Sec. 14.1(a), 2016 Appropriations Act, to extend the Mercury Switch Removal program to June 30, 2021. A related provision can be found in Sec. 34.37.

Section: 13.22

Title: **WATER AND SEWER INFRASTRUCTURE GRANTS**

Summary: Directs the use of funds for water and sewer infrastructure grants for specified projects.

Subsection (b) requires the Johnston County Research and Training Zone Association, Inc. to submit a report detailing the use of State funds appropriated by this Act. The report shall be submitted to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD by September 1, 2017, and by September 1 of each subsequent year State funds are received, or upon request.

(S.L. 2017-197, Section 4.2, Budget Technical Corrections, amends this section to remove the word "nonrecurring" from the first sentence.)

(S.L. 2017-212, Section 4.2, Budget & Agency Technical Corrections, amends this section to correct the appropriation for Davidson County to allocate \$50,000 each to two projects, a sewer project and a preservation project for the Wil-Cox bridge.)

Section: 13.24

Title: **IN SITU NUTRIENT MANAGEMENT STRATEGIES**

Summary: Amends S.L. 2016-94, Section 14.13(e), 2016 Appropriations Act, to extend the period for DEQ to test and study in situ nutrient management strategies in Jordan and Falls Lakes. DEQ is to begin the trial by September 1, 2017, and is no longer required to consider cost-effectiveness in its study. DEQ shall submit an interim report no later than September 1 of each year the study and trial are ongoing and a final report no later than December 31, 2020, to the ERC, the JLOC on ANER, and FRD.

Section: 13.25

Title: **ON-SITE WATER PROTECTION BRANCH WELL INSPECTION PROGRAM
TRANSFER STUDY**

Summary: Directs DEQ and the Department of Health and Human Services (DHHS) to study the transfer of functions related to private well inspection and permitting from DHHS to DEQ. These functions were transferred to the Division of Public Health within DHHS by S.L. 2011-145, Sec. 13.3(d), Appropriations Act of 2011. The Departments shall make a recommendation regarding the transfer and shall report their recommendation and any proposed legislation to the JLOC on ANER, the Joint Legislative Oversight Committee on Health and Human Services, ERC, and FRD by March 1, 2018.

Section: 13.26

Title: **DEPARTMENT OF ENVIRONMENTAL QUALITY REORGANIZATION THROUGH
REDUCTION**

Summary: Extends the Reorganization through Reduction program offered by the Office of State Human Resources to DEQ as a means to achieve the reductions required by this Act.

Subsection (b) directs DEQ to consolidate the Utility Savings Initiative Program from the Division of Environmental Assistance and Customer Service back to the State Energy Office.

Section: 13.27

Title: **FUNDING FOR OYSTER HIGHWAY PROJECT**

Summary: Allocates \$100,000 of the funds appropriated for Oyster Sanctuaries to the North Carolina Wildlife Habitat Foundation for the Oyster Highway project on the New River in Onslow County. The Foundation shall report on the use of these funds to the JLOC on ANER and FRD by September 1, 2018.

2017 Session: HB 528

Department: Environmental Quality

Section: 4.2

Title: **TECHNICAL CHANGE: CORRECT FUND DESIGNATION**

Summary: Amends S.L. 2017-57, Sec. 13.22, Appropriations Act of 2017, by removing the word "nonrecurring" from the first sentence of that section.

Section: 4.4(a)

Title: **TECHNICAL CHANGE: CRFL POSITIONS**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add Sec. 13.28. This section clarifies that DMF's Coastal Recreational Fishing License (CRFL)-supported positions authorized in the Conference Committee Report are to be funded in the Marine Resources Fund (Fund Code 24323-2143).

Section: 4.4(b)

Title: **BUDGET CHANGE: UNIVERSITY ENERGY CENTERS**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add Sec. 13.29. This section splits the funds for the university energy centers equally between NC A&T University, Appalachian State University, and NC State University.

2017 Session: SB 582

Department: Environmental Quality

Section: 4.2

Title: **TECHNICAL CHANGE: CORRECT FUND ALLOCATION**

Summary: Amends S.L. 2017-157, Sec. 13.22, Appropriations Act of 2017, to correct the appropriation for Davidson County to allocate \$50,000 each to two separate projects, a sewer project and a preservation project for the Wil-Cox bridge.

**Wildlife Resources Commission
Budget Code 14350**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$73,141,239	\$73,141,239
Receipts	\$61,813,030	\$61,813,030
Net Appropriation	\$11,328,209	\$11,328,209
Legislative Changes		
Requirements	\$350,343	\$464,897
Receipts	\$499,565	\$949,565
Net Appropriation	(\$149,222)	(\$484,668)
Revised Budget		
Requirements	\$73,491,582	\$73,606,136
Receipts	\$62,312,595	\$62,762,595
Net Appropriation	\$11,178,987	\$10,843,541

General Fund FTE

Base Budget	647.81	647.81
Legislative Changes	1.00	1.00
Revised Budget	648.81	648.81

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Wildlife Resources Commission										
Budget Code 14350		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administrative Policy and Regulation	1,438,307	1,315,008	123,299	-	-	-	1,438,307	1,315,008	123,299
1111	Controller's Office	888,650	802,414	86,236	-	-	-	888,650	802,414	86,236
1112	Customer Support Services	1,875,815	1,711,323	164,492	-	-	-	1,875,815	1,711,323	164,492
1113	Information Technology	2,131,803	1,702,339	429,464	-	-	-	2,131,803	1,702,339	429,464
1114	Watercraft Registration and Titling	1,178,847	1,043,472	135,375	-	-	-	1,178,847	1,043,472	135,375
1115	Purchasing and Distribution	522,164	474,135	48,029	-	-	-	522,164	474,135	48,029
1116	Budget, Planning, and Audit	210,823	186,808	24,015	-	-	-	210,823	186,808	24,015
1117	Human Resources	476,309	427,743	48,566	-	-	-	476,309	427,743	48,566
1121	Enforcement	22,035,367	17,470,587	4,564,780	-	-	-	22,035,367	17,470,587	4,564,780
1131	Wildlife Education	4,074,780	3,134,886	939,894	-	-	-	4,074,780	3,134,886	939,894
1132	Pisgah Education Center	(3,267)	(2,450)	(817)	-	-	-	(3,267)	(2,450)	(817)
1133	Centennial Education Center	(450)	(338)	(112)	-	-	-	(450)	(338)	(112)
1134	Outer Banks Education Center	(320)	-	(320)	-	-	-	(320)	-	(320)
1135	Publications	1,009,346	1,030,798	(21,452)	-	-	-	1,009,346	1,030,798	(21,452)
1141	Inland Fisheries	7,790,054	7,537,908	252,146	-	-	-	7,790,054	7,537,908	252,146
1142	Habitat Conservation and Aquatic NGME	929,891	826,776	103,115	-	-	-	929,891	826,776	103,115
1151	Wildlife Management	5,260,908	4,756,514	504,394	-	-	-	5,260,908	4,756,514	504,394
1152	Wildlife Diversity Program	1,605,854	1,310,395	295,459	-	-	-	1,605,854	1,310,395	295,459
1154	Waterfowl Program	256,632	240,607	16,025	-	-	-	256,632	240,607	16,025
1161	Engineering Water Access	7,160,452	6,717,506	442,946	-	-	-	7,160,452	6,717,506	442,946
1162	Engineering and Facilities Management	481,885	464,390	17,495	-	-	-	481,885	464,390	17,495
1166	Gamelands Operations and Maintenance	12,602,885	9,645,733	2,957,152	-	-	-	12,602,885	9,645,733	2,957,152
1171	Wildlife Appropriations	4,593	-	4,593	-	499,565	(499,565)	4,593	499,565	(494,972)
1181	Habitat Conservation	1,209,911	1,016,476	193,435	-	-	-	1,209,911	1,016,476	193,435
1191	Outdoor Heritage Advisory Council	-	-	-	112,000	-	112,000	112,000	-	112,000
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	159,951	-	159,951	159,951	-	159,951
N/A	State Retirement Contributions	-	-	-	51,747	-	51,747	51,747	-	51,747
N/A	State Health Plan Reserve	-	-	-	26,645	-	26,645	26,645	-	26,645
Total		\$73,141,239	\$61,813,030	\$11,328,209	\$350,343	\$499,565	(\$149,222)	\$73,491,582	\$62,312,595	\$11,178,987

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Wildlife Resources Commission										
Budget Code 14350		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administrative Policy and Regulation	1,438,307	1,315,008	123,299	-	-	-	1,438,307	1,315,008	123,299
1111	Controller's Office	888,650	802,414	86,236	-	-	-	888,650	802,414	86,236
1112	Customer Support Services	1,875,815	1,711,323	164,492	-	-	-	1,875,815	1,711,323	164,492
1113	Information Technology	2,131,803	1,702,339	429,464	-	-	-	2,131,803	1,702,339	429,464
1114	Watercraft Registration and Titling	1,178,847	1,043,472	135,375	-	-	-	1,178,847	1,043,472	135,375
1115	Purchasing and Distribution	522,164	474,135	48,029	-	-	-	522,164	474,135	48,029
1116	Budget, Planning, and Audit	210,823	186,808	24,015	-	-	-	210,823	186,808	24,015
1117	Human Resources	476,309	427,743	48,566	-	-	-	476,309	427,743	48,566
1121	Enforcement	22,035,367	17,470,587	4,564,780	-	-	-	22,035,367	17,470,587	4,564,780
1131	Wildlife Education	4,074,780	3,134,886	939,894	-	-	-	4,074,780	3,134,886	939,894
1132	Pisgah Education Center	(3,267)	(2,450)	(817)	-	-	-	(3,267)	(2,450)	(817)
1133	Centennial Education Center	(450)	(338)	(112)	-	-	-	(450)	(338)	(112)
1134	Outer Banks Education Center	(320)	-	(320)	-	-	-	(320)	-	(320)
1135	Publications	1,009,346	1,030,798	(21,452)	-	-	-	1,009,346	1,030,798	(21,452)
1141	Inland Fisheries	7,790,054	7,537,908	252,146	-	-	-	7,790,054	7,537,908	252,146
1142	Habitat Conservation and Aquatic NGME	929,891	826,776	103,115	-	-	-	929,891	826,776	103,115
1151	Wildlife Management	5,260,908	4,756,514	504,394	-	-	-	5,260,908	4,756,514	504,394
1152	Wildlife Diversity Program	1,605,854	1,310,395	295,459	-	-	-	1,605,854	1,310,395	295,459
1154	Waterfowl Program	256,632	240,607	16,025	-	-	-	256,632	240,607	16,025
1161	Engineering Water Access	7,160,452	6,717,506	442,946	-	-	-	7,160,452	6,717,506	442,946
1162	Engineering and Facilities Management	481,885	464,390	17,495	-	-	-	481,885	464,390	17,495
1166	Gamelands Operations and Maintenance	12,602,885	9,645,733	2,957,152	-	-	-	12,602,885	9,645,733	2,957,152
1171	Wildlife Appropriations	4,593	-	4,593	-	949,565	(949,565)	4,593	949,565	(944,972)
1181	Habitat Conservation	1,209,911	1,016,476	193,435	-	-	-	1,209,911	1,016,476	193,435
1191	Outdoor Heritage Advisory Council	-	-	-	112,000	-	112,000	112,000	-	112,000
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	159,951	-	159,951	159,951	-	159,951
N/A	State Retirement Contributions	-	-	-	136,484	-	136,484	136,484	-	136,484
N/A	State Health Plan Reserve	-	-	-	56,462	-	56,462	56,462	-	56,462
Total		\$73,141,239	\$61,813,030	\$11,328,209	\$464,897	\$949,565	(\$484,668)	\$73,606,136	\$62,762,595	\$10,843,541

**Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session**

Wildlife Resources Commission					
Budget Code 14350		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	11.00	-	-	11.00
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	17.00	-	-	17.00
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	233.00	-	-	233.00
1131	Wildlife Education	43.00	-	-	43.00
1132	Pisgah Education Center	-	-	-	-
1133	Centennial Education Center	-	-	-	-
1134	Outer Banks Education Center	-	-	-	-
1135	Publications	8.00	-	-	8.00
1141	Inland Fisheries	60.00	-	-	60.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	39.00	-	-	39.00
1152	Wildlife Diversity Program	16.00	-	-	16.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	59.55	-	-	59.55
1162	Engineering and Facilities Management	3.00	-	-	3.00
1166	Gamelands Operations and Maintenance	77.26	-	-	77.26
1171	Wildlife Appropriations	-	-	-	-
1181	Habitat Conservation	13.00	-	-	13.00
1191	Outdoor Heritage Advisory Council	-	1.00	-	1.00
Total FTE		647.81	1.00	-	648.81

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Wildlife Resources Commission					
Budget Code 14350		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	11.00	-	-	11.00
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	17.00	-	-	17.00
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	233.00	-	-	233.00
1131	Wildlife Education	43.00	-	-	43.00
1132	Pisgah Education Center	-	-	-	-
1133	Centennial Education Center	-	-	-	-
1134	Outer Banks Education Center	-	-	-	-
1135	Publications	8.00	-	-	8.00
1141	Inland Fisheries	60.00	-	-	60.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	39.00	-	-	39.00
1152	Wildlife Diversity Program	16.00	-	-	16.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	59.55	-	-	59.55
1162	Engineering and Facilities Management	3.00	-	-	3.00
1166	Gamelands Operations and Maintenance	77.26	-	-	77.26
1171	Wildlife Appropriations	-	-	-	-
1181	Habitat Conservation	13.00	-	-	13.00
1191	Outdoor Heritage Advisory Council	-	1.00	-	1.00
Total FTE		647.81	1.00	-	648.81

2017 Annotated Conference Committee Report

Wildlife Resources Commission

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$11,328,209	\$11,328,209
Legislative Changes			
Reserve for Salaries and Benefits			
53 Compensation Increase Reserve	\$159,951	R	\$159,951 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)			
54 State Retirement Contributions	\$51,747	R	\$136,484 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
55 State Health Plan	\$26,645	R	\$56,462 R
Fund Code: N/A			
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Outdoor Heritage Advisory Council

56 Outdoor Heritage Advisory Council Director

Fund Code: 1191

			\$112,000	R
\$112,000	NR			
1.00			1.00	

Establishes a Director for the Outdoor Heritage Advisory Council. The position shall transition to receipt-support beginning in FY 2020-21. The revised net appropriation for the Outdoor Heritage Advisory Council is \$112,000 in each year of the biennium.

Reserves

57 Agency-wide Reduction

Fund Code: 1171

(\$499,565)	R	(\$949,565)	R
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Reduces funding for the Wildlife Resources Commission by approximately 4.4% in FY 2017-18, increasing to 8.4% in FY 2018-19. This reduction is based on over-realized receipts and positions that have been vacant 12 months or more as of the end of February 2017. The revised net appropriation for the Wildlife Resources Commission including all changes is \$10.8 million in FY 2017-18 and \$10.4 million in FY 2018-19.

Total Legislative Changes

(\$261,222)	R	(\$484,668)	R
\$112,000	NR		

Total Position Changes

1.00	1.00
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Revised Budget

\$11,178,987	\$10,843,541
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Special Provisions

2017 Session: SB 257

Department: Wildlife Resources Commission

Section: 13A.1

Title: **MATTAMUSKEET LODGE REPAIRS**

Summary: Directs the Wildlife Resources Commission (WRC) to repair the roof and stabilize the tower at the Mattamuskeet Lodge in Hyde County using funds available to the Commission. The repairs must be completed by June 30, 2018.

Section: 13A.2

Title: **WILDLIFE ENDOWMENT FUND CHANGES**

Summary: Makes changes to the management of WRC's Endowment Fund.

Subsection (a) changes the requirement to budget expendable interest from its Endowment Fund from 50% to 25%.

Subsections (b) and (c) authorize the State Treasurer to invest the Endowment Fund in public equities in addition to bonds.

Section: 13A.3

Title: **MODIFY LICENSE FEES REQUIRED TO HUNT, FISH, OR TRAP**

Summary: Authorizes WRC to increase hunting, fishing, trapping, and activity license fees by the total increase of the Consumer Price Index for All Urban Consumers (CPI-U) over the period of time since the last fee change. Prior to this change, the increase was capped at the average increase of the CPI-U over the same period.

2017 Session: SB 582

Department: Wildlife Resources Commission

Section: 4.5

Title: **BUDGET CHANGE: OUTDOOR HERITAGE ADVISORY COUNCIL**

Summary: Directs the Wildlife Resources Commission (WRC) to use \$50,000 of recurring funds available to the Commission to support the operations of the Outdoor Heritage Advisory Council and adds a new section to Article 7 of Chapter 143B that enables the Council to hire an executive director and associated staff.

**Department of Commerce
Budget Code 14600**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$197,506,855	\$197,506,855
Receipts	\$63,091,924	\$63,091,924
Net Appropriation	\$134,414,931	\$134,414,931
Legislative Changes		
Requirements	(\$3,260,221)	(\$14,851,075)
Receipts	(\$9,595,022)	(\$10,595,022)
Net Appropriation	\$6,334,801	(\$4,256,053)
Revised Budget		
Requirements	\$194,246,634	\$182,655,780
Receipts	\$53,496,902	\$52,496,902
Net Appropriation	\$140,749,732	\$130,158,878

General Fund FTE

Base Budget	332.50	332.50
Legislative Changes	(152.25)	(152.25)
Revised Budget	180.25	180.25

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)**

Department of Commerce Budget Code 14600		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Administrative Services	4,626,117	1,920,369	2,705,748	225,000	-	225,000	4,851,117	1,920,369	2,930,748
1113	Science and Technology	332,505	-	332,505	-	-	-	332,505	-	332,505
1114	Economic Development Partnership	17,853,551	120,000	17,733,551	4,000,000	-	4,000,000	21,853,551	120,000	21,733,551
1120	Management Information System Division	885,167	-	885,167	-	-	-	885,167	-	885,167
1130	Labor and Economic Analysis	5,341,939	4,578,706	763,233	-	-	-	5,341,939	4,578,706	763,233
1477	NC BRIM - Operating	-	-	-	-	-	-	-	-	-
1520	Commerce Graphics	186,708	99,293	87,415	-	-	-	186,708	99,293	87,415
1531	Business and Industry Development	-	-	-	-	-	-	-	-	-
1533	NC Business Service Center	-	-	-	-	-	-	-	-	-
1534	Rural Economic Development Division	12,838,155	-	12,838,155	11,540,906	1,000,000	10,540,906	24,379,061	1,000,000	23,379,061
1541	International Trade Division	-	-	-	-	-	-	-	-	-
1551	Travel Inquiry Section	547,343	122,844	424,499	-	-	-	547,343	122,844	424,499
1552	Welcome Centers	2,128,587	-	2,128,587	-	-	-	2,128,587	-	2,128,587
1561	Wanchese - Marine Industrial Park	-	-	-	-	-	-	-	-	-
1581	Industrial Finance Center	8,160,402	-	8,160,402	1,261,405	-	1,261,405	9,421,807	-	9,421,807
1620	Community Assistance	1,659,207	26,000	1,633,207	500,000	-	500,000	2,159,207	26,000	2,133,207
1631	Community Development Block Grants	44,223,172	43,620,782	602,390	-	-	-	44,223,172	43,620,782	602,390
1632	Community Assistance - NSP	2,008,908	2,008,908	-	-	-	-	2,008,908	2,008,908	-
1831	Industrial Commission Administration	15,136,653	10,595,022	4,541,631	(15,136,653)	(10,595,022)	(4,541,631)	-	-	-
1912	Reserves and Transfers	81,578,441	-	81,578,441	(5,955,688)	-	(5,955,688)	75,622,753	-	75,622,753
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	199,361	-	199,361	199,361	-	199,361
N/A	State Retirement Contributions	-	-	-	71,705	-	71,705	71,705	-	71,705
N/A	State Health Plan Reserve	-	-	-	33,743	-	33,743	33,743	-	33,743
Total		\$197,506,855	\$63,091,924	\$134,414,931	(\$3,260,221)	(\$9,595,022)	\$6,334,801	\$194,246,634	\$53,496,902	\$140,749,732

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Commerce										
Budget Code 14600		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Administrative Services	4,626,117	1,920,369	2,705,748	250,000	-	250,000	4,876,117	1,920,369	2,955,748
1113	Science and Technology	332,505	-	332,505	-	-	-	332,505	-	332,505
1114	Economic Development Partnership	17,853,551	120,000	17,733,551	500,000	-	500,000	18,353,551	120,000	18,233,551
1120	Management Information System Division	885,167	-	885,167	-	-	-	885,167	-	885,167
1130	Labor and Economic Analysis	5,341,939	4,578,706	763,233	-	-	-	5,341,939	4,578,706	763,233
1477	NC BRIM - Operating	-	-	-	-	-	-	-	-	-
1520	Commerce Graphics	186,708	99,293	87,415	-	-	-	186,708	99,293	87,415
1531	Business and Industry Development	-	-	-	-	-	-	-	-	-
1533	NC Business Service Center	-	-	-	-	-	-	-	-	-
1534	Rural Economic Development Division	12,838,155	-	12,838,155	(89,094)	-	(89,094)	12,749,061	-	12,749,061
1541	International Trade Division	-	-	-	-	-	-	-	-	-
1551	Travel Inquiry Section	547,343	122,844	424,499	-	-	-	547,343	122,844	424,499
1552	Welcome Centers	2,128,587	-	2,128,587	-	-	-	2,128,587	-	2,128,587
1561	Wanchese - Marine Industrial Park	-	-	-	-	-	-	-	-	-
1581	Industrial Finance Center	8,160,402	-	8,160,402	-	-	-	8,160,402	-	8,160,402
1620	Community Assistance	1,659,207	26,000	1,633,207	-	-	-	1,659,207	26,000	1,633,207
1631	Community Development Block Grants	44,223,172	43,620,782	602,390	-	-	-	44,223,172	43,620,782	602,390
1632	Community Assistance - NSP	2,008,908	2,008,908	-	-	-	-	2,008,908	2,008,908	-
1831	Industrial Commission Administration	15,136,653	10,595,022	4,541,631	(15,136,653)	(10,595,022)	(4,541,631)	-	-	-
1912	Reserves and Transfers	81,578,441	-	81,578,441	(835,315)	-	(835,315)	80,743,126	-	80,743,126
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	199,361	-	199,361	199,361	-	199,361
N/A	State Retirement Contributions	-	-	-	189,123	-	189,123	189,123	-	189,123
N/A	State Health Plan Reserve	-	-	-	71,503	-	71,503	71,503	-	71,503
Total		\$197,506,855	\$63,091,924	\$134,414,931	(\$14,851,075)	(\$10,595,022)	(\$4,256,053)	\$182,655,780	\$52,496,902	\$130,158,878

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce					
Budget Code 14600		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.50	1.00	-	40.50
1113	Science and Technology	2.80	-	-	2.80
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	44.00	-	-	44.00
1477	NC BRIM - Operating	-	-	-	-
1520	Commerce Graphics	2.00	-	-	2.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	-	-	-	-
1534	Rural Economic Development Division	6.00	(1.00)	-	5.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	3.00	-	-	3.00
1552	Welcome Centers	42.50	-	-	42.50
1561	Wanchese - Marine Industrial Park	-	-	-	-
1581	Industrial Finance Center	5.45	-	-	5.45
1620	Community Assistance	18.00	-	-	18.00
1631	Community Development Block Grants	8.00	-	-	8.00
1632	Community Assistance - NSP	3.00	-	-	3.00
1831	Industrial Commission Administration	152.25	(52.24)	(100.01)	-
1912	Reserves and Transfers	-	-	-	-
Total FTE		332.50	(52.24)	(100.01)	180.25

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce					
Budget Code 14600		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.50	1.00	-	40.50
1113	Science and Technology	2.80	-	-	2.80
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	44.00	-	-	44.00
1477	NC BRIM - Operating	-	-	-	-
1520	Commerce Graphics	2.00	-	-	2.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	-	-	-	-
1534	Rural Economic Development Division	6.00	(1.00)	-	5.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	3.00	-	-	3.00
1552	Welcome Centers	42.50	-	-	42.50
1561	Wanchese - Marine Industrial Park	-	-	-	-
1581	Industrial Finance Center	5.45	-	-	5.45
1620	Community Assistance	18.00	-	-	18.00
1631	Community Development Block Grants	8.00	-	-	8.00
1632	Community Assistance - NSP	3.00	-	-	3.00
1831	Industrial Commission Administration	152.25	(52.24)	(100.01)	-
1912	Reserves and Transfers	-	-	-	-
Total FTE		332.50	(52.24)	(100.01)	180.25

2017 Annotated Conference Committee Report

Commerce

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$134,414,931	\$134,414,931
Legislative Changes			
Reserve for Salaries and Benefits			
58 Compensation Increase Reserve	\$199,361	R	\$199,361 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.3, 35.11, and 35.12)			
59 State Retirement Contributions	\$71,705	R	\$189,123 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
60 State Health Plan	\$33,743	R	\$71,503 R
Fund Code: N/A			
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Administration

61 Outdoor Recreation Recruitment

\$125,000

R

\$250,000

R

Fund Code: 1111

1.00

1.00

Provides funding for salary and benefits to establish an Outdoor Recreation Recruitment Director position and the operating costs related to this function. This position shall report directly to the Secretary of Commerce and shall work with the Department and other State agencies to promote North Carolina's outdoor recreation economy and to assist in the recruitment of new businesses to the State. This position is funded as of January 1, 2018. The revised net appropriation for this function is \$125,000 in FY 2017-18 and \$250,000 in FY 2018-19.

62 Department of Commerce Website

\$100,000

NR

Fund Code: 1111

Provides funds to contract for the replacement of the current departmental website with a state-of-the-art website. The revised net appropriation for the Administrative Services Division based on all changes is \$2.9 million in FY 2017-18 and \$3.0 million in FY 2018-19.

(S.L. 2017-57, Sec. 15.6)

Commerce Finance Center

63 Job Maintenance and Capital (JMAC) Development Fund

\$1,261,405

NR

Fund Code: 1581

Provides funds for JMAC payments to Bridgestone, Domtar, Evergreen, and Goodyear. A corresponding item showing the transfer of these funds into the JMAC Fund can be found in the special fund pages. The revised net appropriation for JMAC funds is \$8.8 million in FY 2017-18 and \$7.5 million in FY 2018-19. (S.B. 430/H.B. 537)

(This item also appears in the Commerce special funds in the ANER section. See page H 70.)

Economic Development Partnership of NC (EDPNC)**64 Tourism Advertising**

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

Fund Code: 1114

Provides additional funding to the Economic Development Partnership of North Carolina (EDPNC) for tourism advertising and marketing. In accordance with G.S. 143B-431.01.(b), these funds are restricted to a research-based comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and shall not be used for ancillary activities, such as statewide branding and business development marketing. The revised net appropriation to EDPNC from all changes is \$21.7 million in FY 2017-18 and \$18.2 million in FY 2018-19.
(S.B. 430/H.B. 537)

65 Domestic and International Advertising

\$1,916,000	NR		
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Fund Code: 1114

Provides funds for marketing and advertising of the State to promote economic development, business development, and job recruitment. The revised net appropriation to EDPNC from all changes is \$21.7 million in FY 2017-18 and \$18.2 million in FY 2018-19.
(S.B. 430/H.B. 537)

66 Access NC Replacement

\$84,000	NR		
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Fund Code: 1114

Provides funding to support the development and administration of a new tool to replace the buildings and sites database component of Access NC. The revised net appropriation to EDPNC from all changes is \$21.7 million in FY 2017-18 and \$18.2 million in FY 2018-19.

Industrial Commission**67 Industrial Commission Transfer**

(\$5,392,123)	R	(\$4,495,123)	R
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Fund Code: 1831

-52.24

-52.24

Transfers the North Carolina Industrial Commission (NCIC) from the Department of Commerce to the Department of Insurance as a Type II transfer. Corresponding items can be found in the special fund pages and in the General Government section of the Committee Report. A corresponding special provision provides additional details. The revised net appropriation for the Industrial Commission in the Department of Commerce is \$0 in each year of the biennium.
(S.L. 2017-57, Sec. 15.19A)

(This item also appears in the General Government section. See page J 36, item 35.)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

68 Industrial Commission Reduction

Fund Code: 1831

(\$46,508) R
(\$300,000) NR

(\$46,508) R

Shifts funding for NCIC to receipts. The revised net appropriation for the Industrial Commission in the Department of Commerce is \$0 in each year of the biennium.

69 Industrial Commission Litigation Expenses

Fund Code: 1831

\$300,000 NR

Provides nonrecurring funds for NCIC to employ and supervise private legal counsel for litigation arising from S.L. 2016-125. The revised net appropriation for the Industrial Commission in the Department of Commerce is \$0 in each year of the biennium. (S.L. 2017-57, Sec. 15.18)

70 Consolidated Case Management System

Fund Code: 1831

\$750,000 NR

Provides \$2.7 million in nonrecurring funds over the biennium for NCIC to obtain a consolidated case management system to bring multiple internal functions together for improved efficiency and to allow external users to access their case data. Funding includes increased receipts of \$1.2 million over the next four fiscal years. A corresponding item showing the transfer of these funds can be found in the special fund pages. Funding includes \$750,000 in receipts transferred from the Industrial Development Fund Utility Account (24609-2568) to NCIC for this purpose in FY 2018-19 only. A corresponding item showing the transfer of these funds from the Utility Account can be found in the special fund pages. This nonrecurring funding is provided in each year through FY 2020-21. A corresponding special provision directs the continued appropriation of nonrecurring funding. The revised net appropriation for the consolidated case management system at NCIC is \$750,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 15.19)

(Related items also appear in the Industrial Development Fund Utility Account and the Industrial Commission fund in the Commerce special funds in the ANER section. See pages H 70 and H 72.)

71 Industrial Commission Renovations

Fund Code: 1831

\$147,000 NR

Provides nonrecurring funding for renovations at the Industrial Commission. The revised net appropriation for the Industrial Commission in the Department of Commerce is \$0 in each year of the biennium.

Reserves and Transfers**72 Job Development Investment Grants (JDIG)****Fund Code:** 1912

(\$4,163,999) NR

Reduces funding for the Job Development Investment Grants (JDIG) Fund based on the Department's assessment of estimated needs for FY 2017-18 and the projected fund balance available to meet these needs. This adjustment does not affect any of the operations of the JDIG Program per Chapter 143B, Part 2G of the North Carolina General Statutes. The revised net appropriation for the JDIG program is \$67.6 million in FY 2017-18 and \$71.7 million in FY 2018-19.

73 One North Carolina Fund**Fund Code:** 1912

(\$8,956,374) NR

Reduces funding for the One North Carolina Fund based on the Department's assessment of estimated needs for FY 2017-18 and the projected fund balance available to meet those needs. This adjustment does not affect any of the operations of the One North Carolina Fund per Chapter 143B, Part 2H of the North Carolina General Statutes. The revised net appropriation for the Fund is \$43,626 in FY 2017-18 and \$9.0 million in FY 2018-19.

74 International Recruiting Coordination Office**Fund Code:** 1912

\$15,000 R

\$15,000 R

Provides funding to support the operations of the International Recruiting Coordination Office (IRCO). These funds, including \$250,000 in recurring funds for the Office, shall be transferred to a new fund code unique to the IRCO. The revised net appropriation to the Office is \$265,000 in each year of the biennium. (S.B. 430/H.B. 537)

75 Lift Fan Facility Project**Fund Code:** 1912

\$3,000,000 NR

Provides funding for a grant-in-aid to assist with costs related to the Lift Fan Facility at Cherry Point Marine Corps Air Station. The revised net appropriation for the Lift Fan Facility Project is \$3.0 million in FY 2017-18 only. (S.B. 430/H.B. 537)

76 Haw River Mill Revitalization**Fund Code:** 1912

\$5,000,000 NR

Provides \$5.0 million to the Town of Haw River for a mill revitalization project. A corresponding special provision describes the requirements for this funding. The revised net appropriation for the Haw River Mill Revitalization project is \$5.0 million in FY 2017-18 only.

(S.L. 2017-57, Sec. 15.9A)

(S.L. 2017-212, Sec. 4.1, Budget & Agency Technical Corrections, amends this item to clarify the terms of the grant-in-aid.)

Rural Economic Development Division**77 Vacant Position**

(\$89,094) R

(\$89,094) R

Fund Code: 1534

Eliminates the salary and benefits of 1 vacant position that has been vacant for more than 12 months.

-1.00

-1.00

65020258 - Rural Econ. Development Div. Associate (1.0 FTE)

The revised net appropriation for the salaries and benefits in this Division is \$2.3 million in each year of the biennium.

78 Downtown Revitalization and Economic Development Grants**Fund Code:** 1534

\$8,630,000 NR

Provides funding for grants-in-aid for revitalization and economic development projects in municipalities across the State. A corresponding special provision directs the use of these funds. Funding includes \$1.0 million in receipts transferred from the Industrial Development Fund Utility Account (24609-2568) to this fund. A corresponding item showing the transfer of these funds from the Utility Account can be found in the special fund pages. Total requirements for this program are \$9.6 million in FY 2017-18. The revised net appropriation for Downtown Revitalization and Economic Development Grants is \$8.6 million in FY 2017-18 only. (S.L. 2017-57, Sec. 6.13, 15.8)

(S.L. 2017-197 Sec. 4.8, Budget Technical Corrections, amends this item to add \$100,000 to the revised net appropriation.)

(S.L. 2017-212, Sec. 4.7, Budget & Agency Technical Corrections, amends this item to reduce the revised net appropriation by \$100,000 in one subsection and increase the revised net appropriation by \$100,000 total in two new subsections.)

(A related item appears in the Industrial Development Fund Utility Account in the Commerce special funds in the ANER section. See page H 70.)

79 Main Street Solutions**Fund Code:** 1620

\$500,000 NR

Provides nonrecurring funds to offer matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas. The revised net appropriation for Main Street Solutions is \$500,000 in FY 2017-18 only.

(S.B. 430/H.B. 537)

(This item also appears in the Commerce special funds in the ANER section. See page H 74.)

80 NC Ready Sites**Fund Code:** 1534

\$2,000,000 NR

Provides nonrecurring funding for the new NC Ready Sites program, which supports the development of infrastructure for large publicly-controlled manufacturing sites. The revised net appropriation for the NC Ready Sites program is \$2.0 million in FY 2017-18 only.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 15.7A)

Workforce Solutions**81 Apprenticeship Program**

(\$850,315) R (\$850,315) R

Fund Code: 1912

Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions at the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A corresponding item showing the transfer of special funds can be found in the special fund pages. A corresponding special provision provides additional detail. The revised net appropriation for the Apprenticeship Program in the Division of Workforce Solutions is \$0 in each year of the biennium.

(S.B. 597/H.B. 646; S.L. 2017-57, Sec. 15.13)

(Related items appear in the Commerce special funds in the ANER section on page H 76 and in the Community Colleges General Fund in the Education section on page F 62, item 87.)

Total Legislative Changes

(\$5,433,231) R (\$4,256,053) R

\$11,768,032 NR

Total Position Changes

-52.24 -52.24

Revised Budget

\$140,749,732 \$130,158,878

Commerce - Special Revenue - GF

Budget Code: 24609

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$172,066,460	\$175,115,886
Recommended Budget		
Requirements	\$51,491,496	\$51,491,496
Receipts	\$55,540,922	\$55,540,922
Positions	3.25	3.25

Legislative Changes**Requirements:****Job Maintenance and Capital Development Fund (JMAC) (2586)**

Adjusts the budget to reflect the increased requirements for FY 2017-18 as estimated by the Department of Commerce.

\$0	R	\$0	R
\$1,261,405	NR	\$0	NR
0.00		0.00	

(This item also appears in the Commerce General Fund in the ANER section. See page H 64, item 63.)

Industrial Development Fund Utility Account (2568)

Transfers \$1.0 million in FY 2017-18 to the Rural Economic Development Division for Downtown Revitalization and Economic Development Grants (14600-1534). Transfers \$750,000 in FY 2018-19 to the NC Industrial Commission for a consolidated case management system (24611-2200). Transfers \$140,205 in FY 2018-19 to the Parks and Recreation Trust Fund (24820).
(S.L. 2017-57, Secs. 14.13, 14.14, 15.8, and 15.19)

\$0	R	\$0	R
\$1,000,000	NR	\$890,205	NR
0.00		0.00	

(Related items appear in the Commerce General Fund in the ANER section. See pages H 66, item 70 and H 68, item 78. A related item appears in the Natural and Cultural Resources General Fund in the ANER section. See page H 105, item 124. A related item appears in the Natural and Cultural Resources special funds in the ANER section. See page H 111.)

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$0 R \$2,261,405 NR 0.00	\$0 R \$890,205 NR 0.00
<hr/>		
Receipts:		
Job Maintenance and Capital Development Fund (JMAC) (2586)	\$0 R	\$0 R
Adjusts the budget to reflect the transfer of increased receipts from the General Fund for FY 2017-18.	\$1,261,405 NR	\$0 NR
Subtotal Legislative Changes	\$0 R \$1,261,405 NR	\$0 R \$0 NR
<hr/>		
Revised Total Requirements	\$53,752,901	\$52,381,701
Revised Total Receipts	\$56,802,327	\$55,540,922
Change in Fund Balance	\$3,049,426	\$3,159,221
Total Positions	3.25	3.25
<hr/>		
Unappropriated Balance Remaining	\$175,115,886	\$178,275,107

Commerce - IT Projects

Budget Code: 24611

	FY 2017-18		FY 2018-19
Beginning Unreserved Fund Balance	\$221,180		
Recommended Budget			
Requirements	\$0		\$0
Receipts	\$0		\$0
Positions	0.00		0.00
Legislative Changes			
Requirements:			
Industrial Commission (2200)		R	\$0 R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18. This fund will transfer to the Department of Insurance in FY 2017-18.	\$1,950,000	NR	\$750,000 NR
	0.00		0.00
(S.L. 2017-57, Sec. 15.19)			
(A related item appears in the Commerce General Fund in the ANER section. See page H 66, item 70.)			
Subtotal Legislative Changes		R	\$0 R
	\$1,950,000	NR	\$750,000 NR
	0.00		0.00
Receipts:			
Industrial Commission (2200)		\$0 R	\$0 R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 and from the Industrial Development Fund Utility Account (24609-2568) in FY 2018-19. This fund will move to the Department of Insurance in FY 2017-18.	\$1,950,000	NR	\$750,000 NR
Subtotal Legislative Changes	\$0	R	\$0 R
	\$1,950,000	NR	\$750,000 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements		\$750,000
Revised Total Receipts	\$1,950,000	\$750,000
Change in Fund Balance		\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining		

Commerce - Special - Interest Earning Fund

Budget Code: 24613

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$1,357,963	\$1,278,509
Recommended Budget		
Requirements	\$82,412	\$82,412
Receipts	\$2,958	\$2,958
Positions	0.50	0.50
Legislative Changes		
Requirements:		
Main Street Solutions (2622)	\$0 R	\$0 R
Adjusts the budget to reflect increased requirements in FY 2017-18.	\$500,000 NR	\$0 NR
	0.00	0.00
(This item also appears in the Commerce General Fund in the ANER section. See page H 69, item 79.)		
Subtotal Legislative Changes	\$0 R	\$0 R
	\$500,000 NR	\$0 NR
	0.00	0.00
Receipts:		
Main Street Solutions (2622)	\$0 R	\$0 R
Adjusts the budget to reflect the transfer of additional funds from the General Fund in FY 2017-18.	\$500,000 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$500,000 NR	\$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$582,412	\$82,412
Revised Total Receipts	\$502,958	\$2,958
Change in Fund Balance	(\$79,454)	(\$79,454)
Total Positions	0.50	0.50
Unappropriated Balance Remaining	\$1,278,509	\$1,199,055

Commerce - Special - Workforce Solutions

Budget Code: 24651

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$2,015,554	\$2,015,554
Recommended Budget		
Requirements	\$139,440,750	\$139,440,750
Receipts	\$128,917,784	\$128,917,784
Positions	1,026.75	1,026.75
Legislative Changes		
Requirements:		
Base Budget Technical Adjustment (2001)	(\$10,522,966) R	(\$10,522,966) R
Reduces the requirements of the Division of Workforce Solutions to align with actual anticipated receipts. This is a technical adjustment.	\$0 NR	\$0 NR
	0.00	0.00
Apprenticeship (2001)	(\$2,041,785) R	(\$2,041,785) R
Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions in the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds.	\$0 NR	\$0 NR
(S.L. 2017-57, Sec. 15.13)	-17.00	-17.00
(Related items appear in the Commerce General Fund in the ANER section on page H 69, item 81 and in the Community Colleges in the Education section on page F 62, item 87.)		
Subtotal Legislative Changes	(\$12,564,751) R	(\$12,564,751) R
	\$0 NR	\$0 NR
	-17.00	-17.00

Receipts:

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Apprenticeship (2001)		
Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions in the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds.	(\$2,041,785) R	(\$2,041,785) R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$2,041,785) R	(\$2,041,785) R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$126,875,999	\$126,875,999
Revised Total Receipts	\$126,875,999	\$126,875,999
Change in Fund Balance	\$0	\$0
Total Positions	1,009.75	1,009.75
<hr/>		
Unappropriated Balance Remaining	\$2,015,554	\$2,015,554

Special Provisions

2017 Session: SB 257

Department: Commerce

Section: 15.1

Title: NER BLOCK GRANTS FOR 2018 AND 2019 PROGRAM YEARS/USE OF DEOBLIGATED FUNDS

Summary: Directs federal Community Development Block Grant (CDBG) funding appropriated for program years 2016 and 2017 to be allocated across administration, neighborhood revitalization, economic development, and infrastructure.

Subsection (e) requires the Department of Commerce (Commerce) to consult with the Joint Legislative Commission on Governmental Operations before reallocating CDBG funds.

Subsection (f) requires Commerce to report to the Chairs of the Appropriations Committees on ANER, the Joint Legislative Economic Development and Global Engagement Oversight Committee (JLOC on EDGE), and FRD on the use of CDBG funds during the prior fiscal year by September 1, 2017 and September 1, 2018.

Subsections (h) and (i) direct the use of deobligated or surplus administrative CDBG funds by Commerce and DEQ to allow quick deployment.
(S.B. 430/H.B. 537, S.B. 143)

Section: 15.2

Title: TRAVEL AND TOURISM BOARD TECHNICAL CORRECTION

Summary: Amends G.S. 143B-434.1(d) to correct a technical error over appointments in even-numbered and odd-numbered years.

Section: 15.3

Title: EDPNC REPORTING DATE CHANGE

Summary: Amends G.S. 143B-431.01 to adjust the reporting period for the Economic Development Partnership of North Carolina (EDPNC) from fiscal year to calendar year and directs EDPNC to report to Commerce by January 31 of each year and for Commerce to report to the Joint Legislative Commission on Governmental Operations, JLOC on EDGE, and FRD by March 1 of each year.

Section: 15.4

Title: EDPNC CONTRACT MODIFICATIONS

Summary: Allows the Secretary of Commerce to amend the contract with EDPNC to reduce fund-raising efforts to \$500,000 in FY 2017-18 and to apply any fundraising amounts in excess of this to the subsequent fiscal year.
(S.B. 606)

Section: 15.5

Title: **BUDGET CODE REORGANIZATION FOR COMMERCE**

Summary: Directs the Office of State Budget and Management (OSBM) to establish a fund code within Commerce for the International Recruitment Coordination Office (IRCO) and permits Commerce to carry forward any nonrecurring funds appropriated for IRCO in FY 2016-17 to FY 2017-18. This section also directs OSBM to move funds related to economic development and the EDPNC to a new budget code for Commerce's economic development funds by September 30, 2017. (S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 4.7, Budget Technical Corrections, amends this section to remove an erroneous reference to the Site and Building Development Fund, which does not exist.)

Section: 15.6

Title: **DEPARTMENT OF COMMERCE WEB SITE**

Summary: Provides Commerce with direction regarding funds appropriated to enter into an agreement with a third-party vendor to develop and implement a new state-of-the-art Internet web site.

Section: 15.7A

Title: **NC READY SITES PROGRAM**

Summary: Creates the new NC Ready Sites Program within the Rural Economic Development Division (REDD) to be overseen by the Rural Infrastructure Authority. This program is designed to assist local governments in Tier 1 or Tier 2 counties with improvements to public infrastructure serving publicly-owned or publicly-controlled industrial sites with the potential to attract employers to the area. This section directs Commerce to submit a report on its use of the NC Ready Sites Fund to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD by September 1, 2017 and September 1 of each subsequent year that State funds are received. (S.B. 430/H.B. 537)

Section: 15.8

Title: **REVITALIZATION AND ECONOMIC DEVELOPMENT GRANTS**

Summary: Provides nonrecurring grant-in-aid funding for downtown revitalization and economic development projects in municipalities across North Carolina out of funds appropriated to REDD.

(S.L. 2017-197, Sec. 4.8, Budget Technical Corrections, amends this section to add 3 new recipients for a total of \$100,000 in additional nonrecurring funds.)

(S.L. 2017-212, Sec. 4.7, Budget & Agency Technical Corrections, amends this section to adjust the allocations to recipient municipalities.

Section: 15.9A

Title: **HAW RIVER MILL PROJECT**

Summary: Provides nonrecurring grant-in-aid funding for the revitalization of a historic mill in the Town of Haw River. This section also directs the Commerce Finance Center to conduct an annual review of the project and to submit an annual report to the JLOC on ANER and FRD by April 1 of each year beginning on April 1, 2021.

(S.L. 2017-212, Sec. 4.1, Budget & Agency Technical Corrections, amends this item to clarify the terms of the grant-in-aid.)

Section: 15.10

Title: **PROSPERITY ZONE REPORTING**

Summary: Directs Commerce to submit a report to the JLOC on ANER, JLOC on EDGE, and FRD by September 1 of each year on activities within each Prosperity Zone in the State. Subsection (b) further directs Commerce to develop performance metrics for each community planner within a Prosperity Zone and to report these metrics to the JLOC on ANER, JLOC on EDGE, and FRD by September 1 of each year.
(S.B. 660)

Section: 15.12

Title: **YOUTH WORKFORCE INVESTMENT PROGRAM CHANGES**

Summary: Establishes criteria for Local Workforce Development Boards to incorporate into a competitive process for awarding grants to organizations that offer youth workforce investment activities.

Subsection (c) requires the Local Workforce Development Boards to submit a report on prior year activities and expenditures to JLOC on ANER, the Chairs of the House Appropriations Committee on ANER, the Joint Legislative Education Oversight Committee, and FRD by October 1 of each year.

Section: 15.13

Title: **APPRENTICESHIP/NC/TRANSFER STATE APPRENTICESHIP PROGRAM**

Summary: Transfers the Apprenticeship Program from Commerce to the Community College System by repealing the language in G.S. 94 and adding a new Article 1A to G.S. 115D.
(S.B. 597/H.B. 646)

Section: 15.14

Title: **JMAC ELIGIBILITY MODIFICATION**

Summary: Amends G.S. 143B-437.012 to allow Commerce to enter into new grant agreements under the Job Maintenance and Capital Development Fund (JMAC) program with businesses that had previously received a JMAC grant.
(H.B. 781)

Section: 15.15

Title: **EXTEND JDIG SUNSET**

Summary: Amends G.S. 143B-437.62 to extend the Job Development Investment Grant (JDIG) program to January 1, 2021.
(S.B. 430/H.B. 537)

Section: 15.15A

Title: **TRANSFORMATIVE PROJECT**

Summary: Amends G.S. 143B-437.51, G.S. 143B-437.52, and G.S. 143B-437.56 to create a new category of JDIG grant awards for transformative investment opportunities, which would require business investments of at least \$4 billion and the creation of at least 5,000 jobs.

Section: 15.17

Title: **INDUSTRIAL COMMISSION SERVICE OF PROCESS**

Summary: Amends G.S. 97-86 to modify the avenues available to disputants seeking to appeal a decision of the North Carolina Industrial Commission (NCIC) to the North Carolina Court of Appeals so that they might use any class of prepaid U.S. mail or electronic mail.

Section: 15.18

Title: **INDUSTRIAL COMMISSION LITIGATION EXPENSE CARRYFORWARD**

Summary: Permits NCIC to carry forward up to \$250,000 of funds appropriated in FY 2015-16 for legal services. This section further permits NCIC to employ and supervise private counsel with the funds carried forward in this section and with an additional \$300,000 of funds appropriated in FY 2017-18.

Section: 15.19

Title: **INDUSTRIAL COMMISSION CASE MANAGEMENT SYSTEMS**

Summary: Directs NCIC to coordinate with the Department of Information Technology to replace its case management system.

Subsection (b) permits NCIC to increase receipts by \$1.2 million through the end of FY 2020-21.

Subsection (c) allows NCIC to use up to \$750,000 in nonrecurring funds in each year of the FY 2017-19 Biennium to pay for the new case management system.

Subsection (d) requires the Director of the Budget to include \$750,000 in nonrecurring funds in the base budget for NCIC in each year of the FY 2019-21 Biennium.

Section: 15.19A

Title: **TRANSFER INDUSTRIAL COMMISSION TO DEPARTMENT OF INSURANCE**

Summary: Add a new section to G.S. 143A-79.3 to transfer NCIC to the Department of Insurance as a Type II transfer.

Section: 15.23

Title: **FEDERAL TAX REFORM ALLOCATION COMMITTEE QECB REALLOCATION**

Summary: Amends G.S. 143-433.9 to direct the North Carolina Federal Tax Reform Allocation Committee to establish procedures: (i) to monitor whether initial sub-allocations of qualified energy conservation bonds (QECBs) to large local governments will be utilized by October 1, 2017; (ii) for the waiver and return to the Committee of sub-allocations that will not meet the October 1, 2017 deadline; and (iii) for the reallocation of returned sub-allocations for other projects or purposes that qualify under federal law for financing with QECBs.

2017 Session: HB 528

Department: Commerce

Section: 4.7

Title: **TECHNICAL CHANGE: BUDGET CODE REORGANIZATION FOR COMMERCE**

Summary: Amends S.L. 2017-57, Sec. 15.5, Appropriations Act of 2017, to eliminate an erroneous reference to the Site and Building Development Fund, which does not exist.

Section: 4.8

Title: **BUDGET CHANGE: REVITALIZATION AND ECONOMIC DEVELOPMENT GRANTS**

Summary: Amends S.L. 2017-57, Sec. 15.8, Appropriations Act of 2017, to increase the appropriation in FY 2017-18 for the Revitalization and Economic Development Grants by \$100,000 and to add 3 recipient municipalities.

Section: 4.9

Title: **TECHNICAL CHANGE: INDUSTRIAL COMMISSION LITIGATION EXPENSE CARRYFORWARD**

Summary: Amends S.L. 2017-57, Sec. 15.18, Appropriations Act of 2017, to clarify the language referring to the funds that NCIC can carry forward to FY 2017-18.

2017 Session: SB 582

Department: Commerce

Section: 4.1

Title: **BUDGET CHANGE: HAW RIVER MILL PROJECT**

Summary: Amends S.L. 2017-57, Sec. 15.9A, Appropriations Act of 2017, to provide that the grant-in-aid to the Town of Haw River shall be used for grants, loans, or both for the historic mill renovation project and to allow the Town to retain up to 20% of funds provided for infrastructure improvements directly related to the project.

Section: 4.3

Title: **TECHNICAL CHANGE: FILM AND ENTERTAINMENT GRANT FUND**

Summary: Amends S.L. 2014-100, Sec. 15.14B.(c), Appropriations Act of 2014, to remove the expiration date for the Film and Entertainment Grant Fund under G.S. 143B-437.02A.

Section: 4.7

Title: **BUDGET CHANGE: REVITALIZATION AND ECONOMIC DEVELOPMENT GRANTS**

Summary: Amends S.L. 2017-57, Sec. 15.8, Appropriations Act of 2017, to decrease the appropriation in FY 2017-18 for the Revitalization and Economic Development Grant to the Town of Yadkinville by \$100,000 and to add two new recipients, the Town of Dover for \$25,000 for parks and recreation projects and Lincoln County for \$75,000 to be used for the Voice Interoperability Plan for Emergency Responders (VIPER) network.

**Commerce State-Aid
Budget Code 14601**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$15,955,810	\$15,955,810
Receipts	\$0	\$0
Net Appropriation	\$15,955,810	\$15,955,810
Legislative Changes		
Requirements	\$4,345,000	\$200,000
Receipts	\$0	\$0
Net Appropriation	\$4,345,000	\$200,000
Revised Budget		
Requirements	\$20,300,810	\$16,155,810
Receipts	\$0	\$0
Net Appropriation	\$20,300,810	\$16,155,810

General Fund FTE

Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	-	-

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)**

Department of Commerce - State Aid		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14601										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1121	Biotechnology Center	13,600,338	-	13,600,338	-	-	-	13,600,338	-	13,600,338
1913	State Aid to Non-State Entities	2,355,472	-	2,355,472	4,345,000	-	4,345,000	6,700,472	-	6,700,472
			-							
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		\$15,955,810	\$0	\$15,955,810	\$4,345,000	\$0	\$4,345,000	\$20,300,810	\$0	\$20,300,810

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Commerce - State Aid		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14601										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1121	Biotechnology Center	13,600,338	-	13,600,338	-	-	-	13,600,338	-	13,600,338
1913	State Aid to Non-State Entities	2,355,472	-	2,355,472	200,000	-	200,000	2,555,472	-	2,555,472
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		\$15,955,810	\$0	\$15,955,810	\$200,000	\$0	\$200,000	\$16,155,810	\$0	\$16,155,810

**Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session**

Department of Commerce - State Aid					
Budget Code 14601		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

**Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session**

Department of Commerce - State Aid					
Budget Code 14601		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

2017 Annotated Conference Committee Report

Commerce - State Aid

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$15,955,810	\$15,955,810
Legislative Changes			
High Point Market Authority			
82 High Point Market Authority	\$200,000	R	\$200,000 R
Fund Code: 1913			
Continues funding for the High Point Market Authority at the same level as FY 2016-17 and makes the funding recurring. These funds support marketing efforts, including the expansion of the Bluedot technology-based smartphone application. The revised net appropriation for the Authority following this change is \$1.8 million in each year of the biennium. (S.L. 2017-57, Sec. 15A.2)			
Blue Ridge Parkway Foundation			
83 Blue Ridge Parkway Foundation	\$350,000	NR	
Fund Code: 1913			
Provides funds to support the reopening of the Bluff's Restaurant at Doughton Park along the Blue Ridge Parkway. The revised net appropriation for the Blue Ridge Parkway Foundation is \$350,000 is FY 2017-18. (S.L. 2017-57, Sec. 15A.2)			
Carolina Small Business Development Fund			
84 Carolina Small Business Development Fund	\$2,500,000	NR	
Fund Code: 1913			
Provides funding to the Carolina Small Business Development Fund to provide small business loans and financial training to start-ups and existing businesses and lending services to community-based organizations. The revised net appropriation for the Carolina Small Business Development Fund is \$2.5 million in FY 2017-18 only. (S.L. 2017-57, Sec. 15A.2)			

Cary Chamber of Commerce**85 Cary Chamber of Commerce****Fund Code:** 1913

\$250,000 NR

Provides funding to the Cary Chamber of Commerce to work in cooperation with other Chambers of Commerce in Apex, Fuquay-Varina, Holly Springs, and Morrisville to develop a program for schools focusing on workforce readiness and entrepreneurship that uses experiential, hands-on learning. The revised net appropriation for the Cary Chamber of Commerce is \$250,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 15A.2)

Cleveland County ALWS Baseball, Inc.**86 Cleveland County ALWS Baseball, Inc.****Fund Code:** 1913

\$200,000 NR

Provides funding to ALWS, the nonprofit organization responsible for hosting the 2017 American Legion Baseball World Series for the expansion of the facility, marketing, and national promotion for the home site in Shelby, North Carolina. The revised net appropriation for Cleveland County ALWS Baseball, Inc. is \$200,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 15A.2)

(S.L. 2017-197, Sec. 4.10, Budget Technical Corrections, adds this item to the Conference Committee Report.)

First Flight Society**87 First Flight Society****Fund Code:** 1913

\$50,000 NR

Provides funding for the First Flight Society, an organization devoted to fostering and promoting a public awareness of and widespread interest in the origin, history, and future of flight in all its forms and to memorialize Orville and Wilbur Wright. The revised net appropriation for the First Flight Society is \$50,000 in FY 2017-18.

(S.L. 2017-57, Sec. 15A.2)

James Shaw Ace Academy**88 James Shaw ACE Academy****Fund Code:** 1913

\$50,000 NR

Provides funds for James Shaw ACE Academy, a summer camp that provides opportunities for middle and high school students to learn about aviation and aviation-related job offerings. The revised net appropriation for James Shaw ACE Academy is \$50,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 15A.2)

Make a Difference in King**89 Make a Difference in King****Fund Code:** 1913

\$170,000 NR

Provides funds to Make a Difference in King toward the development of a playground for special needs children. The revised net appropriation for Make a Difference in King is \$170,000 in FY 2017-18.
(S.L. 2017-57, Sec. 15A.2)

NC Business Leadership Network**90 NC Business Leadership Network****Fund Code:** 1913

\$100,000 NR

Provides funding for the NC Business Leadership network to support efforts toward providing education and employment training opportunities for people with disabilities. The revised net appropriation for the NC Business Leadership Network is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 15A.2)

North Carolina Coastal Federation**91 Crab Pot Cleanup****Fund Code:** 1913

\$100,000 NR

Continues the Crab Pot Cleanup Program piloted in FY 2016-17. The North Carolina Coastal Federation shall use the funds to contract with commercial fishermen to aid in derelict crab pot cleanup efforts. The Coastal Federation is encouraged to find ways to reuse recovered crab pots. The revised net appropriation to the Coastal Federation is \$100,000 in FY 2017-18 only.
(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 15A.2)

North Carolina's Eastern Alliance Corporation**92 North Carolina's Eastern Alliance Corporation****Fund Code:** 1913

\$100,000 NR

Provides funding for North Carolina's Eastern Alliance Corporation to support regional analysis and development of the life science development and manufacturing center. The revised net appropriation for North Carolina's Eastern Alliance Corporation is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 15A.2)

Salvation Army of Winston-Salem**93 Salvation Army of Winston-Salem****Fund Code:** 1913

\$100,000 NR

Provides funds for the Salvation Army of Winston-Salem. The revised net appropriation for the Salvation Army of Winston-Salem is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 15A.2)

StepUp Ministry**94 StepUp Ministry****Fund Code:** 1913

\$75,000 NR

Provides funding to StepUp Ministry for Real World, a program for 16-22 year-old, at-risk youth by providing personal and education supports to enhance their education, life skills, and career paths toward self-sufficiency and employment. The revised net appropriation to StepUp Ministry is \$75,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 15A.2)

Sturgeon City of Jacksonville NC**95 Sturgeon City of Jacksonville NC****Fund Code:** 1913

\$100,000 NR

Provides funding to Sturgeon City of Jacksonville NC to support efforts to build a civic and environmental education center, which will house classroom space, native flora and fauna displays, and applied research. The revised net appropriation for Sturgeon City of Jacksonville NC is \$100,000 in FY 2017-18 only.
(S.L. 2017-57, Sec. 15A.2)

Total Legislative Changes

\$200,000 R

\$200,000 R

\$4,145,000 NR

Total Position Changes**Revised Budget**

\$20,300,810

\$16,155,810

Special Provisions

2017 Session: SB 257

Department: Commerce - State Aid

Section: 15A.1

Title: **NC BIOTECHNOLOGY CENTER**

Summary: Allocates funds provided to the Biotechnology Center across 3 categories: 1) job creation; 2) science and commercialization; and 3) center operations.

Section: 15A.2

Title: **COMMERCE NONPROFITS/REPORTING REQUIREMENTS**

Summary: Requires the recipients of funds through Commerce-State Aid to submit by September 1 an annual performance report to the JLOC on ANER, the Chairs of the Appropriations Committees on ANER, and FRD. This section also requires, within 30 days of issuance, each nonprofit to provide its annual audited financial statement to the same entities.

Subsection (b) sets additional requirements for the NC Coastal Federation by limiting administrative costs, subjecting unencumbered funds to reversion after 1 fiscal year, and specifying an additional report of program activities and recommendations be submitted by April 1, 2018, to the JLOC on ANER and FRD.

(S.L. 2017-197, Section 4.10, Budget Technical Corrections, amends this section to provide \$200,000 additional funds and a related reporting requirement for Cleveland County ALWS Baseball, Inc.)

2017 Session: HB 528

Department: Commerce - State Aid

Section: 4.10

Title: **BUDGET CHANGE: ADD CLEVELAND COUNTY ALWS BASEBALL, INC.**

Summary: Amends S.L. 2017-57, Sec. 15A.2, Appropriations Act of 2017, to provide funding and a reporting requirement for Cleveland County ALWS Baseball, Inc.

Department of Natural and Cultural Resources
Budget Code 14800

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$206,116,340	\$206,120,342
Receipts	\$39,842,884	\$39,842,884
Net Appropriation	\$166,273,456	\$166,277,458
Legislative Changes		
Requirements	\$19,614,117	\$8,714,395
Receipts	\$374,224	\$514,429
Net Appropriation	\$19,239,893	\$8,199,966
Revised Budget		
Requirements	\$225,730,457	\$214,834,737
Receipts	\$40,217,108	\$40,357,313
Net Appropriation	\$185,513,349	\$174,477,424

General Fund FTE

Base Budget	1,806.78	1,806.78
Legislative Changes	30.00	30.00
Revised Budget	1,836.78	1,836.78

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)**

Department of Natural and Cultural Resources										
Budget Code 14800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Office of the Secretary	3,899,821	250	3,899,571	50,000	-	50,000	3,949,821	250	3,949,571
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,835,981	-	13,835,981	4,500,000	-	4,500,000	18,335,981	-	18,335,981
1116	NHP-ADMINISTRATION	755,969	-	755,969	-	-	-	755,969	-	755,969
1120	Administrative Services	6,757,570	80,350	6,677,220	188,680	-	188,680	6,946,250	80,350	6,865,900
1210	Archives and History - Administration	952,570	131,791	820,779	(5,660)	-	(5,660)	946,910	131,791	815,119
1220	Historical Publications	257,430	-	257,430	185,000	-	185,000	442,430	-	442,430
1230	Archives and Records	3,178,425	146,780	3,031,645	-	-	-	3,178,425	146,780	3,031,645
1241	State Historic Sites	7,354,578	620	7,353,958	1,450,000	-	1,450,000	8,804,578	620	8,803,958
1242	Tryon Palace - Historic Sites and Gardens	2,956,581	353,587	2,602,994	-	-	-	2,956,581	353,587	2,602,994
1243	State Capitol	338,093	200	337,893	-	-	-	338,093	200	337,893
1245	NC Maritime Museum	1,750,210	-	1,750,210	167,052	-	167,052	1,917,262	-	1,917,262
1250	Historic Preservation	1,358,128	86,905	1,271,223	-	-	-	1,358,128	86,905	1,271,223
1255	Historic Preservation - Federal	978,818	978,818	-	-	-	-	978,818	978,818	-
1260	Office of State Archaeology	1,229,919	113,334	1,116,585	-	-	-	1,229,919	113,334	1,116,585
1290	Western Office	218,418	8,040	210,378	-	-	-	218,418	8,040	210,378
1320	Museum of Art	7,183,024	544,455	6,638,569	2,375,000	-	2,375,000	9,558,024	544,455	9,013,569
1330	NC Arts Council	7,364,728	10,711	7,354,017	880,000	-	880,000	8,244,728	10,711	8,234,017
1340	NC Symphony	2,116,589	39,191	2,077,398	350,000	-	350,000	2,466,589	39,191	2,427,398
1355	NC Arts Council - Federal Funds	937,113	937,113	-	-	-	-	937,113	937,113	-
1410	State Library Services	4,592,380	29,181	4,563,199	176,436	-	176,436	4,768,816	29,181	4,739,635
1480	Statewide Library Programs and Grants	15,653,812	-	15,653,812	958,000	-	958,000	16,611,812	-	16,611,812
1495	State Library - Federal	4,313,118	4,313,118	-	-	-	-	4,313,118	4,313,118	-
1500	Museum of History	6,087,695	1,400	6,086,295	417,778	-	417,778	6,505,473	1,400	6,504,073
1610	LWS Natural Resource Planning	210,796	210,796	-	-	-	-	210,796	210,796	-
1680	North Carolina Division of Parks and Recreation	56,316,095	8,526,750	47,789,345	4,726,818	374,224	4,352,594	61,042,913	8,900,974	52,141,939
1760	North Carolina Museum of Natural Science	14,948,200	489,045	14,459,155	119,469	-	119,469	15,067,669	489,045	14,578,624
1805	North Carolina Zoological Park	20,378,155	9,597,796	10,780,359	(202,633)	-	(202,633)	20,175,522	9,597,796	10,577,726
1855	North Carolina Aquariums Fund	19,970,623	13,021,152	6,949,471	353,794	-	353,794	20,324,417	13,021,152	7,303,265
1991	Indirect Reserve	221,501	221,501	-	-	-	-	221,501	221,501	-
1992	Continuation Reserve	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	2,036,921	-	2,036,921	2,036,921	-	2,036,921
N/A	State Retirement Contributions	-	-	-	544,172	-	544,172	544,172	-	544,172
N/A	State Health Plan Reserve	-	-	-	343,290	-	343,290	343,290	-	343,290
Total		\$206,116,340	\$39,842,884	\$166,273,456	\$19,614,117	\$374,224	\$19,239,893	\$225,730,457	\$40,217,108	\$185,513,349

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Natural and Cultural Resources										
Budget Code 14800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Office of the Secretary	3,899,821	250	3,899,571	-	-	-	3,899,821	250	3,899,571
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,835,981	-	13,835,981	500,000	-	500,000	14,335,981	-	14,335,981
1116	NHP-ADMINISTRATION	755,969	-	755,969	-	-	-	755,969	-	755,969
1120	Administrative Services	6,757,570	80,350	6,677,220	354,933	-	354,933	7,112,503	80,350	7,032,153
1210	Archives and History - Administration	952,570	131,791	820,779	(5,660)	-	(5,660)	946,910	131,791	815,119
1220	Historical Publications	257,430	-	257,430	185,000	-	185,000	442,430	-	442,430
1230	Archives and Records	3,178,425	146,780	3,031,645	-	-	-	3,178,425	146,780	3,031,645
1241	State Historic Sites	7,354,578	620	7,353,958	350,000	-	350,000	7,704,578	620	7,703,958
1242	Tryon Palace - Historic Sites and Gardens	2,956,581	353,587	2,602,994	-	-	-	2,956,581	353,587	2,602,994
1243	State Capitol	338,093	200	337,893	-	-	-	338,093	200	337,893
1245	NC Maritime Museum	1,750,210	-	1,750,210	32,052	-	32,052	1,782,262	-	1,782,262
1250	Historic Preservation	1,358,128	86,905	1,271,223	-	-	-	1,358,128	86,905	1,271,223
1255	Historic Preservation - Federal	978,818	978,818	-	-	-	-	978,818	978,818	-
1260	Office of State Archaeology	1,229,919	113,334	1,116,585	-	-	-	1,229,919	113,334	1,116,585
1290	Western Office	218,418	8,040	210,378	-	-	-	218,418	8,040	210,378
1320	Museum of Art	7,183,024	544,455	6,638,569	2,375,000	-	2,375,000	9,558,024	544,455	9,013,569
1330	NC Arts Council	7,364,728	10,711	7,354,017	700,000	-	700,000	8,064,728	10,711	8,054,017
1340	NC Symphony	2,116,589	39,191	2,077,398	-	-	-	2,116,589	39,191	2,077,398
1355	NC Arts Council - Federal Funds	937,113	937,113	-	-	-	-	937,113	937,113	-
1410	State Library Services	4,596,382	29,181	4,567,201	(23,564)	-	(23,564)	4,572,818	29,181	4,543,637
1480	Statewide Library Programs and Grants	15,653,812	-	15,653,812	-	-	-	15,653,812	-	15,653,812
1495	State Library - Federal	4,313,118	4,313,118	-	-	-	-	4,313,118	4,313,118	-
1500	Museum of History	6,087,695	1,400	6,086,295	257,778	-	257,778	6,345,473	1,400	6,344,073
1610	LWS Natural Resource Planning	210,796	210,796	-	-	-	-	210,796	210,796	-
1680	North Carolina Division of Parks and Recreation	56,316,095	8,526,750	47,789,345	47,397	514,429	(467,032)	56,363,492	9,041,179	47,322,313
1760	North Carolina Museum of Natural Science	14,948,200	489,045	14,459,155	(55,531)	-	(55,531)	14,892,669	489,045	14,403,624
1805	North Carolina Zoological Park	20,378,155	9,597,796	10,780,359	(202,633)	-	(202,633)	20,175,522	9,597,796	10,577,726
1855	North Carolina Aquariums Fund	19,970,623	13,021,152	6,949,471	-	-	-	19,970,623	13,021,152	6,949,471
1991	Indirect Reserve	221,501	221,501	-	-	-	-	221,501	221,501	-
1992	Continuation Reserve	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	2,036,921	-	2,036,921	2,036,921	-	2,036,921
N/A	State Retirement Contributions	-	-	-	1,435,253	-	1,435,253	1,435,253	-	1,435,253
N/A	State Health Plan Reserve	-	-	-	727,449	-	727,449	727,449	-	727,449
Total		\$206,120,342	\$39,842,884	\$166,277,458	\$8,714,395	\$514,429	\$8,199,966	\$214,834,737	\$40,357,313	\$174,477,424

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

Department of Natural and Cultural Resources					
Budget Code 14800		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	46.00	-	-	46.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	10.00	-	-	10.00
1116	NHP-ADMINISTRATION	9.10	-	-	9.10
1120	Administrative Services	33.00	-	-	33.00
1210	Archives and History - Administration	11.00	(1.00)	-	10.00
1220	Historical Publications	4.00	2.00	-	6.00
1230	Archives and Records	50.76	-	-	50.76
1241	State Historic Sites	125.80	4.00	-	129.80
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	18.05	-	-	18.05
1255	Historic Preservation - Federal	10.70	-	-	10.70
1260	Office of State Archaeology	14.76	-	-	14.76
1290	Western Office	2.00	-	-	2.00
1320	Museum of Art	119.30	25.00	-	144.30
1330	NC Arts Council	21.11	-	-	21.11
1340	NC Symphony	8.01	-	-	8.01
1355	NC Arts Council - Federal Funds	0.79	-	-	0.79
1410	State Library Services	63.00	(1.00)	-	62.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	93.00	4.00	-	97.00
1610	LWS Natural Resource Planning	2.90	-	-	2.90
1680	North Carolina Division of Parks and Recreation	480.50	1.00	-	481.50
1760	North Carolina Museum of Natural Science	152.00	(1.00)	-	151.00
1805	North Carolina Zoological Park	263.25	(3.00)	-	260.25
1855	North Carolina Aquariums Fund	177.75	-	-	177.75
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		1,806.78	30.00	-	1,836.78

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

Department of Natural and Cultural Resources					
Budget Code 14800		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	46.00	-	-	46.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	10.00	-	-	10.00
1116	NHP-ADMINISTRATION	9.10	-	-	9.10
1120	Administrative Services	33.00	-	-	33.00
1210	Archives and History - Administration	11.00	(1.00)	-	10.00
1220	Historical Publications	4.00	2.00	-	6.00
1230	Archives and Records	50.76	-	-	50.76
1241	State Historic Sites	125.80	4.00	-	129.80
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	18.05	-	-	18.05
1255	Historic Preservation - Federal	10.70	-	-	10.70
1260	Office of State Archaeology	14.76	-	-	14.76
1290	Western Office	2.00	-	-	2.00
1320	Museum of Art	119.30	25.00	-	144.30
1330	NC Arts Council	21.11	-	-	21.11
1340	NC Symphony	8.01	-	-	8.01
1355	NC Arts Council - Federal Funds	0.79	-	-	0.79
1410	State Library Services	63.00	(1.00)	-	62.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	93.00	4.00	-	97.00
1610	LWS Natural Resource Planning	2.90	-	-	2.90
1680	North Carolina Division of Parks and Recreation	480.50	1.00	-	481.50
1760	North Carolina Museum of Natural Science	152.00	(1.00)	-	151.00
1805	North Carolina Zoological Park	263.25	(3.00)	-	260.25
1855	North Carolina Aquariums Fund	177.75	-	-	177.75
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		1,806.78	30.00	-	1,836.78

2017 Annotated Conference Committee Report

Natural and Cultural Resources

GENERAL FUND				
		FY 17-18		FY 18-19
Recommended Base Budget		\$166,273,456		\$166,277,458
Legislative Changes				
Reserve for Salaries and Benefits				
96 Compensation Increase Reserve		\$2,036,921	R	\$2,036,921 R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
97 State Retirement Contributions		\$544,172	R	\$1,435,253 R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
98 State Health Plan		\$343,290	R	\$727,449 R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Administrative Services

99 Vacant Positions

(\$11,320) R

(\$11,320) R

Fund Code: 1120

-2.00

-2.00

Eliminates the salaries and benefits of 2 vacant positions within the Administrative Services Division.

60035496 - Office Assistant III (1.0 FTE)

60036012 - Accountant (1.0 FTE)

As of May 2017, both of these positions have been vacant for over 12 months. The revised net appropriation for salaries and benefits within Administrative Services is \$2.9 million in each year of the biennium.

100 Online Credit Card Data Security Compliance

\$200,000 R

\$366,253 R

Fund Code: 1120

2.00

2.00

Provides funding to strengthen protection of citizen cardholder data. These funds shall be used to conduct risk assessments, audits, and training to meet credit card industry compliance standards. The revised net appropriation for credit card security compliance is \$200,000 in FY 2017-18 and \$366,253 in FY 2018-19.

(S.B. 430/H.B. 537)

Aquariums

101 Ft. Fisher

Fund Code: 1855

\$100,000 NR

Provides additional operating support for the Ft. Fisher Aquarium. The revised net appropriation for the Aquariums Division is \$7.3 million in FY 2017-18 and \$6.9 million for FY 2018-19.

102 Satellite Aquarium Facility

Fund Code: 1855

\$253,794 NR

Directs the Division to begin planning the development of a satellite aquarium facility at Blake Farm development in Scotts Hill. The satellite facility's exhibit shall be focused on the North Carolina shellfish and aquaculture industry. A corresponding special provision provides additional information. The revised net appropriation for the planning of this facility is \$253,794 in FY 2017-18.

(S.L. 2017-57, Secs. 14.19)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Historical Resources

103 Digital Historic Publications

\$185,000 R

\$185,000 R

Fund Code: 1220

2.00

2.00

Provides funding to hire 2 FTE and to support operating expenses for the digitization of historic publications. These funds shall be used to archive and publish online historic colonial and Governors' State records as required by G.S. 121-6. The revised net appropriation for Historical Publications within the Historic Resources Division is \$442,430 in each year of the biennium. (S.B. 430/H.B. 537)

Land and Water Stewardship

104 Clean Water Management Trust Fund (CWMTF)

\$305,707 R

\$500,000 R

Fund Code: 1115

\$4,194,293 NR

Provides additional funds to the CWMTF to support grants to address water pollution problems. A corresponding item showing the transfer of these funds into the CWMTF Special Fund can be found in the special fund pages. The revised net appropriation for CWMTF grants is \$18.3 million in FY 2017-18 and \$14.3 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Secs. 14.14 and 14.17)

(This item also appears in the Natural and Cultural Resources special funds in the ANER section. See page H 109.)

Museum of Art

105 Museum of Art

\$2,125,000 R

\$2,125,000 R

Fund Code: 1320

\$250,000 NR

\$250,000 NR

25.00

25.00

Provides an additional \$2.4 million and 7 FTE for the Museum and the Museum Art Park. These funds are to provide additional operating support, add curators due to growth in the Museum's collection, and expand and enhance the Museum's security system. Funding for the salaries and benefits for the new positions are as follows:

Park Ranger - \$59,699 (3.0 FTE)

Housekeeper - \$35,444 (2.0 FTE)

Curator - \$69,615 (1.0 FTE)

Assistant Curator - \$54,879 (1.0 FTE)

The revised net appropriation for the Museum of Art including all changes is \$9.0 million in each year of the biennium.

(S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 4.5, Budget Technical Corrections, amends this item to increase the number of new positions from 7 to 25.)

Natural and Cultural Resources

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Museum of History

106 Building and Environmental Services Technician Position	\$32,052	R	\$32,052	R
Fund Code: 1245				

Provides funds to increase the salary of the existing vacant Building and Environmental Services Technician position (60083652) at the Graveyard of the Atlantic Museum from \$10,738 to \$29,949 to allow the Department to fill this position. Funds are provided for the increase in salary as well as payroll-associated benefits and health insurance. The revised net appropriation for this position is \$42,790 in each year of the biennium.

107 Museum of the Albemarle		
Fund Code: 1245	\$35,000	NR

Provides funds for special exhibits at the Museum of the Albemarle. The revised net appropriation for special exhibits at the Museum is \$35,000 in FY 2017-18 only.

108 Southport Maritime Museum		
Fund Code: 1245	\$100,000	NR

Provides additional funding to support the North Carolina Maritime Museum in Southport. The revised net appropriation for the NC Maritime Museum in Southport is \$396,948 in FY 2017-18 and \$296,948 in FY 2018-19.

109 Museum of History Positions	\$257,778	R	\$257,778	R
Fund Code: 1500				

Provides funds for the salaries and benefits of the following 4 new positions within the Museum of History:

Chief Curator - \$92,298 (1.0 FTE)
 Grant Writer - \$79,921 (1.0 FTE)
 Visitors Services Assistant - \$45,265 (1.0 FTE)
 Security Guard - \$40,294 (1.0 FTE)

The revised net appropriation for the Museum of History is \$6.3 million in each year of the biennium.

4.00

4.00

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

110 Grants-in-Aid

Fund Code: 1500

\$160,000 NR

Provides funds to support the following museums:

Destination Cleveland County, Inc. for the Earl Scruggs Center (\$50,000)

Sampson County for the Sampson County History Museum (\$40,000)

Raeford-Hoke Museum (\$25,000)

Cherokee County Museum (\$20,000)

Granville County Historical Society, Incorporated (\$25,000)

The revised net appropriation for these grants-in-aid is \$160,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

(S.L. 2017-197, Sec. 4.4.(c), Budget Technical Corrections, makes 2 corrections. It updates the revised net appropriation from \$115,000 to the correct total of \$160,000 and replaces the Oxford History Museum grant recipient with the Granville County Historical Society, Incorporated.)

Museum of Natural Sciences

111 Vacant Position

Fund Code: 1760

(\$55,531) R

(\$55,531) R

-1.00

-1.00

Eliminates the salary and benefits of 1 vacant position within the Museum of Natural Sciences.

65015798 - Coordinator of Distance Learning (1.0 FTE)

As of May 2017, this position had been vacant for over 9 months. The revised net appropriation for salaries and benefits within the Museum is \$10.0 million for each year of the biennium.

112 Grants-in-Aid

Fund Code: 1760

\$175,000 NR

Provides funds to support grants to museums as follows:

The Zing Zumm Children's Museum in Jacksonville (\$125,000)

The Museum of Coastal Carolina in Ocean Isle Beach (\$50,000)

The revised net appropriation for grants-in-aid is \$175,000 in FY 2017-18 only.

(S.L. 2017-57, Sec. 6.13)

NC Arts Council

113 Grassroots Arts Grant Program

\$500,000

R

\$500,000

R

Fund Code: 1330

Increases support for the Grassroots Arts Grant Program by \$500,000. The revised net appropriation for the Grassroots Art Grant Program is \$2.8 million in each year of the biennium. (S.B. 430/H.B. 537)

114 Rural Touring Arts Grant Program

\$75,000

R

\$100,000

R

Fund Code: 1330

Creates the Rural Touring Arts Grant Program. This Program will provide grants to arts organizations that are designated as State Arts Resources so that these organizations can increase their reach in Tier 1 and Tier 2 counties. The revised net appropriation for Rural Touring Arts Grant Program grants is \$75,000 in FY 2017-18 and \$100,000 in FY 2018-19. (S.B. 430/H.B. 537)

115 Military and Veterans Healing Arts Grant Program

\$75,000

R

\$100,000

R

Fund Code: 1330

Establishes the Military and Veterans Healing Arts Grant Program. This Program aims to increase access to the arts for North Carolina's service members, veterans, and military families through grants to local arts councils and arts organizations that will partner with military bases, VA hospitals, and veterans service providers. The revised net appropriation for Military and Veterans Healing Arts Grant Program grants is \$75,000 in FY 2017-18 and \$100,000 in FY 2018-19. (S.B. 430/H.B. 537)

116 Grants-in-Aid**Fund Code:** 1330

\$230,000

NR

Provides funds for grants to the following arts-related nonprofits:

Dreams of Wilmington (\$50,000)

Kids Making It, Inc. (\$50,000)

Arts Council of Wilmington and New Hanover County (\$50,000)

Pocosin Arts Organization (\$80,000)

The revised net appropriation for these grants-in-aid is \$230,000 in FY 2017-18.

(S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

NC Symphony

117 NC Symphony Funding

Fund Code: 1340

\$350,000 NR

Provides additional nonrecurring funding for the NC Symphony. Of these funds, \$50,000 shall be used to provide access to NC Symphony performances for public schools without transportation. The revised net appropriation for the NC Symphony, excluding any challenge grants, is \$2.4 million in FY 2017-18 and \$2.1 million in FY 2018-19. (S.B. 430/H.B. 537)

NC Zoo

118 Vacant Positions

Fund Code: 1805

(\$202,633) R (\$202,633) R

-3.00

-3.00

Eliminates the salary and benefits of 3 vacant positions within the NC Zoo.

60033302 - Maintenance Mechanic V (1.0 FTE)

60033278 - Hort/ Grounds Tech (1.0 FTE)

60033371 - Hort/ Grounds Tech (1.0 FTE)

As of May 2017, these positions had been vacant for 6 months. The revised net appropriation for salaries and benefits within the Zoo is \$10.4 million for each year of the biennium.

Office of Archives and History

119 Vacant Position

Fund Code: 1210

(\$5,660) R (\$5,660) R

-1.00

-1.00

Eliminates the salary and benefits of 1 vacant position within the Office of Archives and History.

60035958 - Program Administrator (1.0 FTE)

As of May, this position had been vacant for approximately 24 months. The revised net appropriation for salaries and benefits within the Office of Archives and History is \$759,843 in each year of the biennium.

Office of the Secretary

120 Jones County Cultural Programming

Fund Code: 1110

\$50,000 NR

Provides funds for planning and programming efforts around the arts and history of Jones County and Foscue Plantation. The revised net appropriation for this effort is \$50,000 in FY 2017-18 only.

Natural and Cultural Resources

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Parks and Recreation

121 Operating Expenses

(\$374,224) R (\$374,224) R

Fund Code: 1680

Shifts funding for operations within the Division of Parks and Recreation's budget to utilize projected over-realized receipts. The revised net appropriation for the Division following this adjustment is \$47.4 million in each year of the biennium.

122 New State Park Operating Support

\$112,100 R \$112,100 R

Fund Code: 1680

Provides funds for 2 Park Ranger positions needed to bring new NC Connect bond-funded State park projects online during FY 2017-18. The revised net appropriation for salaries and benefits in the Division following all adjustments is \$29.2 million in each year of the biennium.
(S.B. 430/H.B. 537)

2.00

2.00

123 Vacant Position

(\$64,703) R (\$64,703) R

Fund Code: 1680

Eliminates the salary and benefits of 1 vacant position within the Division of Parks and Recreation.

-1.00

-1.00

60032829 - Parks Designer I (1.0 FTE)

As of May 2017, this position had been vacant for 6 months. The revised net appropriation for the salaries and benefits within the Division following all adjustments is \$29.2 million in each year of the biennium.

124 Parks and Recreation Trust Fund (PARTF) Grants

(\$140,205) R (\$140,205) R

Fund Code: 1680

\$3,437,126 NR

Reduces funding for PARTF by \$140,205 on a recurring basis and provides \$3.4 million nonrecurring in FY 2017-18 and \$140,205 nonrecurring in FY 2018-19. The FY 2018-19 funding is provided via a transfer from the Industrial Development Fund Utility Account (24609-2568). A corresponding item showing the transfer of these funds into the PARTF Special Fund can be found in the special fund pages. The revised net appropriation for PARTF is \$19.7 million in FY 2017-18 and \$16.2 million in FY 2018-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Secs. 14.13 and 14.14)

(This item also appears in the Natural and Cultural Resources special funds in the ANER section. See page H 111. A related item also appears in the Commerce special funds in the ANER section. See page H 70.)

125 Grants-in-Aid**Fund Code:** 1680

\$1,332,500 NR

Provides funds to support provide grants-in-aid for the following parks and recreation projects:

The Appalachian Regional Healthcare System for the construction of a greenway connector trail (\$50,000)

Nash County for the Nash County Play Together Park (\$125,000)

Hertford County Recreation Commission for recreational, economic, and environmental improvements (\$80,000)

Bertie County for renovation of the Blue Jay Recreation Park (\$80,000)

The City of Raeford for McLaughlin Park (\$200,000)

The City of Hickory for the Claremont-SALT Block Pocket Park (\$100,000)

Town of Waxhaw for the development of the downtown park (\$60,000)

City of Belmont for Stowe Park (\$75,000)

Town of China Grove for Hanna Park (\$35,000)

Rockingham County for greenway (\$50,000)

Watauga County to connect the greenway to the Watauga Medical Center (\$50,000)

City of Lincoln to expand Betty Ross Park (\$150,000)

Pamlico County for Alliance Recreation Park (\$93,000)

Town of Archer Lodge for a parks and recreation land purchase (\$50,000)

Town of Smithfield for the Neuse River town park (\$20,000)

City of Taylorsville for a shelter at Mathison Park (\$50,000)

The Elkin Valley Trails Association (\$4,500)

Cove City Park (\$60,000)

The revised net appropriation for these grants-in-aid is \$1.3 million in FY 2017-18 only.
(S.L. 2017-57, Sec. 6.13)

126 Crowders Mountain State Park**Fund Code:** 1680

\$50,000 NR

Provides additional funding for facility and operating upgrades at Crowders Mountain State Park. The revised net appropriation for this assistance is \$50,000 in FY 2017-18 only.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

State Historic Sites

127 Maintenance Funds

Fund Code: 1241

\$250,000 R

\$250,000 R

4.00

4.00

Provides additional maintenance funding and 4 FTE for the State Historic Sites. These funds may be transferred to the other two funds within the State Historic Sites Division for maintenance at Tryon Palace and/or the State Capitol as needed. The revised net appropriation for the repair services line items for the State Historic Sites is \$300,784 in each year of the biennium. (S.B. 430/H.B. 537)

128 Transportation Museum

Fund Code: 1241

\$100,000 R

\$100,000 R

\$125,000 NR

Provides additional support for the Transportation Museum. The revised net appropriation for the Transportation Museum is \$557,409 in FY 2017-18 and \$432,409 in FY 2018-19.

129 Fort Dobbs Replica

Fund Code: 1241

\$975,000 NR

Provides \$975,000 nonrecurring for planning, construction, and programming for a replica of the French and Indian War fort at the Fort Dobbs State Historic Site. The revised net appropriation for the Fort Dobbs replica is \$975,000 in FY 2017-18 only. (S.B. 357)

State Library

130 Vacant Position

Fund Code: 1410

(\$23,564) R

(\$23,564) R

-1.00

-1.00

Eliminates the salary and benefits of 1 vacant position within the State Library.

60083866 - Processing Assistant III (1.0 FTE)

As of the end of February 2017, this position had been vacant for over 12 months. The revised net appropriation for salaries and benefits within the State Library is \$4.0 million in each year of the biennium.

131 Statewide Children's Digital Library

Fund Code: 1410

\$200,000 NR

Continues funding for the Statewide Children's Digital Library at the FY 2016-17 level on a nonrecurring basis. The revised net appropriation for the Digital Library is \$200,000 in FY 2017-18

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

132 State-aid to Public Libraries

Fund Code: 1480

\$500,000 NR

Increases FY 2017-18 funding for library grants. The revised net appropriation for state-aid to public libraries is \$14.7 million in FY 2017-18 and \$14.2 million in FY 2018-19.

133 Grants-in-Aid

Fund Code: 1480

\$458,000 NR

Provides funds for grants to support the following libraries:

Town of St. Pauls Library (\$13,000)
 West Lincoln County Library (\$250,000)
 Fair Bluff Library (\$100,000)
 Mooresville Public Library for a library patio project (\$70,000)
 Town of Aberdeen for the Aberdeen library (\$25,000)

The revised net appropriation for these grants-in-aid is \$458,000 in FY 2017-18 only.
 (S.L. 2017-57, Sec. 6.13)

(S.L. 2017-197, Sec. 4.6, Budget Technical Corrections, amends this item to remove the \$100,000 grant for the Caldwell County Bookmobile and reduces the net appropriation accordingly.)

Total Legislative Changes

\$6,264,180 R

\$7,949,966 R

\$12,975,713 NR

\$250,000 NR

Total Position Changes

30.00

30.00

Revised Budget

\$185,513,349

\$174,477,424

Clean Water Management Trust Fund

Budget Code: 24818

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$55,957,067	\$55,957,067
Recommended Budget		
Requirements	\$17,251,747	\$17,251,747
Receipts	\$17,251,747	\$17,251,747
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Clean Water Management Trust Fund (CWMTF) Grants	\$305,707 R	\$500,000 R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in each year of the biennium.	\$4,194,293 NR	\$0 NR
(S.L. 2017-57, Secs. 14.14 and 14.17)	0.00	0.00
(This item also appears in the Natural and Cultural Resources General Fund in the ANER section. See page H 100, item 104.)		
Subtotal Legislative Changes	\$305,707 R	\$500,000 R
	\$4,194,293 NR	\$0 NR
	0.00	0.00
Receipts:		
Clean Water Management Trust Fund (CWMTF) Grants	\$305,707 R	\$500,000 R
Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 and in FY 2018-19.	\$4,194,293 NR	\$0 NR
Subtotal Legislative Changes	\$305,707 R	\$500,000 R
	\$4,194,293 NR	\$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$21,751,747	\$17,751,747
Revised Total Receipts	\$21,751,747	\$17,751,747
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$55,957,067	\$55,957,067

DPR-PARTF (Parks & Recreation Trust Fund)

Budget Code: 24820

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$13,622,190	\$15,177,339
Recommended Budget		
Requirements	\$16,253,089	\$16,253,089
Receipts	\$17,808,238	\$17,808,238
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Parks and Recreation Trust Fund (PARTF) Grants Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 only. (S.L. 2017-57, Secs. 14.13 and 14.14)	(\$140,205) R \$3,437,126 NR 0.00	(\$140,205) R \$140,205 NR 0.00
(This item also appears in the Natural and Cultural Resources General Fund in the ANER section. See page H 105, item 124. A related item appears in the Commerce special funds in the ANER section. See page H 70.)		
Subtotal Legislative Changes	(\$140,205) R \$3,437,126 NR 0.00	(\$140,205) R \$140,205 NR 0.00
Receipts:		
Parks and Recreation Trust Fund (PARTF) Grants Adjusts the budget to reflect the transfer of additional funding from the General Fund in FY 2017-18 and from the Industrial Development Fund Utility Account (24609-2568) in FY 2018-19.	(\$140,205) R \$3,437,126 NR	(\$140,205) R \$140,205 NR
Subtotal Legislative Changes	(\$140,205) R \$3,437,126 NR	(\$140,205) R \$140,205 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$19,550,010	\$16,253,089
Revised Total Receipts	\$21,105,159	\$17,808,238
Change in Fund Balance	\$1,555,149	\$1,555,149
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$15,177,339	\$16,732,488

Special Provisions

2017 Session: SB 257

Department: Natural and Cultural Resources

Section: 14.1

Title: **VARIOUS NER AGENCY REPORT CHANGES**

Summary: Makes changes to numerous reports across the ANER subject area. In most instances, these report changes replace the requirement to report to the Joint Legislative Commission on Governmental Operations with the requirement to report to the JLOC on ANER and/or the Chairs of the Appropriations Committees on ANER. Other changes include adding specific reporting dates, changing the frequency of reports, and making minor technical and conforming changes.

Section: 14.2

Title: **MILITARY BUFFERS**

Summary: Requires that funds appropriated to the Clean Water Management Trust Fund (CWMTF) and the Agricultural Development and Farmland Preservation Trust Fund continue to be used exclusively for the acquisition of land that buffers a military facility from incompatible use encroachment.

Section: 14.3

Title: **CLARIFYING CHANGES TO DEPARTMENT OF NATURAL AND CULTURAL RESOURCES FUNDS**

Summary: Makes various technical and clarifying changes to the Department of Natural and Cultural Resources (DNCR) statutes related to the receipt and use of donations. These changes affect the General Statutes for a wide range of DNCR's special funds associated with attractions and programs, such as the North Carolina Aquariums, State Historic Sites, and Arts Council. Many of the changes replace the term "private donations" with "donations, gifts, and devises." Other changes clarify the purpose for which funds may be used or modernize the drafting standards of the provision.
(S.B. 430/H.B. 537)

Section: 14.5

Title: **PROMOTE ACCESS TO AND EXCHANGE OF LIBRARY MATERIALS**

Summary: Adds the authority to enter into contracts to coordinate cooperative programs or to promote the access and exchange of library materials to the powers and duties of DNCR and modernizes the drafting of the other powers and duties listed in G.S. 125-2(10).
(S.B. 430/H.B. 537)

Section: 14.6

Title: **EXEMPTION FOR FOOD AND VENDING FACILITIES AT NORTH CAROLINA ZOO**

Summary: Extends the exemptions in Article 3 of Chapter 111 of the General Statutes, which regulates food and vending contracts, to the North Carolina Zoological Park. DNCR's aquariums, parks, museums, and historic sites are already exempt from this Article.
(S.B. 430/H.B. 537)

Natural and Cultural Resources

Section: 14.7

Title: **CORRECT DNCR SALARY AND BENEFIT BASE BUDGET EXPENDITURES**

Summary: Notwithstanding G.S. 143C-6-4 to allow OSBM, in coordination with DNCR and FRD, to adjust personal services line items within the Division of Parks and Recreation, the North Carolina Aquariums, and the North Carolina Zoological Park to correct errors in the base budget. The adjustments are required as part of the 2017-2019 biennial budget certification process. DNCR is required to make corresponding adjustments in the BEACON system as necessary.

Section: 14.8

Title: **ABOLISH ROANOKE ISLAND COMMISSION**

Summary: Abolishes the Roanoke Island Commission and transfers the powers and duties of that Commission to the Roanoke Island Historical Association.

Subsection (a) updates Article 19 of Chapter 143 of the General Statutes to remove the specific members of the Roanoke Island Historical Association and replace those names with appointments as follows: 2 members by the Governor, 1 member by the Speaker of the House, 1 member by the President Pro Tempore of the Senate, and the remaining 18 members to be appointed by the membership of the Association in the regular annual meeting. Subsection (a) also requires DNCR to enter into a memorandum of agreement (MOA) with the Roanoke Island Historical Association for the management and operations of the Roanoke Island Festival Park, including the Elizabeth II State Historic Site and Visitor Center.

Subsections (b) through (d) and subsections (f) and (g) make conforming changes to reflect the abolishment of the Roanoke Island Commission and the transfer of its duties to the Roanoke Island Historical Association.

Subsection (e) abolishes the Roanoke Island Commission and transfers its powers, assets, liabilities, contracts, and agreements to DNCR.

Subsection (h) requires DNCR to enter into the MOA with the Roanoke Island Historical Association by January 15, 2018, and to submit a copy of the MOA to the JLOC on ANER and FRD prior to the convening of the 2018 Regular Session of the 2017 General Assembly.

Section: 14.9

Title: **LUMBER RIVER STATE PARK**

Summary: Allows the Division of Parks and Recreation to move the Lumber River State Park's primary office and headquarters to the Lumber River Visitors Center in Fair Bluff. The relocation is not required. If the relocation occurs, the Division and the Department of Transportation are directed to work together to facilitate the move.

Section: 14.11

Title: **SCIENCE MUSEUM FUNDING**

Summary: Amends the tier-based funding practices for the competitive science museum grants to allow museums in rural census tracts of Tier 2 and Tier 3 counties to be subject to the maximum grant award for a museum in a Tier 1 county. The maximum awards by tier are \$75,000 in Tier 1, \$60,000 in Tier 2, and \$50,000 in Tier 3.

Section: 14.12

Title: **YOUTH CONSERVATION CORPS**

Summary: Allows State departments, institutions, and agencies to contract with the North Carolina Youth Conservation Corp (NCYCC) to perform trail construction and maintenance, invasive species removal, and other projects in State parks, forests, and facilities where these activities provide direct public benefit. NCYCC contracts are exempt from the competitive bidding procedures and the rules related to those procedures.

Section: 14.13

Title: **MAYO RIVER STATE PARK ACCESS**

Summary: Designates \$500,000 of the funds appropriated to the Parks and Recreation Trust Fund (PARTF) in FY 2017-18 for the construction of an access bridge over the Mayo River in order to address public safety issues and provide service vehicles access to monitor, maintain, repair, or replace the existing sewer line traversing portions of Mayo River State Park.

Section: 14.14

Title: **CWMTF/PARTF FUNDS**

Summary: Requires that \$545,000 nonrecurring from funds available to CWMTF and \$500,000 nonrecurring from funds available to the PARTF for FY 2017-18 be held in a reserve at OSBM to provide matching funds for a Readiness and Environmental Protection Integration grant to purchase the Archers Creek tract on Bogue Banks in Carteret County.

Section: 14.15

Title: **HICKORY NUT GORGE TRAIL**

Summary: Authorizes DNCR to add the Hickory Nut Gorge Trail to the State Park System as a State Trail per G.S. 143B-135.54(b). The Hickory Nut Gorge Trail refers to the trail through the Hickory Nut Gorge in Rutherford, Henderson, and Buncombe Counties.

Section: 14.17

Title: **CLEAN WATER MANAGEMENT TRUST FUND PRIORITIZATION**

Summary: Designates \$2.7 million of the funds appropriated to CWMTF in FY 2017-18 to purchase 1,100 or more acres of property for new Wildlife Resource Commission gameland directly adjacent to 600 or more acres of gameland purchased in calendar year 2017.

Section: 14.18

Title: **STATE PARKS BOAT RAMPS**

Summary: Amends G.S. 143B-135.58 to require that any park that includes an existing boat ramp suitable for launch of motorized watercraft shall ensure the ramp is accessible to the public during the park's regular operating hours.

Section: 14.19

Title: **SCOTTS HILL AQUARIUM SATELLITE FACILITY**

Summary: Allocates \$300,000 in FY 2017-18 to plan a satellite aquarium at Blake Farms in Scotts Hill, North Carolina.

(S.L. 2017-197, Sec. 4.3, Budget Technical Corrections, strikes the reference to a specific appropriation to conform this item to the Conference Committee Report.)

(S.L. 2017-212, Sec. 4.9, Budget & Agency Technical Corrections, adds specificity to the authorized use of the funds for the satellite aquarium.)

2017 Session: HB 528

Department: Natural and Cultural Resources

Section: 4.1

Title: **BUDGET CHANGE: SHELLFISH HERITAGE PLANS DUE DATE**

Summary: Amends S.L. 2017-57, Sec. 13.13.(d), Appropriations Act of 2017, to extend the due date for the Collaboratory's conceptual plans and recommendations for economic development related to the promotion of the State's shellfish harvesting heritage from March 1, 2018 to December 31, 2018.

Section: 4.3

Title: **TECHNICAL CHANGE: SCOTTS HILL AQUARIUM SATELLITE FACILITY**

Summary: Amends S.L. 2017-57, Sec. 14.19, Appropriations Act of 2017, to remove the reference to a specific appropriation to conform to the corresponding item in the Conference Committee Report.

Section: 4.4(c)

Title: **TECHNICAL CHANGE: LOCAL HISTORY MUSEUM FUNDING**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new section, Sec. 14.20. This section corrects the revised net appropriation for grants-in-aid to local history museums to \$160,000 and corrects the name of a recipient of a grant-in-aid from the Oxford Museum of History to the Granville County Historical Society, Incorporated.

Section: 4.5

Title: **BUDGET CHANGE: ART MUSEUM POSITIONS**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new section, Sec. 14.21, to increase the number of new positions provided to the Museum of Art from 7 positions to 25 positions.

Section: 4.6

Title: **BUDGET CHANGE: LOCAL LIBRARY GRANTS-IN-AID**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new section, Sec. 14.22, to eliminate the grant for the Caldwell County Book Mobile and to reduce the appropriation for grants-in-aid for local public libraries by the corresponding \$100,000. Section 4.6 also corrects the name of the Aberdeen library grant recipient from Town of Aberdeen to the Friends of the Aberdeen Library.

Natural and Cultural Resources

Section: 4.11

Title: **BUDGET CHANGE: FUNDING FOR ROANOKE ISLAND FESTIVAL PARK CANAL**

Summary: Amends G.S. 143-215.73F(c)(4) to require that the cost-share for dredging the access canal around the Roanoke Island Festival Park be paid from the Historic Roanoke Island Fund.

2017 Session: SB 582

Department: Natural and Cultural Resources

Section: 4.9

Title: **BUDGET CHANGE: SCOTTS HILL AQUARIUM**

Summary: Amends S.L. 2017-57, Sec. 14.19, Appropriations Act of 2017, to add specificity to the use of funds appropriated for the Scott Hill satellite aquarium. The Department is authorized to expend funds to engage architects and other program consultants to design and permit the satellite aquarium building and to produce design and construction documents for the satellite aquarium area.

**Department of Natural and Cultural Resources -
Roanoke Island Commission
Budget Code 14802**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$555,571	\$555,571
Receipts	\$0	\$0
Net Appropriation	\$555,571	\$555,571
Legislative Changes		
Requirements	\$0	\$0
Receipts	\$0	\$0
Net Appropriation	\$0	\$0
Revised Budget		
Requirements	\$555,571	\$555,571
Receipts	\$0	\$0
Net Appropriation	\$555,571	\$555,571

General Fund FTE

Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Natural and Cultural Resources - Roanoke Island Commission		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14802										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	555,571	-	555,571	-	-	-	555,571	-	555,571
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		\$555,571	\$0	\$555,571	\$0	\$0	\$0	\$555,571	\$0	\$555,571

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Natural and Cultural Resources - Roanoke Island Commission										
Budget Code 14802		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	555,571	-	555,571	-	-	-	555,571	-	555,571
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		\$555,571	\$0	\$555,571	\$0	\$0	\$0	\$555,571	\$0	\$555,571

**Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session**

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		<u>Base</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		-	-	-	-

**Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session**

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		<u>Base</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		-	-	-	-

2017 Annotated Conference Committee Report

DNCR - Roanoke Island Commission

GENERAL FUND

	FY 17-18	FY 18-19
Recommended Base Budget	\$555,571	\$555,571
Legislative Changes		
134 No Legislative Changes		
Fund Code:		
Total Legislative Changes		
Total Position Changes		
Revised Budget	\$555,571	\$555,571

Special Provisions

2017 Session: SB 257

Department: DNCR - Roanoke Island Commission

Section:

Title: **No Special Provisions**

Summary:

Justice and Public Safety Section I

**Department of Public Safety
Budget Code 14550**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$2,154,155,796	\$2,154,232,814
Receipts	\$218,889,060	\$218,889,060
Net Appropriation	\$1,935,266,736	\$1,935,343,754
Legislative Changes		
Requirements	\$67,433,310	\$85,248,283
Receipts	\$0	\$0
Net Appropriation	\$67,433,310	\$85,248,283
Revised Budget		
Requirements	\$2,221,589,106	\$2,239,481,097
Receipts	\$218,889,060	\$218,889,060
Net Appropriation	\$2,002,700,046	\$2,020,592,037

General Fund FTE

Base Budget	24,951.46	24,951.46
Legislative Changes	(67.00)	(259.50)
Revised Budget	24,884.46	24,691.96

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Public Safety										
Budget Code 14550		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Division of Administration	58,247,650	250,893	57,996,757	2,242,025	-	2,242,025	60,489,675	250,893	60,238,782
1115	Victims Services	10,038,875	3,791,086	6,247,789	-	-	-	10,038,875	3,791,086	6,247,789
1170	Governor's Crime Commission	81,383,983	80,726,020	657,963	745,000	-	745,000	82,128,983	80,726,020	1,402,963
1200	DJJ Administration	3,197,664	-	3,197,664	519,600	-	519,600	3,717,264	-	3,717,264
1210	Youth Detention Center Services	13,360,169	5,835,467	7,524,702	-	-	-	13,360,169	5,835,467	7,524,702
1220	Youth Development Center Services	16,850,321	571,954	16,278,367	-	-	-	16,850,321	571,954	16,278,367
1225	Youth Treatment Services	15,731,349	630	15,730,719	-	-	-	15,731,349	630	15,730,719
1226	Youth Education Services	6,334,596	928,085	5,406,511	-	-	-	6,334,596	928,085	5,406,511
1230	Community Program Services	20,297,422	32	20,297,390	-	-	-	20,297,422	32	20,297,390
1240	JCPC Grants Management System	22,745,217	298,078	22,447,139	-	-	-	22,745,217	298,078	22,447,139
1250	Juvenile Court Services	35,774,518	-	35,774,518	-	-	-	35,774,518	-	35,774,518
1305	Prison Management	13,372,460	-	13,372,460	-	-	-	13,372,460	-	13,372,460
1307	Inmate Construction Program	1,291,442	-	1,291,442	-	-	-	1,291,442	-	1,291,442
1310	Prison Custody and Security	792,813,027	3,890,564	788,922,463	(3,395,943)	-	(3,395,943)	789,417,084	3,890,564	785,526,520
1312	Statewide Misdemeanant Confinement Fund	22,275,000	-	22,275,000	-	-	-	22,275,000	-	22,275,000
1314	Prison Road Squad and Litter Crews	9,550,679	9,040,000	510,679	(510,679)	-	(510,679)	9,040,000	9,040,000	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1320	Prison Food Service and Cleaning	76,787,265	9,776,696	67,010,569	-	-	-	76,787,265	9,776,696	67,010,569
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	167,652,075	5,805,277	161,846,798	-	-	-	167,652,075	5,805,277	161,846,798
1332	Prison Mental Health	39,691,852	-	39,691,852	-	-	-	39,691,852	-	39,691,852
1333	Prison Dental Health	12,053,445	-	12,053,445	-	-	-	12,053,445	-	12,053,445
1334	Prison Pharmacy Services	38,550,932	516,774	38,034,158	-	-	-	38,550,932	516,774	38,034,158
1340	Prison Inmate Education	9,471,413	1,196,429	8,274,984	650,000	-	650,000	10,121,413	1,196,429	8,924,984
1345	Prison Corrective Programs	46,674,876	-	46,674,876	-	-	-	46,674,876	-	46,674,876
1347	Prison Work Release	983,806	-	983,806	-	-	-	983,806	-	983,806
1350	ACDP - Administration	479,222	-	479,222	-	-	-	479,222	-	479,222
1352	ACDP - In Prison Treatment	6,404,138	453,248	5,950,890	-	-	-	6,404,138	453,248	5,950,890
1354	ACDP - Community Based Treatment	8,197,992	-	8,197,992	-	-	-	8,197,992	-	8,197,992
1355	DPS Confinement in Response to Violation (CRV)	10,495,134	-	10,495,134	864,681	-	864,681	11,359,815	-	11,359,815
1360	Community Corrections - Management	2,805,360	-	2,805,360	-	-	-	2,805,360	-	2,805,360
1365	Community Corrections - Interstate Compact	707,960	199,845	508,115	-	-	-	707,960	199,845	508,115
1370	Community Corrections - Regular Supervision	165,807,863	-	165,807,863	-	-	-	165,807,863	-	165,807,863
1375	Community Corrections - Community Supervision	12,404,321	-	12,404,321	500,000	-	500,000	12,904,321	-	12,904,321
1377	Community Corrections - Electronic Monitoring	6,897,677	108,817	6,788,860	-	-	-	6,897,677	108,817	6,788,860
1380	Community Corrections - Judicial Services	12,849,012	-	12,849,012	-	-	-	12,849,012	-	12,849,012
1385	Security Services for ACJJ	5,503,712	-	5,503,712	-	-	-	5,503,712	-	5,503,712
1390	Post-Release Supervision and Parole Commission	2,743,019	-	2,743,019	-	-	-	2,743,019	-	2,743,019
1392	Grievance Resolution Board	497,704	-	497,704	-	-	-	497,704	-	497,704
1399	Division Wide Operations	7,824,950	486,151	7,338,799	-	-	-	7,824,950	486,151	7,338,799
1401	LE - Alcohol Law Enforcement	11,922,555	2,972,606	8,949,949	-	-	-	11,922,555	2,972,606	8,949,949
1402	LE - State Capitol Police	5,187,532	3,333,194	1,854,338	-	-	-	5,187,532	3,333,194	1,854,338

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1403	LE - State Highway Patrol	2,757,804	2,757,804	-	-	-	-	2,757,804	2,757,804	-
1408	LE - SHP Missing Persons Administration	108,928	-	108,928	-	-	-	108,928	-	108,928
1410	LE - SHP Aviation Administration	2,400,700	232,926	2,167,774	-	-	-	2,400,700	232,926	2,167,774
1411	LE - SHP Field Administration	213,283,151	3,399,238	209,883,913	233,314	-	233,314	213,516,465	3,399,238	210,117,227
1414	LE - SHP VIPER Administration	13,428,132	2,469	13,425,663	605,089	-	605,089	14,033,221	2,469	14,030,752
1450	State Bureau of Investigation	48,586,486	13,885,682	34,700,804	1,249,463	-	1,249,463	49,835,949	13,885,682	35,950,267
1500	EM - EMPG Operations	11,727,133	9,136,874	2,590,259	500,000	-	500,000	12,227,133	9,136,874	3,090,259
1501	EM - Planning	2,572,737	2,572,737	-	-	-	-	2,572,737	2,572,737	-
1502	EM - Homeland Security	8,575,948	8,575,948	-	-	-	-	8,575,948	8,575,948	-
1504	EM - Geospatial (GTM)	4,452,394	4,452,394	-	-	-	-	4,452,394	4,452,394	-
1505	EM - Recovery	502,555	502,555	-	-	-	-	502,555	502,555	-
1506	EM - Operations	1,268,855	1,268,855	-	-	-	-	1,268,855	1,268,855	-
1507	EM - CAP	157,349	36	157,313	-	-	-	157,349	36	157,313
1509	EM - Hazard Mitigation - Non-Disaster	10,504,585	10,273,123	231,462	-	-	-	10,504,585	10,273,123	231,462
1511	Geodetic Survey	1,697,072	784,625	912,447	-	-	-	1,697,072	784,625	912,447
1600	National Guard	6,550,051	2,471,992	4,078,059	200,000	-	200,000	6,750,051	2,471,992	4,278,059
1601	National Guard - Armory	19,160,817	17,755,149	1,405,668	-	-	-	19,160,817	17,755,149	1,405,668
1602	National Guard - Air	4,763,404	4,300,477	462,927	-	-	-	4,763,404	4,300,477	462,927
1603	National Guard - Youth Programs	8,236,612	6,334,330	1,902,282	-	-	-	8,236,612	6,334,330	1,902,282
Department-wide Items										
	Compensation Reserve	-	-	-	30,543,220	N/A	30,543,220	30,543,220	N/A	30,543,220
	Compensation Reserve - State Agency Teachers	-	-	-	193,533	N/A	193,533	193,533	N/A	193,533
	SBI/ALE Compensation Reserve	-	-	-	500,000	N/A	500,000	500,000	N/A	500,000
	Correctional Officer Custody-Level Based Pay Adj.	-	-	-	18,400,000	N/A	18,400,000	18,400,000	N/A	18,400,000
	State Retirement Contributions	-	-	-	8,237,333	N/A	8,237,333	8,237,333	N/A	8,237,333
	State Health Plan	-	-	-	5,156,674	N/A	5,156,674	5,156,674	N/A	5,156,674
	Undesignated	-	-	-	-	-	-	-	-	-
Total		\$2,154,155,796	\$218,889,060	\$1,935,266,736	67,433,310	\$0	\$67,433,310	\$2,221,589,106	\$218,889,060	\$2,002,700,046

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Public Safety										
Budget Code 14550		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Division of Administration	58,278,447	250,893	58,027,554	1,904,344	-	1,904,344	60,182,791	250,893	59,931,898
1115	Victims Services	10,038,875	3,791,086	6,247,789	-	-	-	10,038,875	3,791,086	6,247,789
1170	Governor's Crime Commission	81,384,986	80,726,020	658,966	250,000	-	250,000	81,634,986	80,726,020	908,966
1200	DJJ Administration	3,202,872	-	3,202,872	478,000	-	478,000	3,680,872	-	3,680,872
1210	Youth Detention Center Services	13,360,169	5,835,467	7,524,702	-	-	-	13,360,169	5,835,467	7,524,702
1220	Youth Development Center Services	16,850,321	571,954	16,278,367	-	-	-	16,850,321	571,954	16,278,367
1225	Youth Treatment Services	15,731,349	630	15,730,719	-	-	-	15,731,349	630	15,730,719
1226	Youth Education Services	6,334,596	928,085	5,406,511	-	-	-	6,334,596	928,085	5,406,511
1230	Community Program Services	20,297,422	32	20,297,390	-	-	-	20,297,422	32	20,297,390
1240	JCPC Grants Management System	22,745,217	298,078	22,447,139	-	-	-	22,745,217	298,078	22,447,139
1250	Juvenile Court Services	35,774,518	-	35,774,518	-	-	-	35,774,518	-	35,774,518
1305	Prison Management	13,375,385	-	13,375,385	-	-	-	13,375,385	-	13,375,385
1307	Inmate Construction Program	1,292,842	-	1,292,842	-	-	-	1,292,842	-	1,292,842
1310	Prison Custody and Security	792,815,700	3,890,564	788,925,136	(3,395,943)	-	(3,395,943)	789,419,757	3,890,564	785,529,193
1312	Statewide Misdemeanant Confinement Fund	22,275,000	-	22,275,000	-	-	-	22,275,000	-	22,275,000
1314	Prison Road Squad and Litter Crews	9,550,679	9,040,000	510,679	(510,679)	-	(510,679)	9,040,000	9,040,000	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1320	Prison Food Service and Cleaning	76,787,265	9,776,696	67,010,569	-	-	-	76,787,265	9,776,696	67,010,569
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	167,652,075	5,805,277	161,846,798	-	-	-	167,652,075	5,805,277	161,846,798
1332	Prison Mental Health	39,691,852	-	39,691,852	-	-	-	39,691,852	-	39,691,852
1333	Prison Dental Health	12,053,445	-	12,053,445	-	-	-	12,053,445	-	12,053,445
1334	Prison Pharmacy Services	38,550,932	516,774	38,034,158	-	-	-	38,550,932	516,774	38,034,158
1340	Prison Inmate Education	9,471,413	1,196,429	8,274,984	650,000	-	650,000	10,121,413	1,196,429	8,924,984
1345	Prison Corrective Programs	46,674,876	-	46,674,876	-	-	-	46,674,876	-	46,674,876
1347	Prison Work Release	983,806	-	983,806	-	-	-	983,806	-	983,806
1350	ACDP - Administration	479,985	-	479,985	-	-	-	479,985	-	479,985
1352	ACDP - In Prison Treatment	6,404,138	453,248	5,950,890	-	-	-	6,404,138	453,248	5,950,890
1354	ACDP - Community Based Treatment	8,197,992	-	8,197,992	-	-	-	8,197,992	-	8,197,992
1355	DPS Confinement in Response to Violation (CRV)	10,495,134	-	10,495,134	1,221,100	-	1,221,100	11,716,234	-	11,716,234
1360	Community Corrections - Management	2,809,276	-	2,809,276	-	-	-	2,809,276	-	2,809,276
1365	Community Corrections - Interstate Compact	708,897	199,845	509,052	-	-	-	708,897	199,845	509,052
1370	Community Corrections - Regular Supervision	165,810,754	-	165,810,754	-	-	-	165,810,754	-	165,810,754
1375	Community Corrections - Community Supervision	12,404,426	-	12,404,426	600,000	-	600,000	13,004,426	-	13,004,426
1377	Community Corrections - Electronic Monitoring	6,898,669	108,817	6,789,852	-	-	-	6,898,669	108,817	6,789,852
1380	Community Corrections - Judicial Services	12,849,012	-	12,849,012	-	-	-	12,849,012	-	12,849,012
1385	Security Services for ACJJ	5,506,173	-	5,506,173	-	-	-	5,506,173	-	5,506,173
1390	Post-Release Supervision and Parole Commission	2,747,093	-	2,747,093	-	-	-	2,747,093	-	2,747,093
1392	Grievance Resolution Board	498,654	-	498,654	-	-	-	498,654	-	498,654
1399	Division Wide Operations	7,825,706	486,151	7,339,555	-	-	-	7,825,706	486,151	7,339,555
1401	LE - Alcohol Law Enforcement	11,922,555	2,972,606	8,949,949	-	-	-	11,922,555	2,972,606	8,949,949
1402	LE - State Capitol Police	5,187,532	3,333,194	1,854,338	-	-	-	5,187,532	3,333,194	1,854,338

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1403	LE - State Highway Patrol	2,757,804	2,757,804	-	-	-	-	2,757,804	2,757,804	-
1408	LE - SHP Missing Persons Administration	108,928	-	108,928	-	-	-	108,928	-	108,928
1410	LE - SHP Aviation Administration	2,400,700	232,926	2,167,774	-	-	-	2,400,700	232,926	2,167,774
1411	LE - SHP Field Administration	213,283,151	3,399,238	209,883,913	233,314	-	233,314	213,516,465	3,399,238	210,117,227
1414	LE - SHP VIPER Administration	13,432,526	2,469	13,430,057	678,077	-	678,077	14,110,603	2,469	14,108,134
1450	State Bureau of Investigation	48,597,259	13,885,682	34,711,577	249,463	-	249,463	48,846,722	13,885,682	34,961,040
1500	EM - EMPG Operations	11,727,133	9,136,874	2,590,259	-	-	-	11,727,133	9,136,874	2,590,259
1501	EM - Planning	2,572,737	2,572,737	-	-	-	-	2,572,737	2,572,737	-
1502	EM - Homeland Security	8,575,948	8,575,948	-	-	-	-	8,575,948	8,575,948	-
1504	EM - Geospatial (GTM)	4,452,394	4,452,394	-	-	-	-	4,452,394	4,452,394	-
1505	EM - Recovery	502,555	502,555	-	-	-	-	502,555	502,555	-
1506	EM - Operations	1,268,855	1,268,855	-	-	-	-	1,268,855	1,268,855	-
1507	EM - CAP	157,349	36	157,313	-	-	-	157,349	36	157,313
1509	EM - Hazard Mitigation - Non-Disaster	10,504,585	10,273,123	231,462	-	-	-	10,504,585	10,273,123	231,462
1511	Geodetic Survey	1,697,072	784,625	912,447	-	-	-	1,697,072	784,625	912,447
1600	National Guard	6,550,051	2,471,992	4,078,059	200,000	-	200,000	6,750,051	2,471,992	4,278,059
1601	National Guard - Armory	19,160,817	17,755,149	1,405,668	39,244	-	39,244	19,200,061	17,755,149	1,444,912
1602	National Guard - Air	4,763,404	4,300,477	462,927	-	-	-	4,763,404	4,300,477	462,927
1603	National Guard - Youth Programs	8,236,612	6,334,330	1,902,282	-	-	-	8,236,612	6,334,330	1,902,282
Department-wide Items										
	Compensation Reserve	-	-	-	30,543,220	N/A	30,543,220	30,543,220	N/A	30,543,220
	Compensation Reserve - State Agency Teachers	-	-	-	554,938	N/A	554,938	554,938	N/A	554,938
	SBI/ALE Compensation Reserve	-	-	-	500,000	N/A	500,000	500,000	N/A	500,000
	Correctional Officer Custody-Level Based Pay Adj.	-	-	-	18,400,000	N/A	18,400,000	18,400,000	N/A	18,400,000
	State Retirement Contributions	-	-	-	21,725,967	N/A	21,725,967	21,725,967	N/A	21,725,967
	State Health Plan	-	-	-	10,927,238	N/A	10,927,238	10,927,238	N/A	10,927,238
	Undesignated	-	-	-	-	-	-	-	-	-
Total		\$2,154,232,814	\$218,889,060	\$1,935,343,754	\$85,248,283	\$0	\$85,248,283	\$2,239,481,097	\$218,889,060	\$2,020,592,037

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	581.54	(1.00)	-	580.54
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1200	DJJ Administration	52.50	-	-	52.50
1210	Youth Detention Center Services	174.50	-	-	174.50
1220	Youth Development Center Services	232.00	-	-	232.00
1225	Youth Treatment Services	220.00	-	-	220.00
1226	Youth Education Services	69.00	-	-	69.00
1230	Community Program Services	23.00	-	-	23.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	532.75	-	-	532.75
1305	Prison Management	172.64	-	-	172.64
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,701.48	(69.00)	-	12,632.48
1312	Statewide Misdemeanant Confinement Fund	-	-	-	-
1314	Prison Road Squad and Litter Crews	183.00	-	(183.00)	-
1316	Prison Center for Community Transition	-	-	-	-
1320	Prison Food Service and Cleaning	481.00	-	-	481.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,343.00	-	-	1,343.00
1332	Prison Mental Health	487.00	-	-	487.00
1333	Prison Dental Health	106.00	-	-	106.00
1334	Prison Pharmacy Services	80.50	-	-	80.50
1340	Prison Inmate Education	56.00	-	-	56.00
1345	Prison Corrective Programs	896.11	-	-	896.11
1347	Prison Work Release	18.36	-	-	18.36
1350	ACDP - Administration	4.21	-	-	4.21
1352	ACDP - In Prison Treatment	94.00	-	-	94.00
1354	ACDP - Community Based Treatment	116.00	-	-	116.00
1355	DPS Confinement in Response to Violation (CRV)	121.00	-	-	121.00
1360	Community Corrections - Management	32.30	-	-	32.30
1365	Community Corrections - Interstate Compact	10.00	-	-	10.00
1370	Community Corrections - Regular Supervision	2,409.00	-	-	2,409.00
1375	Community Corrections - Community Supervision	4.50	-	-	4.50
1377	Community Corrections - Electronic Monitoring	6.00	-	-	6.00
1380	Community Corrections - Judicial Services	240.00	-	-	240.00
1385	Security Services for ACJJ	72.10	-	-	72.10
1390	Post-Release Supervision and Parole Commission	33.00	-	-	33.00
1392	Grievance Resolution Board	5.00	-	-	5.00
1399	Division Wide Operations	103.00	-	-	103.00
1401	LE - Alcohol Law Enforcement	122.00	-	-	122.00
1402	LE - State Capitol Police	92.00	-	-	92.00
1403	LE - State Highway Patrol	10.00	-	-	10.00
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	12.00	-	-	12.00
1411	LE - SHP Field Administration	2,089.00	8.00	-	2,097.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	446.00	(5.00)	-	441.00
1500	EM - EMPG Operations	75.59	-	-	75.59
1501	EM - Planning	23.20	-	-	23.20
1502	EM - Homeland Security	13.09	-	-	13.09
1504	EM - Geospatial (GTM)	29.71	-	-	29.71
1505	EM - Recovery	8.13	-	-	8.13
1506	EM - Operations	6.03	-	-	6.03

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1507	EM - CAP	1.84	-	-	1.84
1509	EM - Hazard Mitigation - Non-Disaster	2.80	-	-	2.80
1511	Geodetic Survey	17.68	-	-	17.68
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	55.40	-	-	55.40
1602	National Guard - Air	48.00	-	-	48.00
1603	National Guard - Youth Programs	112.00	-	-	112.00
Total FTE		24,951.46	(67.00)	(183.00)	24,701.46

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	581.54	1.00	-	582.54
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1200	DJJ Administration	52.50	-	-	52.50
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1226	Youth Education Services	69.00	-	-	69.00
1230	Community Program Services	23.00	-	-	23.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	532.75	-	-	532.75
1305	Prison Management	172.64	-	-	172.64
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,701.48	(69.00)	-	12,632.48
1312	Statewide Misdemeanant Confinement Fund	-	-	-	-
1314	Prison Road Squad and Litter Crews	183.00	-	(183.00)	-
1316	Prison Center for Community Transition	-	-	-	-
1320	Prison Food Service and Cleaning	481.00	-	-	481.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,343.00	(196.00)	-	1,147.00
1332	Prison Mental Health	487.00	-	-	487.00
1333	Prison Dental Health	106.00	-	-	106.00
1334	Prison Pharmacy Services	80.50	-	-	80.50
1340	Prison Inmate Education	56.00	-	-	56.00
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1347	Prison Work Release	18.36	-	-	18.36
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1402	LE - State Capitol Police	92.00	-	-	92.00
1403	LE - State Highway Patrol	10.00	-	-	10.00
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	12.00	-	-	12.00
1411	LE - SHP Field Administration	2,089.00	8.00	-	2,097.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	446.00	(5.00)	-	441.00
1500	EM - EMPG Operations	75.59	-	-	75.59
1501	EM - Planning	23.20	-	-	23.20
1502	EM - Homeland Security	13.09	-	-	13.09
1504	EM - Geospatial (GTM)	29.71	-	-	29.71
1505	EM - Recovery	8.13	-	-	8.13
1506	EM - Operations	6.03	-	-	6.03

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
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1509	EM - Hazard Mitigation - Non-Disaster	2.80	-	-	2.80
1511	Geodetic Survey	17.68	-	-	17.68
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	55.40	1.50	-	56.90
1602	National Guard - Air	48.00	-	-	48.00
1603	National Guard - Youth Programs	112.00	-	-	112.00
Total FTE		24,951.46	(259.50)	(183.00)	24,508.96

2017 Annotated Conference Committee Report

Public Safety

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$1,935,266,736		\$1,935,343,754	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Increase Reserve	\$30,543,220	R	\$30,543,220	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.3, 35.11, 35.12, and 35.17)				
2 Compensation Increase Reserve - State Agency Teachers/School Based Administrators	\$193,533	R	\$554,938	R
Fund Code: N/A				
Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 8.1, 35.10, and 35.17)				
3 Correctional Officer Custody-Level Based Pay Adjustment	\$18,400,000	R	\$18,400,000	R
Fund Code: N/A				
Provides funding to complete the third and final phase of custody-level pay adjustments for Correctional Officers, Custody Supervisors, and Prison Facility Administrators started in FY 2015-16. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.				
4 State Bureau of Investigation (SBI) Salary Increases	\$500,000	R	\$500,000	R
Fund Code: N/A				
Provides \$500,000 to increase salaries of SBI staff. Salary increases shall be determined by the SBI Director. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19.				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

5 State Retirement Contributions

\$8,237,333

R

\$21,725,967

R

Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19.

(S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)

6 State Health Plan

\$5,156,674

R

\$10,927,238

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.

(S.L. 2017-57, Sec. 35.19)

B. Administration

7 Vacant Position Elimination

(\$459,154)

R

(\$459,154)

R

Fund Code: 1100

-5.00

-5.00

Eliminates 5 positions that have been vacant for 12 months or more. The following positions are eliminated:

Position	Title	Total Position Cost
60056082	Safety Consultant II	\$ 81,790
60056452	Payroll Clerk V	\$ 47,992
60084642	Bus. & Tech. App. Analyst	\$112,107
60056159	Analyst	\$109,802
60056445	Accountant	\$107,463

8 Samarcand Phase II Operating Cost

\$1,936,279

R

\$2,363,498

R

Fund Code: 1100

\$539,900

NR

4.00

6.00

Provides operating funds for Phase II of the Samarcand Training Academy. The revised net appropriation for the Samarcand Training Academy is \$3,995,907 in FY 2017-18 and \$3,883,226 in FY 2018-19.

(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

9 Samarcand Obstacle Course

Fund Code: 1100

\$225,000 NR

Provides funds for the construction of an obstacle course for law enforcement and Adult Correction and Juvenile Justice training exercises and team building.

10 Opioid Pilot Project

Fund Code: 1170

\$250,000 NR

\$250,000 NR

Provides funds for the Department, in conjunction with the City of Wilmington, to develop and implement a pilot project to establish a Quick Response Team to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment. The revised net appropriation for opioid pilot projects in DPS is \$250,000 in each year of the biennium.
(H.B. 324; S.L. 2017-57, Sec. 16.3A)

11 Human Trafficking Grant

Fund Code: 1170

\$275,000 NR

Provides pass-through funding to the Governor's Crime Commission for a grant to True Justice International, a nonprofit in New Bern providing assistance to victims of human trafficking.
(S.L. 2017-57, Sec. 6.13)

12 Bladen County Sheriff's Office

Fund Code: 1170

\$200,000 NR

Provides a pass-through grant to the Bladen County Sheriff's Office Training Division for training for regional law enforcement and first responder personnel. Funds shall be used to improve the current infrastructure and make improvements to better support the training objectives and goal of providing top-tier relevant training to all participating regional first responders.
(S.L. 2017-57, Sec. 6.13)

13 NC Civil Westgate Agreement

Fund Code: 1170

\$20,000 NR

Provides pass-through funds to NC Civil, a nonprofit in Greenville, for the Westgate Agreement, a community collaborative mentoring program that uses community oriented policing to identify troubled young adults to provide them with employment training and life improvement skills.
(S.L. 2017-57, Sec. 6.13)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

C. Law Enforcement

14 Salary Reserve	(\$200,000)	R	(\$200,000)	R
Fund Code: 1411				

Budgets State Highway Patrol (SHP) positions at actual salary levels, reducing the salary reserve.

15 SHP Telecommunicator Positions	\$433,314	R	\$433,314	R
Fund Code: 1411				

8.00

8.00

Creates 8 new telecommunicator positions in the State Highway Patrol.

16 VIPER Tower Construction	(\$4,162,236)	R	(\$4,162,236)	R
Fund Code: 1414	\$4,162,236	NR	\$4,162,236	NR

Makes part of the funding for VIPER tower construction nonrecurring. The net General Fund appropriation for VIPER tower construction is \$7 million in each year of the biennium.

17 SHP VIPER Operating Costs	\$605,089	R	\$678,077	R
Fund Code: 1414				

Provides additional operating funds for the 19 new VIPER towers built since FY 2013-14. Funds are provided for insurance (\$75,302 in the first year, \$94,496 in the second), utilities (\$139,637 in the first year, increasing to \$175,231 in the second) and fuel (\$7,650 in the first year, \$9,600 in the second) for the new sites. In addition, \$382,500 in the first year and \$398,750 in the second year is provided to repair or replace tower lighting systems. The revised net appropriation for VIPER is \$14,030,752 in FY 2017-18 and \$14,108,134 in FY 2018-19.

18 SBI Vacant Position Elimination	(\$250,537)	R	(\$250,537)	R
Fund Code: 1450				

-5.00

-5.00

Eliminates 5 positions in the State Bureau of Investigation (SBI) that have been vacant for 12 months or longer. The following positions are eliminated:

Position	Title	Total Position Cost
60010602	Administrative Assist.	\$55,327
60010792	Processing Assist. V	\$52,567
60011136	Processing Assist. IV	\$46,331
60011158	Processing Assist. V	\$45,819
60011054	Admin. Secretary II	\$50,494

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

19 SBI Special Investigative Funds

\$500,000 R

\$500,000 R

Fund Code: 1450

Increases funding for special investigative purposes, including undercover drug purchases and telephone records related to criminal investigations. The revised net appropriation for special investigative funds is \$870,469 in each year of the biennium.

20 SBI Equipment and Surveillance Tools

\$1,000,000 NR

Fund Code: 1450

Provides funds to the SBI to purchase equipment. \$505,000 is provided to purchase an electronic surveillance platform to expand cell phone surveillance capabilities. \$300,000 is provided to purchase a Bearcat, a ballistically rated emergency technical response vehicle. \$150,000 is provided for VIPER repeaters and antennae to link ground communications to the new Pilatus aircraft funded in the 2016 budget. Finally, \$45,000 is provided for six additional dial down lines for increased capacity on electronic surveillance operations.

D. Adult Correction and Juvenile Justice

21 Vacant Positions

(\$3,395,943) R

(\$3,395,943) R

Fund Code: 1310

-69.00

-69.00

Eliminates 69 positions throughout the Division of Adult Correction that have been vacant 1 year or longer.

22 Litter Crews and Road Squads

(\$510,679) R

(\$510,679) R

Fund Code: 1314

Eliminates the budget for Litter Crews and Road Squads. This program was funded by receipts from the Department of Transportation (DOT). DOT will no longer be supporting the program. 183 receipt-supported positions are eliminated. The total requirements for the program were \$9,550,679, including \$9,040,000 in receipts from DOT and \$510,679 net General Fund appropriation. The revised net General Fund appropriation for this program is \$0 in both years.

23 Vacant Nursing Positions

(\$14,759,413) R

Fund Code: 1331

-196.00

Eliminates vacant nursing positions, redirecting the funds to temporary contract nurses. The Department has difficulty recruiting and retaining nursing positions and relies on temporary nursing services to fill gaps.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

24 Temporary Nursing Services

\$14,759,413 R

Fund Code: 1331

Provides funding to contract for temporary nursing services with third-party providers. There is currently no base budget funding for contract nursing. The revised net appropriation for temporary nursing services is \$14,759,413 in FY 2018-19.

25 Community College Recidivism Pilot Project

\$650,000 R

\$650,000 R

Fund Code: 1340

Funds a joint pilot project between Pamlico Community College and Pamlico Correctional Institution to reduce recidivism among offenders. The pilot project will serve 60 inmates in FY 2017-18 and 100 inmates FY 2018-19. The revised net appropriation for the Inmate Education Program is \$8,924,984 in each year of the biennium, a 7.9% increase over the base budget.

26 Female Confinement in Response to Violation (CRV) Facility

\$611,927 R

\$1,221,100 R

Fund Code: 1355

\$252,754 NR

Provides funding for a 200-bed facility dedicated to housing female offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The facility will be located adjacent to the Swannanoa Correctional Center for Women in Buncombe County. The revised net appropriation for CRV facilities is \$11,359,815 in FY 2017-18, a 8.2% increase over the base budget and \$11,716,234 in FY 2018-19, a 11.6% increase over the base budget.

27 Reentry Services

\$500,000 R

\$600,000 R

Fund Code: 1375

Provides additional funds to contract for reentry services to help reintegrate former inmates into the community. The revised net appropriation for Community Services Programs is \$12,904,321 in FY 2017-18, a 4% increase over the base budget, and \$13,004,426 in FY 2018-19, a 4.8% increase over the base budget. (S.B. 430/H.B. 537)

28 Juvenile Justice Reinvestment Act Planning

\$519,600 NR

\$478,000 NR

Fund Code: 1200

Provides funding for planning phases for implementation of the Juvenile Justice Reinvestment Act. (S.B. 146, S.B. 430/H.B. 537, S.B. 549, H.B. 280; S.L. 2017-57, Sec. 16D.4)

E. Emergency Management and National Guard**29 School Panic Alarm Pilot Program****Fund Code:** 1500

\$250,000 NR

Provides funds to the Division of Emergency Management to support a statewide school panic alarm pilot program as defined by G.S. 115C-105.49A. Following testing of the pilot program, the Division shall report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the Joint Legislative Education Oversight Committee with any recommendations regarding future implementation and funding. (S.B. 430/H.B. 537)

30 North Carolina 2-1-1**Fund Code:** 1500

\$250,000 NR

Provides funding for North Carolina 2-1-1. This information and referral service connects North Carolinians with needed resources during disasters and emergency situations.

31 Morganton Readiness Center**Fund Code:** 1601

\$39,244 R

1.50

Provides funding for 3 positions (Grounds Worker, HVAC Tech/Team Lead, and Maintenance Mechanic) to support operations at the Morganton Readiness Center in advance of the facility's scheduled Fall 2020 opening. The full cost of these positions is evenly split between the federal and State governments. These positions are established January 1, 2019. The annualized cost to the State for these positions is \$78,488. (S.B. 430/H.B. 537)

32 State Active Duty Training**Fund Code:** 1600

\$200,000 R

\$200,000 R

Provides \$200,000 to the North Carolina National Guard for annual State Active Duty Training activities. This funding enables the National Guard to add 1 day of training for National Guard units to focus on State-specific emergency and disaster responses.

Total Legislative Changes

\$59,488,820 R \$80,358,047 R

\$7,944,490 NR \$4,890,236 NR

Total Position Changes

-67.00 -259.50

Revised Budget

\$2,002,700,046 \$2,020,592,037

Special Provisions

2017 Session: SB 257

Department: Public Safety

Section: 16.2

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 the Department of Public Safety (DPS) to any other State agency.

Section: 16.3

Title: LAPSED SALARY REPORT

Summary: Requires DPS to report on February 1 and August 1 to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety (JLOCJPS) and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety (Appropriations Committees on JPS) on the amount of lapsed salary generated and the use of lapsed salary.

Section: 16.3A

Title: PILOT PROJECT TO TREAT OPIATE OVERDOSE

Summary: Directs DPS, in conjunction with the City of Wilmington, to develop and implement a pilot project to establish a Quick Response Team to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment. DPS and the City of Wilmington are required to report to the chairs of JLOCJPS on the results of the pilot by February 1, 2019.
(H.B. 324)

Section: 16.5

Title: GRANT REPORTING AND MATCHING FUNDS

Summary: Directs DPS, the Department of Justice, and the Judicial Branch to report by May 1 of each year to the chairs of the Appropriations Committees on JPS regarding federal grant funds received or preapproved for receipt.

Subsection (b) authorizes DPS to use up to \$1.2 million each year of the biennium from funds available to provide the State match needed to receive grant funds. The Department is required to report to the chairs of the Appropriations Committees on JPS before using funds for this purpose.
(S.B. 430/H.B. 537)

Section: 16.6

Title: EXPAND CRIME VICTIMS' SERVICES

Summary: Amends G.S. 15B-2 to expand the allowable uses of the Victims' Compensation Fund to include counseling for immediate family members of children who are victims of rape, sexual assault, or domestic violence and family counseling and grief counseling for immediate family members of homicide victims. The maximum amount per family is \$3,000.
(S.B. 430/H.B. 537)

Section: 16.7

Title: **GRANTS FOR LAW ENFORCEMENT CAMERAS**

Summary: Allows funds appropriated in S.L. 2015-241, 2015 Appropriations Act, to be used for grants for body-worn or dashboard cameras in FY 2017-18. New grants shall be matched on a \$1 for \$1 basis. The Governor's Crime Commission is required to report on the grant distribution to the chairs of JLOCJPS by August 1, 2018.

Section: 16B.1

Title: **STATE CAPITOL POLICE/CREATION OF RECEIPT-SUPPORTED POSITIONS**

Summary: Allows the State Capitol Police (SCP) to contract with State agencies to create receipt-supported positions to provide security services to buildings occupied by those agencies. Any positions created pursuant to this section must be reported to the chairs of the Appropriations Committees on JPS and the Fiscal Research Division (FRD) within 30 days. The section also requires SCP to submit an annual position report to JLOCJPS by September 1 of each year.

Section: 16B.2

Title: **USE OF SEIZED AND FORFEITED PROPERTY**

Summary: Requires the Department of Justice and DPS to report to the chairs of the Appropriations Committees on JPS regarding the receipt and intended use of federally-forfeited funds or assets. (S.B. 430/H.B. 537)

Section: 16B.3

Title: **PROTECT HOSPITAL SECURITY PERSONNEL**

Summary: Expands the scope of an existing Class I felony by adding "hospital security personnel" the list of people covered in G.S. 14-34.6, Assault or affray on a firefighter, an emergency medical technician, medical responder, or hospital personnel.

Section: 16B.4

Title: **LIEUTENANT GOVERNOR EXECUTIVE PROTECTION DETAIL**

Summary: Creates G.S. 20-189.1 to direct the State Highway Patrol to provide executive protection to the Lieutenant Governor and the Lieutenant Governor's immediate family.

Section: 16B.5

Title: **STUDIES TO ENHANCE PUBLIC SAFETY/PED**

Summary: Requires the Program Evaluation Division (PED) to include a study of the Voice Interoperability Plan for Emergency Responders (VIPER) and a study of the security of the downtown government complex in its 2017-18 work plan. PED shall submit the VIPER study to the Joint Legislative Program Evaluation Oversight Committee and to JLOCJPS by March 1, 2018. The study of the security of the downtown government complex is not public record, but is required to be submitted to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate no later than March 1, 2018. (S.B. 430/H.B. 537)

Section: 16B.6

Title: **9/11 AS FIRST RESPONDERS DAY**

Summary: Amends G.S. 143B-1407 to designate September 11 as First Responders Day, a legal public holiday.
(S.B. 309)

Section: 16B.7

Title: **SHP ELIGIBLE FOR PSAP GRANT/911 PROJECTS**

Summary: Amends G.S. 143B-1407 to makes the State Highway Patrol eligible for grants from the 911 Board through the Public Safety Answering Point (PSAP) Grant and Statewide 911 Projects Account.

Section: 16B.8

Title: **USE OF STATE HIGHWAY PATROL LOGO PERMITTED**

Summary: Creates G.S. 20-187.5 to allow the North Carolina Troopers' Association to use all State Highway Patrol trademarks held by DPS or its Divisions. Use of the trademarks is limited to purposes that support the State Highway Patrol, employees of the State Highway Patrol, or their families.

Section: 16B.9

Title: **STATE HIGHWAY PATROL SECURITY DETAIL FOR SPEAKER/PRESIDENT PRO TEMPORE FOR STATE BUSINESS**

Summary: Creates G.S. 20-189.2 to allow the Speaker of the House of Representatives or the President Pro Tempore of the Senate to request a security detail from the State Highway Patrol while traveling on State business.

Section: 16B.10

Title: **EXPAND SBI JURISDICTION AND ESTABLISH STATE CAPITOL POLICE**

Summary: Amends G.S. 143B-919 to expand the original jurisdiction of the State Bureau of Investigation (SBI) to include human trafficking and weapons of mass destruction.

Subsections (b) through (d) move SCP out of the State Highway Patrol and establishes SCP as a separate division within DPS.

Subsection (e) prohibits DPS from reducing the total authorized budget of SCP as it existed on March 1, 2017, prior to its transfer from the State Highway Patrol.
(H.B. 807)

(S.L. 2017-197, Sec. 5.1, Budget Technical Corrections, amends this section to clarify that no reductions could be made to the SCP budget, rather than the original language stating no changes could be made to the SCP budget.)

Section: 16B.11

Title: **MODIFY ALE JURISDICTION**

Summary: Amends G.S. 143B-928 to clarify that Alcohol Law Enforcement (ALE) officers are separate and discrete from other sworn law enforcement officers of the SBI, prohibits the transfer of funds or positions from ALE's fund code, and clarifies that federal forfeiture funds distributed to ALE shall only be expended for ALE.

Section: 16C.1

Title: **USE OF CLOSED FACILITIES**

Summary: Establishes guidelines for handling property and facilities after a prison is closed. Prior to disposition of the property and buildings, DPS shall consult with the county or municipality in which the unit is located, with the elected State and local officials, and with State and federal agencies about the possibility of converting the unit to other use. Priority should be given to other criminal justice uses.

This section also allows DPS to use funds available to reopen and convert closed prison facilities for use as treatment and behavior modification facilities and for transitional housing. Sixty days prior to opening a facility, the Department shall report to JLOCJPS on the justification for the conversion, operational requirements for the facility, and the available resources for staffing and operating the facility. If the proposed facility will require additional funding, the report shall include a 5-year projection of the funding needs.
(S.B. 430/H.B. 537)

Section: 16C.2

Title: **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL EXPENSES**

Summary: Permits DPS to use funds available to reimburse counties for housing inmates awaiting transfer to prison. The Department must provide an annual report by February 1 to the chairs of JLOCJPS and the Appropriations Committees on JPS.
(S.B. 430/H.B. 537)

Section: 16C.3

Title: **CENTER FOR COMMUNITY TRANSITIONS/CONTRACT AND REPORT**

Summary: Allows DPS to continue to contract with the Center for Community Transitions (Center) for the purchase of prison beds for minimum-custody female inmates. The Center shall report by February 1 each year to the chairs of the Appropriations Committees on JPS on the annual cost per inmate and the average daily population compared to the bed capacity at its facility.
(S.B. 430/H.B. 537)

Section: 16C.4

Title: **INMATE CONSTRUCTION PROGRAM**

Summary: Allows the State Construction Office to use inmates in the Inmate Construction Program (ICP) for repair and renovations projects at State-owned facilities during the FY 2017-19 Biennium. Priority shall be given to DPS projects. Other State agencies utilizing the ICP shall reimburse the Division of Adult Correction (DAC) for the cost of transportation, custody, and wages for the inmate crews.
(S.B. 430/H.B. 537)

Section: 16C.5

Title: **STATEWIDE MISDEMEANANT CONFINEMENT PROGRAM**

Summary: Requires the NC Sheriffs' Association (NCSA) to report quarterly to OSBM and FRD on the Statewide Misdemeanant Confinement Program (SMCP), including the daily population, housing, transportation, personnel, medical, and administrative costs and the number of counties that volunteer to house inmates.

Subsection (b) requires NCSA to report no later than October 1 of each year to the chairs of Appropriations Committees on JPS and JLOCJPS on the SMCP. The report shall include the following with respect to the prior fiscal year:

- (1) Revenue collected by the SMCP.
- (2) Cost of housing prisoners by county under the Program.
- (3) Cost of transporting prisoners by county under the Program.
- (4) Personnel costs by county.
- (5) Inmate medical care costs by county.
- (6) Number of counties that volunteer to house inmates under the Program.
- (7) Administrative costs paid to the NCSA and to DPS.

Subsection (c) directs that of the funds appropriated for the Program, \$1.0 million shall be transferred to the NCSA for administrative and operating expenses of the Association and its staff, and that \$225,000 shall be allocated for DAC for administrative and operating support to the Program.

Section: 16C.6

Title: **WESTERN YOUTH INSTITUTION ASSET REPORT**

Summary: Requires DPS to make every effort to ensure that equipment and other State resources that are used in buildings scheduled for demolition or otherwise not being used are recovered for use elsewhere.

DPS shall report by March 1, 2018, on assets salvaged from the Western Youth Institution prior to demolition, including the type of asset salvaged, the estimated value of the asset, where it was used, and the savings associated with relocating the asset to another facility

Section: 16C.7

Title: **ELIMINATE OBSOLETE PILOT PROGRAM**

Summary: Repeals G.S.143B-706, a statutory reference from 1997 to a pilot program to prevent sexual assault on inmates.

Section: 16C.8

Title: **DOT CONTRACT FOR INMATE LITTER CREW**

Summary: Requires the Department of Transportation (DOT), after the issuance of a request for information (RFI) and receipt of bids for litter pickup on State highways and roads, to offer the contract to the DAC with the same terms and conditions as the most favorable bid received by DOT from a suitable contractor. DAC shall have 30 days to accept or decline the offered contract.

Section: 16C.10

Title: **STATE REENTRY COUNCIL COLLABORATIVE**

Summary: Creates G.S. 143B-604 establishing a State Reentry Council Collaborative (SRCC):

Directs the Secretary of Public Safety to establish the SRCC to study the needs of ex-offenders who have been recently released from a correctional institution and to increase the effectiveness of local reentry councils.

The SRCC is required to submit an annual report beginning November 1, 2017 and annually thereafter to JLOCJPS.
(H.B. 801)

Section: 16C.11

Title: **INTERSTATE COMPACT FEES TO SUPPORT TRAINING PROGRAMS AND EQUIPMENT PURCHASES SECTIONS**

Summary: Allows DPS to use fees collected for the Interstate Compact Fund during the 2017-2019 Fiscal Biennium to be used by DAC to provide training programs and equipment purchases for the Community Corrections Section, but only to the extent sufficient funds remain available in the Fund to support the mission of the Interstate Compact Program.

Section: 16C.11A

Title: **STUDY INMATE HEALTH INFORMATION EXCHANGE SOFTWARE**

Summary: Requires DPS, in collaboration with the Department of Health and Human Services, to study the feasibility of the State acquiring and implementing an inmate health information exchange program to allow for the secure and effective transfer of inmate medical information. The Departments shall report their findings and recommendations, including any legislative proposals, to JLOCJPS and the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2018.
(S.B. 458/H.B. 883)

Section: 16C.11B

Title: **NURSE STAFFING AT STATE PRISONS/PLAN TO ATTRACT AND RETAIN**

Summary: Requires DPS to report on nursing positions, temporary contract nurse services and the Department's long-term plan to reduce the reliance on temporary nurses to JLOCJPS by December 1, 2017.

Section: 16C.11C

Title: **DEPARTMENT REPORT ON PRISON PERSONNEL MATTERS**

Summary: Requires the Division of Adult Correction to report to JLOCJPS by February 1, 2018, on the following information for the past 5 years regarding employees working in State prisons:

- (1) The number of employees charged with a criminal offense committed on the job.
- (2) The number of employees disciplined, demoted, or separated from service due to personal misconduct.
- (3) The hiring and screening process, including the verification process of employee credentials.
- (4) The average number of days between assignment of a correctional officer to a prison and the completion of Correctional Officer Basic Training..
- (5) The methods used to prevent delivery of contraband items to prisoners and an evaluation of the effectiveness of the methods.

Section: 16C.11D

Title: **EXTEND REENTRY COUNCIL CONTRACTS**

Summary: Permits DPS to use Treatment for Effective Community Supervision funds to continue to support Local Reentry Councils for the 2017-18 Fiscal Year:

- (1) Hoke/Scotland/Robeson Counties – Robeson County Manager's Office.
- (2) Nash/Edgecombe/Wilson Counties – NC Community Action Association.
- (3) Pitt County – Life of NC, Inc., dba STRIVE.
- (4) Buncombe County – Buncombe County Health & Human Services/RHA.
- (5) Mecklenburg County – Mecklenburg Criminal Justice Services, Mecklenburg County Manager's Office.

Section: 16C.12

Title: **LINCOLN CORRECTIONAL CENTER FEASIBILITY STUDY**

Summary: Directs DPS to study the feasibility of closing the Lincoln Correctional Center. DPS shall report its findings to JLOCJPS by March 1, 2018. If DPS finds the facility should be closed, the report must include plans for relocating the inmates, transferring custody and program staff, and the costs of closing the facility.

Section: 16D.1

Title: **LIMIT USE OF COMMUNITY PROGRAM FUNDS**

Summary: Specifies and limits the uses of community program funds allocated to the Division of Juvenile Justice. DPS is required to submit a report by October 1 of each year to the chairs of the Appropriations Committees on JPS and to FRD on the contracts awarded and the community program funds disbursed.

Section: 16D.2

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

Summary: Allows State funds to be used as matching funds for Juvenile Accountability Incentive Block Grants. The Governor's Crime Commission, OSBM, and DPS shall report to the chairs of the Appropriations Committees on JPS prior to the allocation of federal funds.
(S.B. 430/H.B. 537)

Section: 16D.3

Title: **JUVENILE CRIME PREVENTION COUNCIL FUNDS**

Summary: Amends G.S. 143B-852(a) to direct the annual DPS report on the Juvenile Crime Prevention Council grant program to be submitted on February 1 of each year to the chairs of JLOCJPS and to the chairs of the Appropriations Committees on JPS. Previously, this report had been directed to the chairs of the Joint Legislative Commission on Governmental Operations.

Section: 16D.4

Title: **JUVENILE JUSTICE REINVESTMENT ACT**

Summary: Increases the age range for juvenile court jurisdiction from under-16-years-old to under-18-years-old. Class A through Class G felony offenses must be tried in adult court, while Class H and Class I felonies and all misdemeanors are tried in juvenile court unless they are transferred to adult court.

Subsections (a) and (b) define delinquent juveniles and victims and provides conforming language for determining the court of jurisdiction.

Subsection (c) specifies that juveniles who have previously been convicted of felonies or misdemeanors in district or superior court must be tried in adult court for any future offense.

Subsections (d) and (e) define the offenses for which juveniles over the age of 13 must be transferred to adult court. Specifically, Class A through Class G felonies must be transferred to adult court, while Class H and Class I felonies may be transferred on such a motion.

Subsections (f) through (s) contain conforming language and technical changes.

Subsections (t) through (w) allow victims of juvenile crime to review and appeal the decision of a juvenile court counselor to not file a petition for a given offense.

Subsections (x) through (z) require records on juvenile delinquency to be shared across county lines and via the Administrative Office of the Courts' (AOC) electronic J Wise system.

Subsection (aa) requires AOC to establish School-Justice Partnerships throughout the State. These are programs which place juvenile court counselors in schools to provide early intervention and diversion without arrest or other law enforcement action.

Subsections (bb) through (dd) provide requirements and guidance for law enforcement training on juvenile justice cases.

Subsections (ee) through (jj) define "criminal gang activity" and require juvenile courts to increase the level of disposition assigned to an adjudicated delinquent juvenile if the juvenile is found to have committed the offense in connection with such activity.

Subsections (kk) through (ss) create a Juvenile Jurisdiction Advisory Committee tasked with providing recommendations and cost estimates for implementation of the Juvenile Justice Reinvestment Act. The Committee must report to the General Assembly by March 1, 2018, and in January of every year thereafter until 2023.

Subsection (tt) sets the effective date for changing the age of jurisdiction on December 1, 2019, with most remaining provisions of this section taking effect immediately.
(S.B. 146, S.B. 430/H.B. 537, S.B. 549, H.B. 280)

(S.L. 2017-197, Sec. 5.3, Budget Technical Corrections, amends subsection (e) to include Class E felonies, which were inadvertently omitted from the list of eligible felony offenses for which juveniles must be tried in adult court. Further, Sec. 5.4 amends subsection (jj) to correctly reference the subsections of the underlying bill rather than the "Part.")

Section: 16E.2

Title: **SEARCH AND RESCUE CHANGES**

Summary: Amends G.S. 166A to change the title and relevant statutory references of the "Urban Search and Rescue" program to "North Carolina Search and Rescue."
(S.B. 222/H.B. 189, S.B.430/H.B. 537)

2017 Session: HB 528

Department: Public Safety

Section: 5.1

Title: **TECHNICAL CHANGE: STATE CAPITOL POLICE FUNDS**

Summary: Amends S.L. 2017-57, Sec. 16B.10(e), Appropriations Act of 2017, to clarify that no "reductions" could be made to the SCP budget, rather than the original language stating no "changes" could be made to the SCP budget.

Section: 5.2

Title: **BUDGET CHANGE: OPERATION MEDICINE DROP**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, to add a new Section 16B.12 to allow the SBI to use up to \$125,000 of funds appropriated in FY 2017-18, including funds appropriated for ALE, for Operation Medicine Drop.

Section: 5.3

Title: **TECHNICAL CHANGE: JUVENILE JUSTICE REINVESTMENT ACT FELONIES**

Summary: Amends S.L. 2017-57, Sec. 16D.4(e), Appropriations Act of 2017, to include Class E felonies, which were inadvertently omitted from the list of eligible felony offenses for which juveniles must be tried in adult court.

Section: 5.4

Title: **TECHNICAL CHANGE: JUVENILE JUSTICE REINVESTMENT ACT**

Summary: Amends Section 16D.4(jj) of S.L. 2017-57, Appropriations Act of 2017, to correctly reference the subsections of the underlying bill rather than the "Part."

2017 Session: SB 582

Department: Public Safety

Section: 1.2

Title: **TECHNICAL CHANGE: LUMBER RIVER COUNCIL OF GOVERNMENT HOUSING COMPLEX**

Summary: Amends Section 3 of S.L. 2017-119 to change the maximum number of units from 35 to 36 in the multifamily affordable housing complex to be constructed by the Housing Finance Agency and the Lumber River Council of Government in Fair Bluff.
(S.B. 257, S.B. 338)

Public Safety

2017 Session: SB 338

Department: Public Safety

Section:

Title: **S.L. 2017-119 (S.B. 338) Disaster Recovery Act of 2017**

Summary: Directs spending for the \$100 million reserve fund included in S.L. 2017-57 for disaster recovery. The bill provides \$25 million for housing, \$30 million for local government infrastructure, \$20 for agriculture, \$2.7 million for community colleges, and \$22.3 million for the State's share of federal disaster aid programs. It also includes regulations and requirements for how this funding is to be spent. A report on this spending, along with the funding included in S.L. 2016-124, the Disaster Recovery Act of 2016, shall be submitted to the chairs of the House and Senate Appropriations Committees and to the Fiscal Research Division on a monthly basis.
(S.B. 430/H.B. 537)

**Department of Justice
Budget Code 13600**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$88,738,859	\$88,741,127
Receipts	\$33,945,000	\$33,945,000
Net Appropriation	\$54,793,859	\$54,796,127
Legislative Changes		
Requirements	(\$7,633,554)	(\$8,835,585)
Receipts	(\$550,989)	(\$550,989)
Net Appropriation	(\$7,082,565)	(\$8,284,596)
Revised Budget		
Requirements	\$81,105,305	\$79,905,542
Receipts	\$33,394,011	\$33,394,011
Net Appropriation	\$47,711,294	\$46,511,531

General Fund FTE

Base Budget	812.89	812.89
Legislative Changes	5.00	5.00
Revised Budget	817.89	817.89

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Justice		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	General Administration	2,353,280	-	2,353,280	(40,274)	-	(40,274)	2,313,006	-	2,313,006
1200	Legal Services	54,128,064	29,157,285	24,970,779	(349,990)	-	(349,990)	53,778,074	29,157,285	24,620,789
1400	State Crime Laboratory	20,325,201	1,765,956	18,559,245	1,855,282	(550,989)	2,406,271	22,180,483	1,214,967	20,965,516
1500	Criminal Justice Training and Standards	11,514,180	2,603,625	8,910,555	(188,182)	-	(188,182)	11,325,998	2,603,625	8,722,373
1991	Indirect Reserve	418,134	418,134	-	-	-	-	418,134	418,134	-
Department-wide Items										
	Compensation Reserve	-	-	-	707,612	N/A	707,612	707,612	N/A	707,612
	State Retirement Contributions	-	-	-	289,855	N/A	289,855	289,855	N/A	289,855
	State Health Plan	-	-	-	119,419	N/A	119,419	119,419	N/A	119,419
	Undesignated	-	-	-	(10,027,276)	N/A	(10,027,276)	(10,027,276)	N/A	(10,027,276)
Total		\$88,738,859	\$33,945,000	\$54,793,859	(7,633,554)	(550,989)	(7,082,565)	\$81,105,305	\$33,394,011	\$47,711,294

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Justice		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	General Administration	2,353,280	-	2,353,280	(40,274)	-	(40,274)	2,313,006	-	2,313,006
1200	Legal Services	54,128,064	29,157,285	24,970,779	(419,566)	-	(419,566)	53,708,498	29,157,285	24,551,213
1400	State Crime Laboratory	20,325,201	1,765,956	18,559,245	114,555	(550,989)	665,544	20,439,756	1,214,967	19,224,789
1500	Criminal Justice Training and Standards	11,516,448	2,603,625	8,912,823	(188,182)	-	(188,182)	11,328,266	2,603,625	8,724,641
1991	Indirect Reserve	418,134	418,134	-	-	-	-	418,134	418,134	-
Department-wide Items										
	Compensation Reserve	-	-	-	707,612	N/A	707,612	707,612	N/A	707,612
	State Retirement Contributions	-	-	-	764,492	N/A	764,492	764,492	N/A	764,492
	State Health Plan	-	-	-	253,054	N/A	253,054	253,054	N/A	253,054
	Undesignated	-	-	-	(10,027,276)	N/A	(10,027,276)	(10,027,276)	N/A	(10,027,276)
Total		\$88,741,127	\$33,945,000	\$54,796,127	(8,835,585)	(550,989)	(8,284,596)	\$79,905,542	\$33,394,011	\$46,511,531

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Justice					
Budget Code 13600		<u>Base</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	432.89	(3.00)	-	429.89
1400	State Crime Laboratory	218.00	9.00	(8.00)	219.00
1500	Criminal Justice Training and Standards	134.00	(1.00)	-	133.00
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		812.89	5.00	(8.00)	809.89

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Justice					
Budget Code 13600		<u>Base</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	432.89	(3.00)	-	429.89
1400	State Crime Laboratory	218.00	9.00	(8.00)	219.00
1500	Criminal Justice Training and Standards	134.00	(1.00)	-	133.00
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		812.89	5.00	(8.00)	809.89

2017 Annotated Conference Committee Report

Justice

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$54,793,859	\$54,796,127
Legislative Changes			
A. Reserve for Salaries and Benefits			
33 Compensation Increase Reserve	\$707,612	R	\$707,612 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)			
34 State Retirement Contributions	\$289,855	R	\$764,492 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
35 State Health Plan	\$119,419	R	\$253,054 R
Fund Code: N/A			
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

B. Department-wide

36 Management Flexibility Reduction

(\$10,027,276) R (\$10,027,276) R

Fund Code: N/A

Reduces the budget to the Department on a recurring basis. No reductions may be made to fund codes 1400 or 1500, and no transfers from those fund codes to other fund codes in the Department are allowed.
(S.L. 2017-57, Sec. 17.5)

C. Administration

37 Salary Reserve

(\$40,274) R (\$40,274) R

Fund Code: 1100

Budgets Administrative positions at actual salary levels, reducing the salary reserve.

D. Legal Services

38 Vacant Position Elimination

(\$173,264) R (\$173,264) R

Fund Code: 1200

-3.00

-3.00

Eliminates positions in the Legal Services Division that have been vacant for 9 months or longer: 2 partially receipt-supported program assistants (60010273, 60010370) for a total of 1.00 FTE; 1 full-time paralegal II (60010575); and 1 full-time tort claims investigator (60010585).

39 Salary Reserve

(\$162,357) R (\$162,357) R

Fund Code: 1200

Budgets legal services positions at actual salary levels, reducing the salary reserve.

40 Server Equipment

(\$83,945) R (\$83,945) R

Fund Code: 1200

Reduces the budget for server equipment. The revised net appropriation for server equipment is \$129,230 in each year of the biennium.

41 Human Trafficking Awareness Signs

\$69,576 NR

Fund Code: 1200

Provides funding for the Human Trafficking Commission to design, create, and distribute 21,084 human trafficking awareness signs to hospitals, travel centers, adult establishments, Job Link centers, massage and bodywork therapy centers, and ABC permitted establishments throughout the State.
(S.B. 548; S.L. 2017-57, Sec. 17.4)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

E. State Crime Laboratory

42 Salary Reserve	(\$231,118)	R	(\$231,118)	R
Fund Code: 1400				
Budgets State Crime Laboratory positions at actual salary levels, reducing the salary reserve.				
43 State Crime Laboratory Receipt Supported Positions	\$550,989	R	\$550,989	R
Fund Code: 1400				
Transitions 8 receipt supported positions in the State Crime Laboratory to General Fund support. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is \$20,965,516 in FY 2017-18 and \$19,224,789 in FY 2018-19. (S.B. 430/H.B. 537)	8.00		8.00	
44 State Crime Laboratory Ombudsman	\$115,518	R	\$115,518	R
Fund Code: 1400				
Transitions a contractual Ombudsman employee into a State full-time equivalent position. This position was required by S.L. 2011-19, The Forensic Sciences Act of 2011, but funding was never appropriated. The State Crime Laboratory had been contracting for ombudsman services using lapsed salary funds. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is \$20,965,516 in FY 2017-18 and \$19,224,789 in FY 2018-19. (S.B. 430/H.B. 537)	1.00		1.00	
45 Scientist Training and Certification	\$161,000	R	\$161,000	R
Fund Code: 1400				
Provides funds for forensic scientist training and certification required by S.L. 2011-19, The Forensic Sciences Act of 2011. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is \$20,965,516 in FY 2017-18 and \$19,224,789 in FY 2018-19. (S.B. 430/H.B. 537)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

46 Forensic Science Advisory Board Travel

\$18,000

R

\$18,000

R

Fund Code: 1400

Provides travel funds for the Forensic Science Advisory Board created by S.L. 2011-19, The Forensic Sciences Act of 2011. Many of the Board members are from other states and must be reimbursed for travel to NC to attend meetings. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is \$20,965,516 in FY 2017-18 and \$19,224,789 in FY 2018-19.

(S.B. 430/H.B. 537)

47 State Crime Laboratory Accreditation

\$51,155

R

\$51,155

R

Fund Code: 1400

Provides funds for accreditation of the Laboratory by an internationally recognized accrediting body as required by S.L. 2011 19, The Forensic Sciences Act of 2011. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is \$20,965,516 in FY 2017-18 and \$19,224,789 in FY 2018-19.

(S.B. 430/H.B. 537)

48 State Crime Laboratory Equipment

\$1,740,727

NR

Fund Code: 1400

Provides funds to the State Crime Laboratory to purchase or lease equipment.

F. Criminal Justice Training and Standards

49 Vacant Position Elimination

(\$138,625)

R

(\$138,625)

R

Fund Code: 1500

-1.00

-1.00

Eliminates a business and technology application specialist position (60011250) that has been vacant for more than 11 months.

50 Salary Reserve

(\$49,557)

R

(\$49,557)

R

Fund Code: 1500

Budgets positions at actual salary levels, reducing the salary reserve.

Total Legislative Changes

(\$8,892,868)

R

(\$8,284,596)

R

\$1,810,303

NR

Total Position Changes

5.00

5.00

Revised Budget

\$47,711,294

\$46,511,531

Special Provisions

2017 Session: SB 257

Department: Justice

Section: 17.1

Title: **NO HIRING OF SWORN STAFF POSITIONS FOR NC STATE CRIME LAB**

Summary: Prohibits the hiring of sworn law enforcement personnel for the NC State Crime Laboratory.

Section: 17.2

Title: **COMPANY POLICE AUTHORITY**

Summary: Creates G.S. 74E-6(h) allowing municipalities or counties to enter into mutual aid agreements with a company police agency. This section also creates G.S. 74E-6(i) allowing company police to provide temporary assistance to a law enforcement agency at the request of the head of that agency.
(S.B. 162)

Section: 17.3

Title: **PED TO STUDY ALLOCATION OF ATTORNEYS BETWEEN THE ATTORNEY GENERAL'S OFFICE AND DEPARTMENTS**

Summary: Directs the Joint Legislative Program Evaluation Oversight Committee to revise the work plan for the Program Evaluation Division for 2017-18 to include an evaluation of the allocation of attorneys in State government. The Program Evaluation Division shall submit its evaluation to the Joint Legislative Program Evaluation Oversight Committee and JLOCJPS no later than March 1, 2018.
(S.B. 430/H.B. 537)

Section: 17.4

Title: **STRENGTHEN HUMAN TRAFFICKING LAWS**

Summary: Requires the Human Trafficking Commission to design, create, and distribute human trafficking awareness signs for display in various places throughout the State, including establishments with ABC licenses, adult establishments as defined in G.S. 14-202.10, hospitals, transportation stations, welcome centers, rest areas, and JobLink centers.
(S.B. 548)

(S.L. 2017-197, Sec. 5.8, Budget Technical Corrections, amends this section to make it effective January 1, 2018.)

Section: 17.5

Title: **ATTORNEY GENERAL'S OFFICE MANAGEMENT FLEXIBILITY REDUCTION**

Summary: Restricts the Department of Justice from making reductions to the NC State Crime Laboratory or to the Training and Standards Division to meet the requirements of the \$10 million management flexibility reduction included in this Act. Reductions can only be made to the Division of Administration or to the Legal Services Division.

Section: 17.7

Title: **SEXUAL ASSAULT EVIDENCE COLLECTION KITS**

Summary: Requires every local law enforcement agency to conduct an inventory of sexual assault evidence collection kits in their custody or control and report their findings to the NC State Crime Laboratory no later than January 1, 2018. The NC State Crime Laboratory shall compile the information and report its findings to JLOCJPS no later than March 1, 2018.
(H.B. 731)

2017 Session: HB 528

Department: Justice

Section: 5.8

Title: **TECHNICAL CHANGE: STRENGTHEN HUMAN TRAFFICKING LAWS**

Summary: Amends S.L. 2017-57, Sec. 17.4, Appropriations Act of 2017, by changing the effective date to January 1, 2018.

2017 Session: SB 582

Department: Justice

Section: 5.3

Title: **BUDGET CHANGE: DWI MISDEMEANOR CLARIFICATIONS/ EXPERT WITNESS TESTIMONY REVISIONS**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 17.8. The new section amends G.S. 15-1, Statute of limitations for misdemeanors, to change the phrase requiring that the misdemeanor be "presented or found by the grand jury" within two years after commission of the offense to state that the misdemeanor must be "charged" within two years of the offense in order to encompass the charging methods that are sufficient under current law, as well as any other methods of charging misdemeanors such as by magistrate's order or citation. This section also amends G.S. 8C-1, Rule 702(a1), Testimony by experts, to remove the preliminary requirement that the witness be qualified under the typical foundational requirements for expert witness testimony if the testimony offers an opinion on the issue of impairment based on the results of a Horizontal Gaze Nystagmus (HGN) test or the person's certification as a Drug Recognition Expert.

**Indigent Defense Services
Budget Code 12001**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$130,512,045	\$130,864,258
Receipts	\$10,355,797	\$10,355,797
Net Appropriation	\$120,156,248	\$120,508,461
Legislative Changes		
Requirements	\$1,147,842	\$1,771,898
Receipts	\$0	\$0
Net Appropriation	\$1,147,842	\$1,771,898
Revised Budget		
Requirements	\$131,659,887	\$132,636,156
Receipts	\$10,355,797	\$10,355,797
Net Appropriation	\$121,304,090	\$122,280,359

General Fund FTE

Base Budget	530.73	530.73
Legislative Changes	0.00	0.00
Revised Budget	530.73	530.73

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Indigent Defense Services		Base Budget			Legislative Changes			Revised Budget		
Budget Code 12001										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,034,886	10,125,135	65,909,751	-	-	-	76,034,886	10,125,135	65,909,751
1320	Public Defender Service	51,860,396	37,084	51,823,312	-	-	-	51,860,396	37,084	51,823,312
1380	Indigent Defense Service	2,616,763	193,578	2,423,185	-	-	-	2,616,763	193,578	2,423,185
Department-wide Items										
	Compensation Reserve	-	-	-	722,730	N/A	722,730	722,730	N/A	722,730
	State Retirement Contributions	-	-	-	267,573	N/A	267,573	267,573	N/A	267,573
	Consolidated Judicial Retirement Contrib.	-	-	-	46,029	N/A	46,029	46,029	N/A	46,029
	State Health Plan	-	-	-	111,510	N/A	111,510	111,510	N/A	111,510
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		\$130,512,045	\$10,355,797	\$120,156,248	\$1,147,842	\$0	\$1,147,842	\$131,659,887	\$10,355,797	\$121,304,090

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Indigent Defense Services		Base Budget			Legislative Changes			Revised Budget		
Budget Code 12001										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,034,886	10,125,135	65,909,751	-	-	-	76,034,886	10,125,135	65,909,751
1320	Public Defender Service	52,204,616	37,084	52,167,532	-	-	-	52,204,616	37,084	52,167,532
1380	Indigent Defense Service	2,624,756	193,578	2,431,178	-	-	-	2,624,756	193,578	2,431,178
Department-wide Items										
	Compensation Reserve	-	-	-	722,730	N/A	722,730	722,730	N/A	722,730
	State Retirement Contributions	-	-	-	705,724	N/A	705,724	705,724	N/A	705,724
	Consolidated Judicial Retirement Contrib.	-	-	-	107,149	N/A	107,149	107,149	N/A	107,149
	State Health Plan	-	-	-	236,295	N/A	236,295	236,295	N/A	236,295
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		\$130,864,258	\$10,355,797	\$120,508,461	\$1,771,898	\$0	\$1,771,898	\$132,636,156	\$10,355,797	\$122,280,359

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Indigent Defense Services					
Budget Code 12001		<u>Base</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	506.00	-	-	506.00
1380	Indigent Defense Service	24.73	-	-	24.73
Total FTE		530.73	-	-	530.73

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Indigent Defense Services					
Budget Code 12001		<u>Base</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	506.00	-	-	506.00
1380	Indigent Defense Service	24.73	-	-	24.73
Total FTE		530.73	-	-	530.73

2017 Annotated Conference Committee Report

Judicial - Indigent Defense

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$120,156,248	\$120,508,461
Legislative Changes			
A. Reserve for Salaries and Benefits			
51 Compensation Increase Reserve	\$722,730	R	\$722,730 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.4, 35.11, and 35.12)			
52 State Retirement Contributions	\$267,573	R	\$705,724 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
53 Consolidated Judicial Retirement Contributions	\$46,029	R	\$107,149 R
Fund Code: N/A			
Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums and provide a 1.0% cost-of-living adjustment to retirees. The revised net General Fund appropriation for CJRS statewide is \$27.9 million in FY 2017-18 and \$29.7 million in FY 2018-19, an increase of \$1.4 million for FY 2017-18 and \$3.2 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19 and 35.19A)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

54 State Health Plan

\$111,510

R

\$236,295

R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.
(S.L. 2017-57, Sec. 35.19)

Total Legislative Changes

\$1,147,842

R

\$1,771,898

R

Total Position Changes

Revised Budget

\$121,304,090

\$122,280,359

Special Provisions

2017 Session: SB 257

Department: Judicial - Indigent Defense

Section: 18A.1

Title: **IDS MATCH FOR GRANTS**

Summary: Permits Indigent Defense Services (IDS) to use up to \$50,000 as the State match for grant funds. (S.B. 430/H.B. 537)

Section: 18A.2

Title: **PUBLIC DEFENDER WORKLOAD FORMULA**

Summary: Directs IDS, in conjunction with the Administrative Office of the Courts (AOC) and the National Center for State Courts, to develop a workload formula for the public defender offices. A report on this formula shall be submitted to the chairs of JLOCJPS and chairs of the Appropriations Committees on JPS by May 1, 2018.

Section: 18A.3

Title: **STANDARDS FOR INDIGENCY**

Summary: Directs AOC and IDS to study and develop specific statewide standards for determining a defendant's indigency. A report on these standards shall be submitted to the chairs of JLOCJPS by February 1, 2018.

**Administrative Office of the Courts
Budget Code 12000**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$514,916,305	\$516,333,043
Receipts	\$1,259,409	\$1,259,409
Net Appropriation	\$513,656,896	\$515,073,634
Legislative Changes		
Requirements	\$16,582,676	\$23,949,788
Receipts	\$0	\$0
Net Appropriation	\$16,582,676	\$23,949,788
Revised Budget		
Requirements	\$531,498,981	\$540,282,831
Receipts	\$1,259,409	\$1,259,409
Net Appropriation	\$530,239,572	\$539,023,422

General Fund FTE

Base Budget	5,802.23	5,802.23
Legislative Changes	98.00	127.00
Revised Budget	5,900.23	5,929.23

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Administrative Office of the Courts										
Budget Code 12000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Services	53,245,055	585,649	52,659,406	70,963	-	70,963	53,316,018	585,649	52,730,369
1200	Appellate Division	14,573,703	-	14,573,703	-	-	-	14,573,703	-	14,573,703
1300	Trial Court Division	315,847,236	-	315,847,236	2,889,428	-	2,889,428	318,736,664	-	318,736,664
1410	Specialty Services and Programs	21,945,568	200,000	21,745,568	-	-	-	21,945,568	200,000	21,745,568
1600	Office - District Attorney	106,777,091	132,135	106,644,956	2,296,887	-	2,296,887	109,073,978	132,135	108,941,843
1700	Independent Commissions	2,527,652	341,625	2,186,027	-	-	-	2,527,652	341,625	2,186,027
Department-wide Items										
	Compensation Reserve	-	-	-	6,697,551	N/A	6,697,551	6,697,551	N/A	6,697,551
	State Retirement Contributions	-	-	-	2,085,560	N/A	2,085,560	2,085,560	N/A	2,085,560
	Consolidated Judicial Retirement Contrib.	-	-	-	1,327,888	N/A	1,327,888	1,327,888	N/A	1,327,888
	State Health Plan	-	-	-	1,214,399	N/A	1,214,399	1,214,399	N/A	1,214,399
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		\$514,916,305	\$1,259,409	\$513,656,896	\$16,582,676	\$0	\$16,582,676	\$531,498,981	\$1,259,409	\$530,239,572

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Administrative Office of the Courts										
Budget Code 12000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Services	53,266,348	585,649	52,680,699	(304,037)	-	(304,037)	52,962,311	585,649	52,376,662
1200	Appellate Division	14,609,964	-	14,609,964	-	-	-	14,609,964	-	14,609,964
1300	Trial Court Division	316,627,269	-	316,627,269	4,094,206	-	4,094,206	320,721,475	-	320,721,475
1410	Specialty Services and Programs	21,964,296	200,000	21,764,296	-	-	-	21,964,296	200,000	21,764,296
1600	Office - District Attorney	107,337,514	132,135	107,205,379	2,296,887	-	2,296,887	109,634,401	132,135	109,502,266
1700	Independent Commissions	2,527,652	341,625	2,186,027	-	-	-	2,527,652	341,625	2,186,027
Department-wide Items										
	Compensation Reserve	-	-	-	6,697,551	N/A	6,697,551	6,697,551	N/A	6,697,551
	State Retirement Contributions	-	-	-	5,500,665	N/A	5,500,665	5,500,665	N/A	5,500,665
	Consolidated Judicial Retirement Contrib.	-	-	-	3,091,148	N/A	3,091,148	3,091,148	N/A	3,091,148
	State Health Plan	-	-	-	2,573,368	N/A	2,573,368	2,573,368	N/A	2,573,368
	Undesignated	-	-	-	-	N/A	-	-	N/A	-
Total		\$516,333,043	\$1,259,409	\$515,073,634	\$23,949,788	\$0	\$23,949,788	\$540,282,831	\$1,259,409	\$539,023,422

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Administrative Office of the Courts					
Budget Code 12000		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	298.50	-	-	298.50
1200	Appellate Division	127.00	-	-	127.00
1300	Trial Court Division	3,983.72	66.00	-	4,049.72
1410	Specialty Services and Programs	238.37	-	-	238.37
1600	Office - District Attorney	1,130.14	32.00	-	1,162.14
1700	Independent Commissions	24.50	-	-	24.50
Total FTE		5,802.23	98.00	-	5,900.23

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Administrative Office of the Courts					
Budget Code 12000		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	298.50	-	-	298.50
1200	Appellate Division	127.00	-	-	127.00
1300	Trial Court Division	3,983.72	95.00	-	4,078.72
1410	Specialty Services and Programs	238.37	-	-	238.37
1600	Office - District Attorney	1,130.14	32.00	-	1,162.14
1700	Independent Commissions	24.50	-	-	24.50
Total FTE		5,802.23	127.00	-	5,929.23

2017 Annotated Conference Committee Report

Judicial

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$513,656,896	\$515,073,634
Legislative Changes			
A. Reserve for Salaries and Benefits			
55 Compensation Increase Reserve	\$6,697,551	R	\$6,697,551 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.4, 35.4A, 35.4B, 35.4C, 35.11, 35.12, and 35.17)			
56 State Retirement Contributions	\$2,085,560	R	\$5,500,665 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
57 Consolidated Judicial Retirement Contributions	\$1,327,888	R	\$3,091,148 R
Fund Code: N/A			
Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums and provide a 1.0% cost-of-living adjustment to retirees. The revised net General Fund appropriation for CJRS statewide is \$27.9 million in FY 2017-18 and \$29.7 million in FY 2018-19, an increase of \$1.4 million for FY 2017-18 and \$3.2 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19 and 35.19A)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

58 State Health Plan

\$1,214,399 R

\$2,573,368 R

Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.
(S.L. 2017-57, Sec. 35.19)

B. Administration

59 Supplies

(\$304,037) R

(\$304,037) R

Fund Code: 1100

Budgets supplies at the actual expenditure level in FY 2015-16. The revised net appropriation for supplies is \$3,454,540 in each year of the biennium.

60 Pisgah Legal Services

\$100,000 NR

Fund Code: 1100

Provides pass-through funds to the NC State Bar for Pisgah Legal Services. These funds shall be used by Pisgah Legal Services for its Veterans' legal aid pilot project.
(S.L. 2017-57, Sec. 6.13)

61 Judicial Education Pilot Program

\$75,000 NR

Fund Code: 1100

Provides funds for a pilot program to assist NC judges in attaining advanced, specialized legal training in a Legum Magister (LL.M.) program.

62 Rural Judicial Services

\$200,000 NR

Fund Code: 1100

Provides funds to AOC to study rural judicial districts to determine if there are more efficient ways to provide services and allocate resources. AOC will report the findings of its study, along with any recommendations, to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2018.

C. Trial Court Division**63 Emergency Judges**

(\$231,671) R

(\$231,671) R

Fund Code: 1300

Reduces funding for emergency judges. The revised net appropriation for emergency judges is \$422,000 in each year of the biennium.

(S.B. 617; S.L. 2017-57, Sec. 18B.11)

64 Special Superior Court Judges

(\$194,275) R

(\$388,550) R

Fund Code: 1300

-2.00

-2.00

Eliminates funding for special superior court judgeships that were abolished in Section 18A.19 of S.L. 2015-241, 2015 Appropriations Act. The terms of the judges currently serving in these positions will end on December 31, 2017.

65 Deputy Clerks

\$3,315,374 R

\$4,714,427 R

Fund Code: 1300

67.00

96.00

Provides funding to create new deputy clerk positions in various districts throughout the State. A total of 2,705.1 FTE are funded, with a revised net appropriation for personal services for clerks of \$162,956,413 in FY 2017-18 and \$164,355,376 in FY 2018-19.

66 Magistrate Positions

(\$152,357) R

(\$152,357) R

Fund Code: 1300

-2.00

-2.00

Eliminates 2 magistrate positions: 60006073 and 60006074.

67 Magistrate/Clerk Staffing Pilot Project

\$152,357 R

\$152,357 R

Fund Code: 1300

3.00

3.00

Creates 3 new deputy clerk positions in Surry County for a magistrate/clerk staffing pilot project. The Clerk's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours, freeing magistrates to work evenings and weekends.

(S.L. 2017-57, Sec. 18B.12)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

D. District Attorney Offices

68 Additional Assistant District Attorneys

\$2,176,696 R

\$2,176,696 R

Fund Code: 1600

31.00

31.00

Creates new assistant district attorney (ADA) positions throughout the State. Funding is provided for an entry-level salary of \$50,000 plus benefits. A total of 648 FTE are funded, with a revised net appropriation for personal services for district attorneys and assistant district attorneys of \$101,182,035 in each year of the biennium.

(S.L. 2017-57, Sec. 18B.9)

69 Arson Resource Prosecutor

\$120,191 R

\$120,191 R

Fund Code: 1600

1.00

1.00

Creates a resource prosecutor position in the Conference of District Attorneys. The position will serve as a statewide resource for prosecutors, law enforcement, firefighters, fire marshals, arson investigators, medical professionals and other allied professionals on arson and homicide cases. The resource prosecutor will also develop and provide training programs for prosecutors, law enforcement officers and other allied professions that will improve the ability to effectively prosecute arson and homicide cases. The revised net appropriation for the Conference of District Attorneys is \$415,894 in each year of the biennium.

(H.B. 325)

Total Legislative Changes

\$16,207,676 R

\$23,949,788 R

\$375,000 NR

Total Position Changes

98.00

127.00

Revised Budget

\$530,239,572

\$539,023,422

Special Provisions

2017 Session: SB 257

Department: Judicial

Section: 18B.1

Title: **COLLECTION OF WORTHLESS CHECKS**

Summary: Permits the Administrative Office of the Courts (AOC) to use any balance remaining in the Collection of Worthless Checks Fund for office or information technology equipment.

Section: 18B.2

Title: **GRANT FUNDS**

Summary: Permits AOC to use up to \$1.5 million as the State match for grant funds.

Section: 18B.3

Title: **THIRD-PARTY ACCESS TO COURT RECORDS ANNUAL REPORT**

Summary: Amends G.S. 7A-109 to change the recipient of the Third-Party Access to Court Records Annual Report from the Joint Legislative Commission on Governmental Operations to the Appropriations Committees on JPS. The report is due annually on February 1.

Section: 18B.4

Title: **BUSINESS COURT REPORTS**

Summary: Repeals G.S. 7A-45.5 and merges the report previously required by that statute with the Business Court report required by G.S. 7A-343(8a). The new consolidated report is due to the chairs of the Appropriations Committees on JPS and JLOCJPS on February 1 and August 1 of each year.

Section: 18B.5

Title: **DIGITAL FORENSICS INCLUDED IN COURT COSTS**

Summary: Amends G.S. 7A-304(a) to add new subsections (9a) and (9b), requiring the payment of a \$600 fee to State or local crime labs for digital forensic services used as part of the investigation leading to the conviction of the defendant.

Section: 18B.6

Title: **FEE WAIVER**

Summary: Amends G.S. 7A-304(a) to restrict criminal court cost waivers unless the court has provided notice and an opportunity to be heard to the government entities directly affected by the proposed waiver.

Section: 18B.8

Title: **SUPREME COURT BICENTENNIAL CELEBRATION**

Summary: Allows the Supreme Court to hold sessions in any location across the State from calendar year 2018 to calendar year 2020 to celebrate the court's bicentennial.
(S.B. 121)

Judicial

Section: 18B.9

Title: **ALLOCATION OF ASSISTANT DISTRICT ATTORNEYS**

Summary: Makes various changes to the statutes governing court districts and district attorney allocations.

Subsection (a) and (b) amend G.S. 7A-41(a) to eliminate Superior Court District 9A, Person and Caswell, adding Person County to District 9 with Franklin, Granville, Vance, and Warren, and adding Caswell County to District 17A with Rockingham County. The superior court judge position previously assigned to District 9A is added to District 17A. These changes are effective January 1, 2019.

Subsection (c) amends G.S. 7A-133 to eliminate District Court District 9A, Person and Caswell, adding Person County to District 9 with Franklin, Granville, and part of Vance, and adding Caswell County to District 17A with Rockingham County. The 2 district court judge positions previously assigned to District 9A are divided between District 9 and District 17A. Subsection (d) makes these changes effective January 1, 2019.

Subsection (e) distributes the 31 new ADA positions to prosecutorial districts throughout the State and renumbers the prosecutorial districts from 1 to 43.

Subsection (f) repeals G.S. 7A-60(a2) which required AOC to report its recommendations for the allocation of ADA positions based on a workload formula to the General Assembly upon the convening of each regular session.

Subsection (g) deletes a reference to the ADA workload formula in G.S. 7A-63.

Subsection (h) eliminates Prosecutorial District 9A, Person and Caswell Counties, effective December 31, 2018. Person County is added to District 10 with Franklin, Granville, Vance, and Warren, and Caswell County is added to District 22, Rockingham County. The 6 ADA positions formerly assigned to District 9A are split evenly between District 10 and District 22. (H.B. 439)

(S.L. 2017-197, Secs. 5.5 and 5.6, Budget Technical Corrections, amends this section to clarify which judgeships are affected in subsection (d) and to modify the revised G.S. 7A-60(a1) to reflect the changes to Prosecutorial Districts 9A, 10, and 22 included in subsection (h)).

Section: 18B.10

Title: **ELIMINATE ACCESS TO CIVIL JUSTICE FUNDS**

Summary: Amends G.S. 7A-304 and G.S. 7A-305 to eliminate the \$1.50 portion of court fees allocated to the NC State Bar for legal aid services.

Section: 18B.11

Title: **MODIFY EMERGENCY RECALL JUDGES**

Summary: Amends G.S. 7A-45.2 and G.S. 7A-52 to change the way emergency recall judges are handled by AOC. The revised statute requires AOC to create 2 lists each for superior court and district court - a list of active emergency recall judges and a list of inactive emergency recall judges. For superior court, the active list is limited to 10 judges; for district court, the active list is limited to 25 judges. Emergency judges can only be assigned from the active lists, and only due to death, disability, recall to active duty, retirement or removal of a sitting judge, or in cases of a court case-management emergency. Emergency judges on the inactive lists cannot receive reimbursement for continuing legal or judicial education. (S.B. 617)

Section: 18B.12

Title: **MAGISTRATE/CLERK STAFFING PILOT PROJECT**

Summary: Allows the clerks of Superior Court to hire a deputy or assistant clerk in lieu of a magistrate position allocated to the county to provide some services traditionally provided by the magistrate's office during regular courthouse hours. AOC shall report on the results of the pilot project by October 1, 2018, to the chairs of JLOCJPS.

2017 Session: HB 528

Department: Judicial

Section: 5.4A

Title: **TECHNICAL CHANGE: ACCESS TO CIVIL JUSTICE FUNDS**

Summary: Amends various statutes related to court fees to remove references to the \$1.50 allocation to the North Carolina State Bar for legal aid services eliminated in S.L. 2017-57, Appropriations Act of 2017.

Section: 5.5

Title: **TECHNICAL CHANGE: CLARIFICATION OF EXPIRATION OF TERMS OF DISTRICT 9A DISTRICT COURT JUDGES**

Summary: Amends S.L. 2017-57, Sec. 18B.9, Appropriations Act of 2017, to clarify which district court judge position from the former District 9A is transferred to Judicial District 17A and which is transferred to District 9. This section also clarifies how a vacancy in those positions should be filled.

Section: 5.6

Title: **TECHNICAL CHANGE: MODIFY PROSECUTORIAL DISTRICT ADA ALLOCATIONS**

Summary: Amends G.S. 7A-60(a1), as amended by S.L. 2017-57, Section 18B.9, Appropriations Act of 2017, to reflect the changes to Prosecutorial Districts 9A, 10, and 22 made in that Section.

Section: 5.7

Title: **BUDGET CHANGE: COUNCIL OF STATE SPECIAL PROSECUTOR PILOT PROJECT**

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 18B.13 to create a pilot project allowing AOC to appoint up to 2 special prosecutors per Council of State member to aid local district attorneys' offices in prosecuting arson-related cases. AOC, in conjunction with any agency participating in the pilot, is required to report to the chairs of JLOCJPS by April 1, 2018, on the results of the pilot program.

General Government

Section J

**Department of State Treasurer
Budget Code 13410**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$62,056,354	\$62,084,084
Receipts	\$51,789,528	\$51,817,258
Net Appropriation	\$10,266,826	\$10,266,826
Legislative Changes		
Requirements	(\$3,445,486)	(\$3,442,029)
Receipts	\$2,007,744	\$1,992,744
Net Appropriation	(\$5,453,230)	(\$5,434,773)
Revised Budget		
Requirements	\$58,610,868	\$58,642,055
Receipts	\$53,797,272	\$53,810,002
Net Appropriation	\$4,813,596	\$4,832,053

General Fund FTE

Base Budget	381.10	381.10
Legislative Changes	2.00	2.00
Revised Budget	383.10	383.10

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of State Treasurer										
Budget Code 13410		<u>Base 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
1110	General Administration	2,300,378	2,301,910	(1,532)	360,244	360,244	-	2,660,622	2,662,154	(1,532)
1130	Escheat Fund - Administration	3,302,368	3,302,368	-	-	-	-	3,302,368	3,302,368	-
1150	Information Services	8,945,113	8,945,113	-	-	-	-	8,945,113	8,945,113	-
1210	Investment Management	15,930,547	9,837,153	6,093,394	(5,688,712)	-	(5,688,712)	10,241,835	9,837,153	404,682
1310	Local Government - Operations	5,203,162	5,203,161	1	600,000	600,000	-	5,803,162	5,803,161	1
1320	State Bond Issuance	299,000	299,000	-	-	-	-	299,000	299,000	-
1410	Retirement Operations	19,056,879	19,056,879	-	602,500	602,500	-	19,659,379	19,659,379	-
1450	Achieving a Better Life Experience	545,434	-	545,434	-	-	-	545,434	-	545,434
1510	Financial Operations Division	6,473,473	2,843,944	3,629,529	895,000	445,000	450,000	7,368,473	3,288,944	4,079,529
Undesignated Items										
N/A	Position Eliminations	-	-	-	(253,874)	-	(253,874)	(253,874)	-	(253,874)
N/A	Compensation Increase Reserve	-	-	-	26,656	-	26,656	26,656	-	26,656
N/A	State Retirement Contributions	-	-	-	8,185	-	8,185	8,185	-	8,185
N/A	State Health Plan Reserve	-	-	-	4,515	-	4,515	4,515	-	4,515
Total		62,056,354	51,789,528	10,266,826	(3,445,486)	2,007,744	(5,453,230)	58,610,868	53,797,272	4,813,596

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of State Treasurer		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13410										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	2,300,378	2,301,910	(1,532)	351,244	351,244	-	2,651,622	2,653,154	(1,532)
1130	Escheat Fund - Administration	3,302,368	3,302,368	-	-	-	-	3,302,368	3,302,368	-
1150	Information Services	8,945,113	8,945,113	-	-	-	-	8,945,113	8,945,113	-
1210	Investment Management	15,930,547	9,837,153	6,093,394	(5,688,712)	-	(5,688,712)	10,241,835	9,837,153	404,682
1310	Local Government - Operations	5,203,162	5,203,161	1	600,000	600,000	-	5,803,162	5,803,161	1
1320	State Bond Issuance	299,000	299,000	-	-	-	-	299,000	299,000	-
1410	Retirement Operations	19,056,879	19,056,879	-	602,500	602,500	-	19,659,379	19,659,379	-
1450	Achieving a Better Life Experience	545,434	-	545,434	-	-	-	545,434	-	545,434
1510	Financial Operations Division	6,501,203	2,871,674	3,629,529	889,000	439,000	450,000	7,390,203	3,310,674	4,079,529
Undesignated Items										
N/A	Position Eliminations	-	-	-	(253,874)	-	(253,874)	(253,874)	-	(253,874)
N/A	Compensation Increase Reserve	-	-	-	26,656	-	26,656	26,656	-	26,656
N/A	State Retirement Contributions	-	-	-	21,589	-	21,589	21,589	-	21,589
N/A	State Health Plan Reserve	-	-	-	9,568	-	9,568	9,568	-	9,568
Total		62,084,084	51,817,258	10,266,826	(3,442,029)	1,992,744	(5,434,773)	58,642,055	53,810,002	4,832,053

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of State Treasurer					
Budget Code 13410		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	23.85	-	2.00	25.85
1130	Escheat Fund - Administration	27.00	-	-	27.00
1150	Information Services	50.00	-	-	50.00
1210	Investment Management	39.55	-	-	39.55
1310	Local Government - Operations	38.00	-	-	38.00
1320	State Bond Issuance	-	-	-	-
1410	Retirement Operations	159.50	-	1.00	160.50
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	39.20	-	2.00	41.20
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		381.10	(3.00)	5.00	383.10

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of State Treasurer					
Budget Code 13410		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	23.85	-	2.00	25.85
1130	Escheat Fund - Administration	27.00	-	-	27.00
1150	Information Services	50.00	-	-	50.00
1210	Investment Management	39.55	-	-	39.55
1310	Local Government - Operations	38.00	-	-	38.00
1320	State Bond Issuance	-	-	-	-
1410	Retirement Operations	159.50	-	1.00	160.50
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	39.20	-	2.00	41.20
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		381.10	(3.00)	5.00	383.10

2017 Annotated Conference Committee Report

(1.0) Treasurer

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$10,266,826		\$10,266,826	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve	\$26,656	R	\$26,656	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
2 State Retirement Contributions	\$8,185	R	\$21,589	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
3 State Health Plan	\$4,515	R	\$9,568	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Department-Wide

4 Position Eliminations	(\$253,874)	R	(\$253,874)	R
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Fund Code: N/A

-3.00

-3.00

Eliminates the following vacant positions which have been vacant for over 630 days:

65024108 Attorney II
 65024109 Information and Communications Specialist III
 65024110 Administrative Officer I

The revised net appropriation for the Department of State Treasurer is \$4.8 million in each year of the biennium.

Financial Operations Division

5 Rent

Fund Code: 1510

Provides \$169,000 in receipts for the contractual amount needed for rental of the complex for Department of State Treasurer (DST). The revised net appropriation for this fund, after all changes in this section, is \$4.1 million in each year of the biennium.

6 Core Banking System	\$450,000	R	\$450,000	R
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Fund Code: 1510

Provides funding to fully support the requirements of an existing contract for maintenance and related information technology costs for the State's Core Banking System. The revised net appropriation for the Financial Operations Division, after all changes in this section, is \$4.1 million in each year of the biennium.
 (S.B. 430/H.B. 537)

7 Accounting Positions

Fund Code: 1510

Provides additional receipt support for 2 advanced accountant positions to support accounting and financial reporting for the Department of State Treasurer (DST). One of the positions will be allotted \$155,676 annually for salary and benefits. The total amount is \$270,000 recurring for each year of the biennium and \$6,000 nonrecurring in FY 2017-18. The revised net appropriation for this fund, after all changes in this section, is \$4.1 million in each year of the biennium.

General Administration Division

8 Internal Auditor Positions

Fund Code: 1110

Creates 2 additional internal audit positions and appropriates \$161,096 for salaries and benefits. Additionally, the Department of State Treasurer is appropriated \$6,000 for nonrecurring expenses associated with start-up costs for these positions. The revised requirements for the General Administration Division, from all changes in this section, is \$2.7 million in each year of the biennium and the net appropriation is unchanged since the General Administration Division is 100% receipt-supported through cost allocation to the divisions supported by funds managed by Department of State Treasurer.

Investment Management Division

9 Investment Position Funding

(\$5,688,712) R (\$5,688,712) R

Fund Code: 1210

Adjusts the base budget by eliminating net General Fund appropriations for the Investment Management Division positions, which are receipt supported from investment earnings managed by the Department of State Treasurer. The revised net appropriation for this fund, from all actions in this section, is \$400,000 in each year of the biennium, as the entire Division is receipt supported.

Local Government - Operations

10 Information Technology Projects

Fund Code: 1310

Increases receipts to provide \$600,000 nonrecurring for each year of the biennium for information technology projects to assist local governments in accounting and financial management. The revised requirements for this fund is \$5.8 million in each year of the biennium.

Retirement Operations Division

11 Orbit Update and Support

Fund Code: 1410

Provides receipt funding for IT system upgrades and 1 FTE for the management of the Orbit Retirement System. Funding includes \$127,500 for the salary and benefits of 1 FTE position and \$431,000 for FY 2017-18 and \$475,000 in FY 2018-19 for system enhancements. The revised requirements for the Retirement Operations Division is \$19.7 million in each year of the biennium.

(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	(\$5,453,230)	R	(\$5,434,773)	R
Total Position Changes	-3.00		-3.00	
Revised Budget	\$4,813,596		\$4,832,053	

Special Provisions

2017 Session : SB 257

Department: (1.0) Treasurer

Section: 35.22

Title: STATE TREASURER AUTHORITY OVER STATE HEALTH PLAN EMPLOYEES

Summary: Grants sole authority for the hiring of all Department of State Treasurer employees to the State Treasurer and transfers the authority from the Executive Administrator to the State Treasurer to designate positions as managerial, professional or policy-making exempt and set the salaries for those positions.

This section also requires the State Treasurer's approval on all third party contracts negotiated by the Executive Administrator on behalf of the State Health Plan.

(This section is found in Part XXXV. Salaries and Benefits section of SL 2017-57)

**Fire Rescue National Guard Pensions
Budget Code 13412**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$26,889,281	\$26,889,281
Receipts	\$0	\$0
Net Appropriation	\$26,889,281	\$26,889,281
Legislative Changes		
Requirements	\$972,580	\$1,322,580
Receipts	\$0	\$0
Net Appropriation	\$972,580	\$1,322,580
Revised Budget		
Requirements	\$27,861,861	\$28,211,861
Receipts	\$0	\$0
Net Appropriation	\$27,861,861	\$28,211,861

General Fund FTE

Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Fire Rescue National Guard Pensions		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13412										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	8,517,073	-	8,517,073	-	-	-	8,517,073	-	8,517,073
1415	General Fund Contribution to Fire and Rescue Squad	17,602,208	-	17,602,208	-	-	-	17,602,208	-	17,602,208
1432	Line of Duty Death Benefits	770,000	-	770,000	216,500	-	216,500	986,500	-	986,500
Undesignated Items										
N/A	Firefighters and Rescue Squad Workers Pension Fund	-	-	-	350,000	-	350,000	350,000	-	350,000
N/A	National Guard Pension Fund	-	-	-	406,080	-	406,080	406,080	-	406,080
Total		26,889,281	-	26,889,281	972,580	-	972,580	27,861,861	-	27,861,861

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Fire Rescue National Guard Pensions		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13412										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	8,517,073	-	8,517,073	-	-	-	8,517,073	-	8,517,073
1415	General Fund Contribution to Fire and Rescue Squad	17,602,208	-	17,602,208	-	-	-	17,602,208	-	17,602,208
1432	Line of Duty Death Benefits	770,000	-	770,000	216,500	-	216,500	986,500	-	986,500
Undesignated Items										
N/A	Firefighters and Rescue Squad Workers Pension Fund	-	-	-	700,000	-	700,000	700,000	-	700,000
N/A	National Guard Pension Fund	-	-	-	406,080	-	406,080	406,080	-	406,080
Total		26,889,281	-	26,889,281	1,322,580	-	1,322,580	28,211,861	-	28,211,861

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Fire Rescue National Guard Pensions					
Budget Code 13412		<u>Base</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		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Fire Rescue National Guard Pensions					
Budget Code 13412		<u>Base</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		-	-	-	-

2017 Annotated Conference Committee Report

(2.0) Treasurer - Retirement and Benefits

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$26,889,281		\$26,889,281	
Legislative Changes				
Reserve for Salaries and Benefits				
12 National Guard Pension Fund	\$406,080	R	\$406,080	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 \$8.9 million in each year of the biennium.				
13 Firefighters' and Rescue Squad Workers' Pension Fund	\$350,000	R	\$700,000	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 \$18.0 million for FY 2017-18 and \$18.3 million for FY 2018-19.				
Line of Duty Death Benefits				
14 Occupational Covered Diseases	\$216,500	R	\$216,500	R
Fund Code: 1432				
Provides funds to add esophageal cancer as one of the eligible diseases that is payable from the line-of-duty death benefits. The revised net appropriation to this fund is \$1.0 million in each year of the biennium. (H.B. 355/S.B. 356; S.L. 2017-57, Sec. 21.1)				
Total Legislative Changes	\$972,580	R	\$1,322,580	R
Total Position Changes				
Revised Budget	\$27,861,861		\$28,211,861	

Special Provisions

2017 Session : SB 257

Department: (2.0) Treasurer - Retirement and Benefits

Section: 21.1

Title: ADD ESOPHAGEAL CANCER AS OCCUPATIONAL DISEASE TO LINE-OF-DUTY DEATH BENEFITS FOR FIREFIGHTERS

Summary: Amends G.S. 143-166.2 (c) by adding esophageal cancer as one of the diseases covered by the Line-of-Duty Death Benefits for emergency workers. The other cancers already covered through this benefit include: mesothelioma, testicular, and intestinal cancers.

**Department of Military and Veterans Affairs
Budget Code 13050**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$60,846,296	\$60,846,296
Receipts	\$52,647,271	\$52,647,271
Net Appropriation	\$8,199,025	\$8,199,025
Legislative Changes		
Requirements	\$3,258,333	\$761,718
Receipts	\$0	\$0
Net Appropriation	\$3,258,333	\$761,718
Revised Budget		
Requirements	\$64,104,629	\$61,608,014
Receipts	\$52,647,271	\$52,647,271
Net Appropriation	\$11,457,358	\$8,960,743

General Fund FTE

Base Budget	90.65	90.65
Legislative Changes	0.00	0.00
Revised Budget	90.65	90.65

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Military and Veterans Affairs		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13050										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	1,183,040	-	1,183,040	-	-	-	1,183,040	-	1,183,040
1200	Veterans' Affairs-Services	13,147,486	6,770,964	6,376,522	1,102,443	-	1,102,443	14,249,929	6,770,964	7,478,965
1300	State Veterans' Homes Program	45,876,307	45,876,307	-	-	-	-	45,876,307	45,876,307	-
1400	Military Presence Stabilization Fund (BRAC)	162,748	-	162,748	2,000,000	-	2,000,000	2,162,748	-	2,162,748
1500	VA Cemeteries	476,715	-	476,715	-	-	-	476,715	-	476,715
Undesignated Items										
N/A	Position Eliminations	-	-	-	-	-	-	-	-	-
N/A	Compensation Increase Reserve	-	-	-	107,739	-	107,739	107,739	-	107,739
N/A	State Retirement Contribution	-	-	-	29,902	-	29,902	29,902	-	29,902
N/A	State Health Plan Reserve	-	-	-	18,249	-	18,249	18,249	-	18,249
Total		60,846,296	52,647,271	8,199,025	3,258,333	-	3,258,333	64,104,629	52,647,271	11,457,358

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Military and Veterans Affairs		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13050										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	1,183,040	-	1,183,040	-	-	-	1,183,040	-	1,183,040
1200	Veterans' Affairs-Services	13,147,486	6,770,964	6,376,522	536,443	-	536,443	13,683,929	6,770,964	6,912,965
1300	State Veterans' Homes Program	45,876,307	45,876,307	-	-	-	-	45,876,307	45,876,307	-
1400	Military Presence Stabilization Fund (BRAC)	162,748	-	162,748	-	-	-	162,748	-	162,748
1500	VA Cemeteries	476,715	-	476,715	-	-	-	476,715	-	476,715
Undesignated Items										
N/A	Position Eliminations	-	-	-	-	-	-	-	-	-
N/A	Compensation Increase Reserve	-	-	-	107,739	-	107,739	107,739	-	107,739
N/A	State Retirement Contribution	-	-	-	78,865	-	78,865	78,865	-	78,865
N/A	State Health Plan Reserve	-	-	-	38,671	-	38,671	38,671	-	38,671
Total		60,846,296	52,647,271	8,199,025	761,718	-	761,718	61,608,014	52,647,271	8,960,743

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Military and Veterans Affairs					
Budget Code 13050		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	11.00	-	-	11.00
1200	Veterans' Affairs-Services	59.90	-	-	59.90
1300	State Veterans' Homes Program	8.75	-	-	8.75
1400	Military Presence Stabilization Fund (BRAC)	3.00	-	-	3.00
1500	VA Cemeteries	8.00	-	-	8.00
Total FTE		90.65	-	-	90.65

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Military and Veterans Affairs					
Budget Code 13050		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	11.00	-	-	11.00
1200	Veterans' Affairs-Services	59.90	-	-	59.90
1300	State Veterans' Homes Program	8.75	-	-	8.75
1400	Military Presence Stabilization Fund (BRAC)	3.00	-	-	3.00
1500	VA Cemeteries	8.00	-	-	8.00
Total FTE		90.65	-	-	90.65

2017 Annotated Conference Committee Report

(3.0) Department of Military and Veterans Affairs

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$8,199,025		\$8,199,025	
Legislative Changes				
Reserve for Salaries and Benefits				
15 Compensation Increase Reserve	\$107,739	R	\$107,739	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
16 State Retirement Contributions	\$29,902	R	\$78,865	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
17 State Health Plan	\$18,249	R	\$38,671	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Military Presence Stabilization Fund

18 Military Stabilization Fund

Fund Code: 1400

\$2,000,000 NR

Provides additional funding for communities' investment efforts to sustain and maintain North Carolina's military programs and activities. The revised net appropriation for this fund is \$2.2 million in FY 2017-18 only.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 19.1)

Veterans' Affairs - Services

19 Grants-in-aid

Fund Code: 1200

\$266,000 NR

Provides grants-in-aid to the following organizations:

Honor the Warriors \$100,000

Duplin County Veterans Memorial Museum \$40,000

Vietnam Veterans of America, Chapter #990 \$126,000

The revised net appropriation for these organizations is \$266,000 in FY 2017-18 only.

20 High Country Chapter of Military Officers Association of America

Fund Code: 1200

\$50,000 NR

Provides funds to construct a memorial in Watauga County. The revised net appropriation for this memorial is \$50,000 in FY 2017-18 only.

21 Scholarships for Children of War Veterans

Fund Code: 1200

\$536,443 R

\$536,443 R

Provides funds to increase the scholarship allowance given to children of veterans killed or disabled during wartime. The revised net appropriation for this fund, after all changes in this section, is \$7.5 million in FY 2017-18 and \$6.9 million in FY 2018-19.

(S.B. 430/H.B. 537, S.B. 125; S.L. 2017-57, Sec. 19.2)

22 Veterans' Memorial

Fund Code: 1200

\$250,000 NR

Provides funding for the construction of public facilities at the North Carolina Veterans Memorial Pavilion in Broadway, North Carolina. The revised net appropriation for this fund, after all changes in this section, is \$7.5 million in FY 2017-18 and \$6.9 million in FY 2018-19.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	\$692,333	R	\$761,718	R
	\$2,566,000	NR		
Total Position Changes				
Revised Budget	\$11,457,358		\$8,960,743	

Special Provisions

2017 Session : SB 257

Department: (3.0) Department of Military and Veterans Affairs

Section: 19.1

Title: MILITARY AFFAIRS COMMISSION/MILITARY PRESENCE STABILIZATION FUND

Summary: Amends S.L. 2015-241, Section 24.1(a), 2015 Appropriations Act, by making the Military Affairs Commission more independent of DMVA.

Subsection (b) amends G.S. 143B-1310 to clarify that the Commission is assigned to DMVA only for the purpose of administrative and budgetary functions.

Subsection (c) amends G.S. 143B-1311 to prohibit Commission members who are also members of the General Assembly from voting on matters that expend funds appropriated by the General Assembly.

Subsection (d) amends G.S. 143B-1211 to direct DMVA to provide administrative support to the Commission.

Section (e) amends G.S. 143B-1217 to direct that only the Military Affairs Commission shall approve the use of funds of the Military Stabilization Fund.

Additionally, Subsection (f) notwithstanding G.S. 143B-1214 and G.S. 143B-1217, to direct the use of the Military and Stabilization Fund so that up to \$225,000 may be used for grants to local communities and that funds may be used for administrative expenses and reimbursements to Commission members, federal advocacy and lobbying, strategic planning and economic impact analyses, public/private initiatives, measures to increase military value of installations, and staff support at the North Carolina Economic Development Center.

Section: 19.2

Title: SCHOLARSHIPS FOR CHILDREN OF WAR VETERANS

Summary: Amends G.S. 143B-1224 to clarify that children of individuals who are currently serving a second or subsequent enlistment may receive a scholarship through the Scholarships for Children of War Veterans.

Additionally, subsection (b) amends G.S. 143B-1226 to require DMVA to review each applicant's scholarship application for eligibility status under all classes of scholarships.

2017 Session : HB 528

Department: (3.0) Department of Military and Veterans Affairs

Section: 6.1

Title: BUDGET CHANGE: NO CLOSURE OF VETERANS CEMETERIES

Summary: Directs the Office of State Budget and Management to realign the base budget for the Department of Military and Veterans Affairs (DMVA) to include positions and necessary operating costs for the Eastern Carolina State Veterans Cemetery in Goldsboro.

Subsection (b) requires DMVA to not close any veterans cemeteries and to continue to operate each cemetery at its current level of operations using the following funds: receipts generated at the cemeteries, carryforwards, and DMVA-controlled reserve account fund balances.

Department of Insurance
Budget Code 13900
(As corrected by the Fiscal Research Division)

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$50,457,372	\$50,459,537
Receipts	\$10,666,688	\$10,666,688
Net Appropriation	\$39,790,684	\$39,792,849
Legislative Changes		
Requirements	\$21,347,058	\$20,071,381
Receipts	\$12,299,530	\$11,549,530
Net Appropriation	\$9,047,528	\$8,521,851
Revised Budget		
Requirements	\$71,804,430	\$70,530,918
Receipts	\$22,966,218	\$22,216,218
Net Appropriation	\$48,838,212	\$48,314,700

General Fund FTE

Base Budget	420.18	420.18
Legislative Changes	187.32	187.32
Revised Budget	607.50	607.50

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As corrected by the Fiscal Research Division)**

Department of Insurance										
Budget Code 13900		<u>Base 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
1100	Administration	7,704,434	121,726	7,582,708	480,959	-	480,959	8,185,393	121,726	8,063,667
1200	Company Services Group	10,567,762	27,676	10,540,086	317,292	-	317,292	10,885,054	27,676	10,857,378
1400	Producers, Fraud and Products Group	9,433,728	3,198,158	6,235,570	2,391,240	-	2,391,240	11,824,968	3,198,158	8,626,810
1500	Office of State Fire Marshal	15,731,158	4,613,505	11,117,653	427,535	158,000	269,535	16,158,693	4,771,505	11,387,188
1600	Consumer Assistance Group	6,392,063	2,705,623	3,686,440	-	-	-	6,392,063	2,705,623	3,686,440
1900	Reserves and Transfers	628,227	-	628,227	17,533,653	12,141,530	5,392,123	18,161,880	12,141,530	6,020,350
Undesignated Items										
N/A	Position Eliminations	-	-	-	(121,341)	-	(121,341)	(121,341)	-	(121,341)
N/A	Travel Reduction	-	-	-	(405,525)	-	(405,525)	(405,525)	-	(405,525)
N/A	Compensation Increase Reserve	-	-	-	456,776	-	456,776	456,776	-	456,776
N/A	State Retirement Contribution				189,277	-	189,277	189,277	-	189,277
N/A	State Health Plan Reserve	-	-	-	77,192	-	77,192	77,192	-	77,192
Total		50,457,372	10,666,688	39,790,684	21,347,058	12,299,530	9,047,528	71,804,430	22,966,218	48,838,212

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session
(As corrected by the Fiscal Research Division)**

Department of Insurance										
Budget Code 13900		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,706,599	121,726	7,584,873	480,959	-	480,959	8,187,558	121,726	8,065,832
1200	Company Services Group	10,567,762	27,676	10,540,086	309,292	-	309,292	10,877,054	27,676	10,849,378
1400	Producers, Fraud and Products Group	9,433,728	3,198,158	6,235,570	2,461,240	-	2,461,240	11,894,968	3,198,158	8,696,810
1500	Office of State Fire Marshal	15,731,158	4,613,505	11,117,653	340,535	158,000	182,535	16,071,693	4,771,505	11,300,188
1600	Consumer Assistance Group	6,392,063	2,705,623	3,686,440	-	-	-	6,392,063	2,705,623	3,686,440
1900	Reserves and Transfers	628,227	-	628,227	15,886,653	11,391,530	4,495,123	16,514,880	11,391,530	5,123,350
Undesignated Items										
N/A	Position Eliminations	-	-	-	(121,341)	-	(121,341)	(121,341)	-	(121,341)
N/A	Travel Reduction	-	-	-	(405,525)	-	(405,525)	(405,525)	-	(405,525)
N/A	Compensation Increase Reserve				456,776	-	456,776	456,776	-	456,776
N/A	State Retirement Contribution	-	-	-	499,219	-	499,219	499,219	-	499,219
N/A	State Health Plan Reserve	-	-	-	163,573	-	163,573	163,573	-	163,573
Total		50,459,537	10,666,688	39,792,849	20,071,381	11,549,530	8,521,851	70,530,918	22,216,218	48,314,700

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Insurance					
Budget Code 13900		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	64.74	-	-	64.74
1200	Company Services Group	100.08	2.00	-	102.08
1400	Producers, Fraud and Products Group	95.00	30.00	-	125.00
1500	Office of State Fire Marshal	96.36	5.00	-	101.36
1600	Consumer Assistance Group	64.00	-	-	64.00
1900	Reserves and Transfers	-	52.24	100.08	152.32
N/A	Position Eliminations	-	(2.00)	-	(2.00)
Total FTE		420.18	87.24	100.08	607.50

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Insurance					
Budget Code 13900		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	64.74	-	-	64.74
1200	Company Services Group	100.08	2.00	-	102.08
1400	Producers, Fraud and Products Group	95.00	30.00	-	125.00
1500	Office of State Fire Marshal	96.36	5.00	-	101.36
1600	Consumer Assistance Group	64.00	-	-	64.00
1900	Reserves and Transfers	-	52.24	100.08	152.32
N/A	Position Eliminations	-	(2.00)	-	(2.00)
Total FTE		420.18	87.24	100.08	607.50

2017 Annotated Conference Committee Report

(4.0) Insurance

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$39,790,684		\$39,792,849	
Legislative Changes				
Reserve for Salaries and Benefits				
23 Compensation Increase Reserve	\$456,776	R	\$456,776	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
24 State Retirement Contributions	\$189,277	R	\$499,219	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
25 State Health Plan	\$77,192	R	\$163,573	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Administration

26 Lease Increase

\$480,959

R

\$480,959

R

Fund Code: 1110

Provides additional funds for the lease increase for the Albemarle Building. The revised net appropriation for lease of the Albemarle Building is \$2.1 million in each year of the biennium.
(S.B. 430/H.B. 537)

Company Services Group

27 Captives Insurance Positions

\$309,292

R

\$309,292

R

Fund Code: 1200

\$8,000

NR

\$0

NR

3.00

3.00

Provides funds for 3 FTE to work in the oversight and development of the Captives insurance market. The revised net appropriation for this fund is \$10.9 million in each year of the biennium.

Department-wide

28 Vacant Position Eliminations

(\$121,341)

R

(\$121,341)

R

Fund Code: N/A

-2.00

-2.00

Eliminates the following 2 vacant positions which have been vacant for longer than 200 days:

60013316 Executive Assistant I

60013603 Insurance Regulatory Analyst

The revised net appropriation for the Department of Insurance, after all changes in this section, is \$48.8 million in FY 2017-18 and \$48.3 in FY 2018-19.

29 Travel

(\$405,525)

R

(\$405,525)

R

Fund Code: N/A

Reduces the amount of funds available for employee travel. This reduction is based upon actual expenditures over the past 3 years. The revised net appropriation available for employee travel is \$1.1 million in each year of the biennium

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Office of State Fire Marshal

- 30 Position Funding Elimination
Fund Code: 1500

(\$193,138)	R	(\$193,138)	R
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Eliminates the transfer of funds from the Department of Insurance to the Department of Administration (DOA). Funds had been transferred to support 2 FTE Engineer positions within DOA's Office of State Construction. The Department of Insurance had supported a total of 8 FTE within DOA and there is another reduction of expenditures in Special Fund Code 23900 that eliminates support for remaining a 6 FTE.

The revised net appropriation for the Office of State Fire Marshal, after all changes in this section, is \$11.4 million in FY 2017-18 and \$11.3 million in FY 2018-19.
(S.L. 2017-57, Sec. 22.2)

(Related items also appear in the Department of Insurance Special Fund on page J 37 and in the Department of Administration on page J 114, item 137 in the General Government section.)

- 31 Fire Inspectors
Fund Code: 1500

\$240,375	R	\$240,375	R
\$75,000	NR		
3.00		3.00	

Provides funding for 3 FTE positions for fire department inspections. The revised net appropriation for the Office of State Fire Marshal, after all changes in this section, is \$11.4 million in FY 2017-18 and \$11.3 million in FY 2018-19 in each year of the biennium.

- 32 Aid to Fire Departments
Fund Code: 1500

Continues the receipt funding, on a recurring basis, for fire protection for the Department of Transportation's buildings across the State. These funds are allocated to local fire departments for fire protection of State government buildings. This continues the transfer of \$158,000 from the Department of Transportation to the Office of the State Fire Marshal. The revised net appropriation for the Fire Protection Program is \$5.3 million in each year of the biennium.
(S.B. 430/H.B. 537)

(This item also appears in the Highway Fund of the Transportation section.)

- 33 Fire Investigators
Fund Code: 1500

\$135,298	R	\$135,298	R
\$12,000	NR		
2.00		2.00	

Provides funds for 2 FTE within the Office of State Fire Marshal to investigate suspicious fires. The net appropriation to this fund, after all changes in this section, is \$11.4 million in FY 2017-18 and \$11.3 million in FY 2018-19.
(S.L. 2017-57, Sec. 22.4)

(4.0) Insurance

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Producers, Fraud, and Products Group

34 Producers, Fraud, and Products Group	\$2,391,240	R	\$2,461,240	R
Fund Code: 1400				
	30.00		30.00	

Provides additional funding for up to 30 FTE to work within the Criminal Investigations Division to investigate insurance fraudulent activities.

The following types of positions may be created with these funds:

Criminal Investigations Director
Criminal Investigations Supervisor
Criminal Investigator II
Criminal Investigator I
Financial Crimes - Prosecutor Chief
Forensic Accountant
Criminal Justice Specialists
Administrative Assistant to the Director
Administrative Assistant Field Operations

The revised net appropriation to this fund is \$8.6 million in FY 2017-18 and \$8.7 million in FY 2018-19.
(S.B. 430/H.B. 537)

Reserves and Transfers

35 Industrial Commission	\$5,392,123	R	\$4,495,123	R
Fund Code: 1900				
	52.24		52.24	

Transfers the North Carolina Industrial Commission (NCIC) from the Department of Commerce to the Department of Insurance as a Type II transfer. Corresponding items can be found in the Natural and Cultural Resources section of the Committee Report. A corresponding special provision provides additional details. The revised net appropriation to this fund is \$5.9 million in FY 2017-18 and \$5.1 million in FY 2018-19.
(S.L. 2017-57, Sec. 15.19A)

(This item also appears in the Agriculture and Natural Economic Resources section. See section H.)

Total Legislative Changes	\$8,952,528	R	\$8,521,851	R
	\$95,000	NR	\$0	NR
Total Position Changes	88.24		88.24	
Revised Budget	\$48,838,212		\$48,314,700	

Special Fund – Interest Bearing

Budget Code: 23900

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$36,670,991	\$37,094,772
Recommended Budget		
Requirements	\$44,384,353	\$44,384,353
Receipts	\$44,351,554	\$44,351,554
Positions	2.90	2.90

Legislative Changes

Requirements:

Transfer of Funds	(\$456,580) R	(\$456,580) R
Eliminates the transfer of funding from the Department of Insurance to the Department of Administration's (DOA) State Construction Office to support 6 FTE positions.	\$0 NR	\$0 NR
Additionally, there is a reduction of expenditures to the Office of State Fire Marshal 13900-1500 eliminating funding for 2 FTE positions located at DOA's State Construction Office.	0.00	0.00

The revised requirements for this fund is \$43.9 million in each year of the biennium.
(S.L. 2017-57, Sec. 22.2)

(Related items also appear in the Department of Insurance on page J 35, item 30 and in the Department of Administration on page J 137, item 14 in the General Government section.)

Subtotal Legislative Changes	(\$456,580) R	(\$456,580) R
	\$0 NR	\$0 NR
	0.00	0.00

Receipts:

Transfer of Funds	\$0 R	\$0 R
	\$0 NR	\$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$0 R \$0 NR	\$0 R \$0 NR
Revised Total Requirements	\$43,927,773	\$43,927,773
Revised Total Receipts	\$44,351,554	\$44,351,554
Change in Fund Balance	\$423,781	\$423,781
Total Position s	2.90	2.90
Unappropriated Balance Remaining	\$37,094,772	\$37,518,553

Special Provisions

2017 Session : SB 257

Department: (4.0) Insurance

Section: 22.1

Title: INSURANCE REGULATORY CHARGE

Summary: Maintains the insurance regulatory charge under G.S. 58-6-25 at 6.5% for calendar year 2018.

Section: 22.2

Title: DEPARTMENT OF INSURANCE END SUPPORT OF EIGHT OFFICE OF STATE
CONSTRUCTION ENGINEER POSITIONS IN DEPARTMENT OF ADMINISTRATION

Summary: Repeals S.L. 2009-474, Sec. 7, Streamline Plan Rev. & Inspection/State Bldgs., that required the Department of Insurance to transfer funds to the Department of Administration to pay the salaries of State building inspectors.

(S.L. 2017-197, Sec. 6.2, Budget Technical Corrections amends this item to include the repeal of Sec. 8 of S.L. 2009-474, Appropriations Act of 2009, that required Department of Insurance to pay for State building inspector positions within the Office of State Construction.)

Section: 22.3

Title: ALLOW ADAPTIVE BEHAVIOR TREATMENT COVERED BY A HEALTH BENEFIT PLAN TO BE
PROVIDED OR SUPERVISED BY A BOARD CERTIFIED BEHAVIOR ANALYST

Summary: Amends G.S. 58-3-192(a)(1) by adding a board-certified behavior analyst as one of the professionals who may provide adaptive behavior treatment for autism spectrum disorders and be covered by a health benefit plan. (H.B. 307)

Section: 22.4

Title: ALLOW THE STATE FIRE MARSHAL TO INVESTIGATE ARSON

Summary: Amends G.S. 58-79-1 to allow the State Fire Marshal to participate in the investigation of arson and suspicious fires.

Section: 22.5

Title: STUDY HEALTH INSURANCE HIGH-RISK POOLS

Summary: Directs the Department of Insurance to study establishing a State-based health insurance high-risk pool if the provisions of Public Law 111-148, the Patient Protection and Affordable Care Act, prohibiting denial of health insurance benefit coverage for a preexisting condition, are repealed.

The Department of Insurance shall report to the Joint Legislative Commission on Governmental Operations by March 1, 2018, on the following: update of the status of the provisions, options for the design of a State-based high-risk pool and the cost of the options, potential sources of funding for the cost of the options studied (including federal funding), findings and recommendations regarding the options, and any proposed legislation related to the findings and recommendations.

2017 Session : HB 528

Department: (4.0) Insurance

Section: 6.2

Title: TECHNICAL CORRECTION: ADDS AN ADDITIONAL CITATION FOR REPEAL OF A LAW RELATED TO TRANSFER OF FUNDS FROM DEPARTMENT OF INSURANCE TO DEPARTMENT OF ADMINISTRATION

Summary: Amends S.L. 2017-57, Sec.22.2, Appropriations Act of 2017, to include the repeal of Sec. 8 of S.L. 2009-474, S.L. 2009-474, Appropriations Act of 2009, that required the Department of Insurance to transfer funding to Department of Administration to pay for State building inspector positions within the Office of State Construction.

**State Board of Elections
Budget Code 18025**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$6,723,306	\$6,723,306
Receipts	\$102,000	\$102,000
Net Appropriation	\$6,621,306	\$6,621,306
Legislative Changes		
Requirements	\$2,977	\$65,308
Receipts	\$0	\$0
Net Appropriation	\$2,977	\$65,308
Revised Budget		
Requirements	\$6,726,283	\$6,788,614
Receipts	\$102,000	\$102,000
Net Appropriation	\$6,624,283	\$6,686,614

General Fund FTE

Base Budget	61.00	61.00
Legislative Changes	(3.00)	(3.00)
Revised Budget	58.00	58.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

State Board of Elections		Base Budget			Legislative Changes			Revised Budget		
Budget Code 18025										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	999,270	102,000	897,270	-	-	-	999,270	102,000	897,270
1200	Campaign Reporting	1,428,680	-	1,428,680	-	-	-	1,428,680	-	1,428,680
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,178,699	-	3,178,699	70,000	-	70,000	3,248,699	-	3,248,699
1400	Voter Information Verification Act (VIVA)	1,019,712	-	1,019,712	-	-	-	1,019,712	-	1,019,712
Undesignated Items										
N/A	Position Eliminations	-	-	-	(187,384)	-	(187,384)	(187,384)	-	(187,384)
N/A	Compensation Increase Reserve	-	-	-	78,107	-	78,107	78,107	-	78,107
N/A	State Retirement Contribution	-	-	-	29,024	-	29,024	29,024	-	29,024
N/A	State Health Plan Reserve	-	-	-	13,230	-	13,230	13,230	-	13,230
Total		6,723,306	102,000	6,621,306	2,977	-	2,977	6,726,283	102,000	6,624,283

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

State Board of Elections		Base Budget			Legislative Changes			Revised Budget		
Budget Code 18025										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	999,270	102,000	897,270	-	-	-	999,270	102,000	897,270
1200	Campaign Reporting	1,428,680	-	1,428,680	-	-	-	1,428,680	-	1,428,680
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,178,699	-	3,178,699	70,000	-	70,000	3,248,699	-	3,248,699
1400	Voter Information Verification Act (VIVA)	1,019,712	-	1,019,712	-	-	-	1,019,712	-	1,019,712
Undesignated Items										
N/A	Position Eliminations	-	-	-	(187,384)	-	(187,384)	(187,384)	-	(187,384)
N/A	Compensation Increase Reserve				78,107	-	78,107	78,107	-	78,107
N/A	State Retirement Contribution	-	-	-	76,550	-	76,550	76,550	-	76,550
N/A	State Health Plan Reserve	-	-	-	28,035	-	28,035	28,035	-	28,035
Total		6,723,306	102,000	6,621,306	65,308	-	65,308	6,788,614	102,000	6,686,614

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

State Board of Elections					
Budget Code 18025		<u>Base</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
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		61.00	(3.00)	-	58.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

State Board of Elections					
Budget Code 18025		<u>Base</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
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		61.00	(3.00)	-	58.00

2017 Annotated Conference Committee Report

(5.0) State Board of Elections

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$6,621,306		\$6,621,306	
Legislative Changes				
Reserve for Salaries and Benefits				
36 Compensation Increase Reserve	\$78,107	R	\$78,107	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
37 State Retirement Contributions	\$29,024	R	\$76,550	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
38 State Health Plan	\$13,230	R	\$28,035	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Department-wide

39 Vacant Positions	(\$187,384)	R	(\$187,384)	R
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Fund Code: N/A

-3.00

-3.00

Eliminates 3 FTE that have been vacant over 540 days. The following positions will be eliminated:

60088226 Technology Support Analyst

60088214 Administrative Assistant II

60088238 Business and Technology Applications Technician

The revised net appropriation for State Board of Elections, after all changes in this section, is \$6.5 million in FY 2017-18 and \$6.7 million in FY 2018-19.

Voter Registration and Voting Systems

40 Business Applications Analyst	\$70,000	R	\$70,000	R
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Fund Code: 1300

Converts a current time-limited position to a permanent FTE position. The Business Applications Analyst is responsible for supporting the voting application systems. The revised net appropriation for this fund is \$3.2 million in each year of the biennium.

Total Legislative Changes	\$2,977	R	\$65,308	R
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Total Position Changes	-3.00		-3.00	
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Revised Budget	\$6,624,283		\$6,686,614	
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Special Provisions

2017 Session : HB 528

Department: (5.0) State Board of Elections

Section: 6.8

Title: BUDGET CHANGE: CANVASS PERIOD CHANGES

Summary: Allows the Executive Director of the Bipartisan State Board of Elections and Ethics Enforcement to reduce canvass periods by whatever amount of time necessary to ensure orderly elections by the election schedule required by law. If the canvass period is shortened, the Executive Director must provide 2 weeks notice to county boards of election and the public.

**North Carolina General Assembly
Budget Code 11000
(As corrected by the Fiscal Research Division)**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$64,562,017	\$64,369,017
Receipts	\$1,086,000	\$893,000
Net Appropriation	\$63,476,017	\$63,476,017
Legislative Changes		
Requirements	\$4,529,846	\$4,527,240
Receipts	\$2,030,250	\$2,030,250
Net Appropriation	\$2,499,596	\$2,496,990
Revised Budget		
Requirements	\$69,091,863	\$68,896,257
Receipts	\$3,116,250	\$2,923,250
Net Appropriation	\$65,975,613	\$65,973,007

General Fund FTE

Base Budget	480.95	480.95
Legislative Changes	14.00	14.00
Revised Budget	494.95	494.95

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

North Carolina General Assembly										
Budget Code 11000		<u>Base 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
1110	Senate	11,933,053	-	11,933,053	-	-	-	11,933,053	-	11,933,053
1120	House of Representatives	16,058,982	-	16,058,982	-	-	-	16,058,982	-	16,058,982
1211	Administrative Division	9,002,398	6,000	8,996,398	325,000	325,000	-	9,327,398	331,000	8,996,398
1212	Bill Drafting Division	3,294,723	-	3,294,723	-	-	-	3,294,723	-	3,294,723
1213	Legislative Analysis Division	5,480,321	-	5,480,321	-	-	-	5,480,321	-	5,480,321
1214	Fiscal Research Division	5,017,723	-	5,017,723	-	-	-	5,017,723	-	5,017,723
1215	Building Maintenance	3,024,933	-	3,024,933	-	-	-	3,024,933	-	3,024,933
1216	Food Service	1,511,910	750,000	761,910	-	-	-	1,511,910	750,000	761,910
1217	Information Systems	7,246,368	330,000	6,916,368	-	-	-	7,246,368	330,000	6,916,368
1219	Program Evaluation Division	1,710,660	-	1,710,660	150,000	-	150,000	1,860,660	-	1,860,660
1220	Legislative - Research	-	-	-	-	-	-	-	-	-
1900	Committees and Other Reserves	280,946	-	280,946	-	-	-	280,946	-	280,946
Undesignated Items										
N/A	Department-Wide				2,299,162	1,705,250	593,912	2,299,162	1,705,250	593,912
N/A	Compensation Increase Reserve	-	-	-	1,226,553	-	1,226,553	1,226,553	-	1,226,553
N/A	State Retirement Contribution	-	-	-	285,389	-	285,389	285,389	-	285,389
N/A	Legislative Retirement Contribution	-	-	-	38,372	-	38,372	38,372	-	38,372
N/A	State Health Plan Reserve	-	-	-	205,370	-	205,370	205,370	-	205,370
Total		64,562,017	1,086,000	63,476,017	4,529,846	2,030,250	2,499,596	69,091,863	3,116,250	65,975,613

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session
(As corrected by the Fiscal Research Division)**

North Carolina General Assembly		Base Budget			Legislative Changes			Revised Budget		
Budget Code 11000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Senate	12,177,420	-	11,933,053	-	-	-	12,177,420	-	12,177,420
1120	House of Representatives	16,791,396	-	16,058,982	-	-	-	16,791,396	-	16,791,396
1211	Administrative Division	8,964,283	4,500	8,996,398	325,000	325,000	-	9,289,283	329,500	8,959,783
1212	Bill Drafting Division	3,294,723	-	3,294,723	-	-	-	3,294,723	-	3,294,723
1213	Legislative Analysis Division	5,482,595	-	5,480,321	-	-	-	5,482,595	-	5,482,595
1214	Fiscal Research Division	5,052,023	-	5,017,723	-	-	-	5,052,023	-	5,052,023
1215	Building Maintenance	2,923,283	-	3,024,933	-	-	-	2,923,283	-	2,923,283
1216	Food Service	1,563,910	856,500	761,910	-	-	-	1,563,910	856,500	707,410
1217	Information Systems	6,335,246	32,000	6,916,368	-	-	-	6,335,246	32,000	6,303,246
1219	Program Evaluation Division	1,710,660	-	1,710,660	-	-	-	1,710,660	-	1,710,660
1220	Legislative - Research	-	-	-	-	-	-	-	-	-
1900	Committees and Other Reserves	73,478	-	280,946	-	-	-	73,478	-	73,478
Undesignated Items										
N/A	Department-Wide				1,705,250	1,705,250	-	1,705,250	1,705,250	-
N/A	Compensation Increase Reserve	-	-	-	1,226,553	-	1,226,553	1,226,553	-	1,226,553
N/A	State Retirement Contribution	-	-	-	752,713	-	752,713	752,713	-	752,713
N/A	Legislative Retirement Contribution	-	-	-	82,536	-	82,536	82,536	-	82,536
N/A	State Health Plan Reserve	-	-	-	435,188	-	435,188	435,188	-	435,188
Total		64,369,017	893,000	63,476,017	4,527,240	2,030,250	2,496,990	68,896,257	2,923,250	65,973,007

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

North Carolina General Assembly					
Budget Code 11000		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Senate	78.00	-	-	78.00
1120	House of Representatives	154.10	-	-	154.10
1211	Administrative Division	41.60	-	14.00	55.60
1212	Bill Drafting Division	22.00	-	-	22.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	40.00	-	-	40.00
1215	Building Maintenance	25.00	-	-	25.00
1216	Food Service	16.25	-	-	16.25
1217	Information Systems	42.00	-	-	42.00
1219	Program Evaluation Division	14.00	-	-	14.00
1220	Legislative - Research	-	-	-	-
1900	Committees and Other Reserves	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		480.95	-	14.00	494.95

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

North Carolina General Assembly					
Budget Code 11000		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Senate	78.00	-	-	78.00
1120	House of Representatives	154.10	-	-	154.10
1211	Administrative Division	41.60	-	14.00	55.60
1212	Bill Drafting Division	22.00	-	-	22.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	40.00	-	-	40.00
1215	Building Maintenance	25.00	-	-	25.00
1216	Food Service	16.25	-	-	16.25
1217	Information Systems	42.00	-	-	42.00
1219	Program Evaluation Division	14.00	-	-	14.00
1220	Legislative - Research	-	-	-	-
1900	Committees and Other Reserves	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		480.95	-	14.00	494.95

2017 Annotated Conference Committee Report

(6.0) General Assembly

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$63,476,017		\$63,476,017	
Legislative Changes				
Reserve for Salaries and Benefits				
41 Compensation Increase Reserve	\$1,226,553	R	\$1,226,553	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.5, 35.6, 35.7, 35.11, and 35.12)				
42 State Retirement Contributions	\$285,389	R	\$752,713	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
43 Legislative Retirement Contributions	\$38,372	R	\$82,536	R
Fund Code: N/A				
Increases the State's contribution for members of the Legislative Retirement System (LRS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums and provide a 1.0% cost-of-living adjustment to retirees. The revised net General Fund appropriation for LRS is \$908,258 in FY 2017-18 and \$952,422 in FY 2018-19. (S.L. 2017-57, Secs. 35.19 and 35.19A)				
44 State Health Plan	\$205,370	R	\$435,188	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5				

billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19.
(S.L. 2017-57, Sec. 35.19)

Administrative Division

45 Security Measures

Fund Code: 1211

Provides \$325,000 in receipts in FY 2017-18 and FY 2018-19 to create positions and establish a security team to assist with the protection of the General Assembly's property. The funds provided are partial funding needed for the creation of up to 14 security staff positions. The revised requirements for the Administrative Division is \$9.0 million in each year of the biennium.
(S.L. 2017-57, Sec. 26.5)

(A related item also appears in the General Assembly Special Fund in the General Government section.)

Department-Wide

46 Replacement Furniture

Fund Code: N/A

\$593,912 NR

Provides one-time funding for the replacement of timeworn chairs, desks, and common-area furniture. Preference shall be given for furniture manufactured in North Carolina. The revised net appropriation for replacement furniture is \$593,912 in FY 2017-18.

47 Permanent Position Funding

Fund Code: N/A

Provides \$1,705,250 in receipts in FY 2017-18 and FY 2018-19 to fix the structural budget issue associated with the temporary to permanent position changes. The revised net appropriation for the North Carolina General Assembly is \$66.4 million in FY 2017-18 and \$66.0 million in FY 2018-19.

(A related item also appears in the General Assembly Special Fund in the General Government section.)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Program Evaluation Division

48 Measurability Assessment and Efficiency Study

Fund Code: 1219

\$150,000 NR

Provides funding for the Program Evaluation Division (PED) to contract for a measurability assessment and efficiency study of the Department of Administration. PED is directed to coordinate with the Office of the State Auditor to identify programs for review. The revised net appropriation for this fund is \$1.9 million in FY 2017-18 and \$1.7 million in FY 2018-19. (S.L. 2017-57, Sec. 24.1)

(A related item also appears in the Department of Administration in the General Government section.)

Total Legislative Changes	\$1,755,684	R	\$2,496,990	R
	\$743,912	NR		
Total Position Changes				
Revised Budget	\$65,975,613		\$65,973,007	

NCGA Reserve Account

Budget Code: 21000

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$8,914,802	\$6,784,552
Recommended Budget		
Requirements	\$100,000	\$100,000
Receipts	\$0	\$0
Positions	1.00	1.00
<hr/>		
Legislative Changes		
Requirements:		
Transfer of Funds	\$0 R	\$0 R
Transfers funds to increase availability within the budget of the General Assembly to pay for increased expenses related to personal services. The revised requirements for this fund is \$2,130,250 in each year of the biennium.	\$2,030,250 NR 0.00	\$2,030,250 NR 0.00
(This transfer also appears in the General Assembly in the General Government section. See page J 55, items 45 and 47)		
Subtotal Legislative Changes	\$0 R \$2,030,250 NR 0.00	\$0 R \$2,030,250 NR 0.00
<hr/>		
Receipts:		
Reserve Account	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R \$0 NR	\$0 R \$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$2,130,250	\$2,130,250
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$2,130,250)	(\$2,130,250)
Total Positions	1.00	1.00
Unappropriated Balance Remaining	\$6,784,552	\$4,654,302

Special Provisions

2017 Session : SB 257

Department: (6.0) General Assembly

Section: 24.1

Title: PED STUDY/MEASURABILITY ASSESSMENT OF DEPARTMENT OF ADMINISTRATION
ADMINISTRATIVE ACTIVITIES AND PROGRAMS

Summary: Directs the Program Evaluation Division (PED) to conduct a measurability assessment of the Department of Administration. Prior to conducting the assessment, the PED must consult with the State Auditor to receive any recommendations on particular programs to examine. The PED shall report on findings and recommendations by March 30, 2018, to the Joint Legislative Program Evaluation Oversight Committee and Joint Legislative Oversight Committee on General Government (JLOC).

Section: 24.3

Title: STUDY RATES AND TRANSFERS/PUBLIC ENTERPRISES

Summary: Requires the Legislative Research Commission to study public enterprise issues. Subsection (b) requires excess net revenues be used to lower rates, fund debt service, and make other improvements of public enterprise.

Subsection (c) requires the Legislative Research Commission to study public enterprise issues and make recommendations regarding: fee and charge setting by units of local governments, proper accounting controls in budgeting and accounting, legislation necessary to ensure proper funding of infrastructure maintenance and improvements for the provision of water and sewer services, and any legislation that may be necessary to ensure the monitoring of aging water and sewer infrastructure.

Subsection (d) directs the Legislative Research Commission to consult with Local Government Commission, the School of Government, the Department of Environmental Quality, the League of Municipalities, County Commissioners' Association, and others to conduct the study.

Subsection (e) sets a deadline for the interim report prior to the 2017 Regular Session of NCGA reconvening in 2018 and a final report to the 2019 Regular Session of the General Assembly. (H.B. 718)

Section: 24.4

Title: ESTABLISH THE JOINT SELECT COMMITTEE ON JUDICIAL FUNDING

Summary: Establishes the Joint Select Study Committee on Judicial Funding, to which consists of 10 members; 5 of whom are appointed by the President Pro Tempore of the Senate and 5 appointed by the Speaker of the House of Representatives.

Subsection (b) defines a quorum as be a majority of the Committee's members.

Subsection (c) directs the Committee to study the effects of enacting the first editions of S.B. 635 and 636 of the 2017 Regular Session of the General Assembly, or substantially similar legislation and other issues that the Committee deems relevant.

Subsection (d) authorizes the members to receive per diem, subsistence, and travel allowances as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate. This subsection further directs the Legislative Services Officer to assign professional and clerical staff to assist the Committee with its work.

Subsection (e) directs the Committee to submit a final report on the results of its study and any proposed legislation to the General Assembly on or before March 1, 2018.

**Office of the Governor
Budget Code 13000**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$7,005,279	\$7,005,279
Receipts	\$1,211,165	\$1,211,165
Net Appropriation	\$5,794,114	\$5,794,114
Legislative Changes		
Requirements	(\$419,137)	(\$817,705)
Receipts	\$0	\$0
Net Appropriation	(\$419,137)	(\$817,705)
Revised Budget		
Requirements	\$6,586,142	\$6,187,574
Receipts	\$1,211,165	\$1,211,165
Net Appropriation	\$5,374,977	\$4,976,409

General Fund FTE

Base Budget	61.77	61.77
Legislative Changes	0.00	0.00
Revised Budget	61.77	61.77

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Office of the Governor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	6,341,860	1,092,868	5,248,992	(522,763)	-	(522,763)	5,819,097	1,092,868	4,726,229
1631	Raleigh Executive Residence	647,960	111,297	536,663	-	-	-	647,960	111,297	536,663
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	64,767	-	64,767	64,767	-	64,767
N/A	State Retirement Contribution	-	-	-	27,752	-	27,752	27,752	-	27,752
N/A	State Health Plan Reserve	-	-	-	11,107	-	11,107	11,107	-	11,107
Total		7,005,279	1,211,165	5,794,114	(419,137)	-	(419,137)	6,586,142	1,211,165	5,374,977

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Office of the Governor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13000										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	6,341,860	1,092,868	5,248,992	(979,205)	-	(979,205)	5,362,655	1,092,868	4,269,787
1631	Raleigh Executive Residence	647,960	111,297	536,663	-	-	-	647,960	111,297	536,663
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	64,767	-	64,767	64,767	-	64,767
N/A	State Retirement Contribution	-	-	-	73,197	-	73,197	73,197	-	73,197
N/A	State Health Plan Reserve	-	-	-	23,536	-	23,536	23,536	-	23,536
Total		7,005,279	1,211,165	5,794,114	(817,705)	-	(817,705)	6,187,574	1,211,165	4,976,409

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor					
Budget Code 13000		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	58.77	-	-	58.77
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		61.77	-	-	61.77

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor					
Budget Code 13000		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	58.77	-	-	58.77
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		61.77	-	-	61.77

2017 Annotated Conference Committee Report

(7.0) Governor

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$5,794,114		\$5,794,114	
Legislative Changes				
Reserve for Salaries and Benefits				
49 Compensation Increase Reserve	\$64,767	R	\$64,767	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
50 State Retirement Contributions	\$27,752	R	\$73,197	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
51 State Health Plan	\$11,107	R	\$23,536	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Administration

52 Administrative Reduction

(\$979,205) R

(\$979,205) R

Fund Code: 1110

Reduces the funds available to the Office of the Governor. The revised net appropriation to this fund after all changes in this section is \$4.7 million in FY 2017-18 and \$4.3 million in FY 2018-19.

(S.L. 2017-57, Sec. 26.7)

53 Southern Legislative Conference Dues

Fund Code: 1110

\$456,442 NR

Provides funding for North Carolina's dues for the Southern Legislative Conference. The revised net appropriation for this subscription is \$456,442 in FY 2017-18 only.

Total Legislative Changes

(\$875,579) R

(\$817,705) R

\$456,442 NR

Total Position Changes

Revised Budget

\$5,374,977

\$4,976,409

Special Provisions

2017 Session : SB 257

Department: (7.0) Governor

Section:

Title: No Special Provisions

Summary:

**Office of the Governor - Special
Budget Code 13001**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$2,001,118	\$2,001,118
Receipts	\$0	\$0
Net Appropriation	\$2,001,118	\$2,001,118
Legislative Changes		
Requirements	(\$2,001,118)	(\$2,001,118)
Receipts	\$0	\$0
Net Appropriation	(\$2,001,118)	(\$2,001,118)
Revised Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Net Appropriation	\$0	\$0

General Fund FTE

Base Budget	4.34	4.34
Legislative Changes	(0.65)	(0.65)
Revised Budget	3.69	3.69

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Office of the Governor - Special										
Budget Code 13001		<u>Base 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
1A15	Education and Workforce Innovation Program	2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-
1R30	Governor's Special Projects	-	-	-	-	-	-	-	-	-
1R31	Race to the Top - DPI	-	-	-	-	-	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contribution	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total		2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Office of the Governor - Special		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13001										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1A15	Education and Workforce Innovation Program	2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-
1R30	Governor's Special Projects	-	-	-	-	-	-	-	-	-
1R31	Race to the Top - DPI	-	-	-	-	-	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contribution	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		2,001,118	-	2,001,118	(2,001,118)	-	(2,001,118)	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor - Special					
Budget Code 13001		<u>Base</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	0.65	(0.65)	-	-
1R30	Governor's Special Projects	3.69	-	-	3.69
1R31	Race to the Top - DPI	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-
Total FTE		4.34	(0.65)	-	3.69

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor - Special					
Budget Code 13001		<u>Base</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	0.65	(0.65)	-	-
1R30	Governor's Special Projects	3.69	-	-	3.69
1R31	Race to the Top - DPI	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-
Total FTE		4.34	(0.65)	-	3.69

2017 Annotated Conference Committee Report

(8.0) Governor - Special Projects

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$2,001,118		\$2,001,118	
Legislative Changes				
Education and Workforce Innovation Program				
54 Education and Workforce Grant Program	(\$2,001,118)	R	(\$2,001,118)	R
Fund Code: 1A15				
Transfers the grant funds and part-time position from the Office of the Governor to the Department of Public Instruction. The revised net appropriation for this fund is \$0 in each year of the biennium.	-0.65		-0.65	
(This item also appears in the Education section. See section F.)				
Total Legislative Changes	(\$2,001,118)	R	(\$2,001,118)	R
Total Position Changes	-0.65		-0.65	
Revised Budget	\$0		\$0	

Special Provisions

2017 Session : SB 257

Department: (8.0) Governor - Special Projects

Section:

Title: No Special Provisions

Summary:

**Office of State Budget and Management
Budget Code 13005**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$8,078,957	\$8,078,957
Receipts	\$118,487	\$118,487
Net Appropriation	\$7,960,470	\$7,960,470
Legislative Changes		
Requirements	\$220,076	\$294,774
Receipts	\$0	\$0
Net Appropriation	\$220,076	\$294,774
Revised Budget		
Requirements	\$8,299,033	\$8,373,731
Receipts	\$118,487	\$118,487
Net Appropriation	\$8,180,546	\$8,255,244

General Fund FTE

Base Budget	58.00	58.00
Legislative Changes	0.00	0.00
Revised Budget	58.00	58.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Office of State Budget and Management										
Budget Code 13005		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Office of State Budget and Management	8,078,957	118,487	7,960,470	100,000	-	100,000	8,178,957	118,487	8,060,470
1322	NC GEAR	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	70,669	-	70,669	70,669	-	70,669
N/A	State Retirement Contributions	-	-	-	37,437	-	37,437	37,437	-	37,437
N/A	State Health Plan Reserve	-	-	-	11,970	-	11,970	11,970	-	11,970
Total		8,078,957	118,487	7,960,470	220,076	-	220,076	8,299,033	118,487	8,180,546

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Office of State Budget and Management		Base 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	8,078,957	118,487	7,960,470	100,000	-	100,000	8,178,957	118,487	8,060,470
1322	NC GEAR	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	70,669	-	70,669	70,669	-	70,669
N/A	State Retirement Contributions	-	-	-	98,740	-	98,740	98,740	-	98,740
N/A	State Health Plan Reserve	-	-	-	25,365	-	25,365	25,365	-	25,365
Total		8,078,957	118,487	7,960,470	294,774	-	294,774	8,373,731	118,487	8,255,244

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Budget and Management					
Budget Code 13005		<u>Base</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	58.00	-	-	58.00
1322	NC GEAR	-	-	-	-
Total FTE		58.00	-	-	58.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Budget and Management					
Budget Code 13005		<u>Base</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	58.00	-	-	58.00
1322	NC GEAR	-	-	-	-
Total FTE		58.00	-	-	58.00

2017 Annotated Conference Committee Report

(9.0) State Budget & Management

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$7,960,470		\$7,960,470	
Legislative Changes				
Reserve for Salaries and Benefits				
55 Compensation Increase Reserve	\$70,669	R	\$70,669	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
56 State Retirement Contributions	\$37,437	R	\$98,740	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
57 State Health Plan	\$11,970	R	\$25,365	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Office of State Budget and Management

58 Results First Project

\$100,000

R

\$100,000

R

Fund Code: 1310

Provides funds to the Office of State Budget and Management to work with the Pew-MacArthur Results First Initiative to implement an evidence-based policy making model for use in developing policy and budget decisions. The revised net appropriation for the Office of State Budget and Management is \$8.2 million in FY 2017-18 and \$8.3 million in FY 2018-19.
(H.B. 516; S.L. 2017-57, Sec. 26.3)

Total Legislative Changes

\$220,076

R

\$294,774

R

Total Position Changes

Revised Budget

\$8,180,546

\$8,255,244

Dorothea Dix Land Proceeds

Budget Code: 63008

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$50,554,292	\$32,004,292
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$450,000	\$450,000
Positions	0.00	0.00

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 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 application, and a process for allocating grants. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11F.5)

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

(This item also appears in the Health and Human Services section.)

Inpatient Behavioral Health Beds

Transfers funds to the Department of Health and Human Service, 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. Of the funds transferred up to \$4 million will be used for inpatient beds at the Caldwell/UNC Health Care, \$4 million at Mission Health, \$4 million at Cape Fear Valley Medical Center, \$3 million at Good Hope Hospital and \$2 million for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 11F.5)

\$0	R	\$0	R
\$17,000,000	NR	\$0	NR
0.00		0.00	

(This transfer also appears in the Health and Human Services section.)

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$0 R \$19,000,000 NR 0.00	\$0 R \$0 NR 0.00
<hr/>		
Receipts:		
Dorothea Dix Land Proceeds	\$0 R \$0 NR	\$0 R \$0 NR
Subtotal Legislative Changes	\$0 R \$0 NR	\$0 R \$0 NR
<hr/>		
Revised Total Requirements	\$19,000,000	\$0
Revised Total Receipts	\$450,000	\$450,000
Change in Fund Balance	(\$18,550,000)	\$450,000
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$32,004,292	\$32,454,292

Special Provisions

2017 Session : SB 257

Department: (9.0) State Budget & Management

Section: 26.3

Title: RESULTS FIRST PROJECT

Summary: Provides support for the Results First Project and requires accountability and report updates for the project.

Subsection (b) allows OSBM to work with the Pew-MacArthur Results First Initiative to implement an evidence-based policy making model for use in developing policy and budget decisions and requires agencies to provide information to OSBM upon request.

Subsection (c) requires the Office of State Budget and Management to file an interim report by April 8, 2018 and an annual report October 1 on implementing the cost-benefit analysis model. The Report will be submitted to the Joint Legislative Commission on Governmental Operations, the JLOC on General Government, and the Joint Legislative Program Evaluation Oversight Committee.
(S.B. 430/H.B. 537)

Section: 26.4

Title: OSBM INCLUDE EXISTING DOA POSITIONS IN BASE BUDGET

Summary: Directs OSBM to include 8 existing positions in the Department of Administration's base budget for the 2019-21 Fiscal Biennium on a recurring basis.

Section: 26.5

Title: OSBM INCLUDE RECEIPT-SUPPORTED POSITIONS IN BASE BUDGET FOR GENERAL ASSEMBLY

Summary: Directs OSBM to include receipt-supported positions in the North Carolina General Assembly's base budget for the 2019-21 Fiscal Biennium on a recurring basis.

Section: 26.7

Title: OSBM/NO TRANSFER OF FUNDS OR INCREASE IN RECEIPTS FOR VARIOUS BUDGETS AND FUNDS

Summary: Directs OSBM not to increase the budget of Budget Code 13000, Fund Codes 1110, 1631, and 1632 through any means such as the transfer of additional funds, increase of receipts, carry-forward funds, and direct agency billing for the 2017-19 Fiscal Biennium beyond the appropriate funding levels for FY 2017-18 and FY 2018-19 as prescribed by the General Assembly.

**OSBM - Special
Budget Code 13085
(As amended by S.L. 2017-197, Budget Technical Corrections)**

General Fund Budget		
	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$2,000,000	\$2,000,000
Receipts	\$0	\$0
Net Appropriation	\$2,000,000	\$2,000,000
Legislative Changes		
Requirements	\$10,763,881	\$0
Receipts	\$0	\$0
Net Appropriation	\$10,763,881	\$0
Revised Budget		
Requirements	\$12,763,881	\$2,000,000
Receipts	\$0	\$0
Net Appropriation	\$12,763,881	\$2,000,000
General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

OSBM - Special										
Budget Code 13085		<u>Base 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
1022	Special Appropriations	2,000,000	-	2,000,000	10,763,881	-	10,763,881	12,763,881	-	12,763,881
Total		2,000,000	-	2,000,000	10,763,881	-	10,763,881	12,763,881	-	12,763,881

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

OSBM - Special										
Budget Code 13085		Base 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	-	-	-	2,000,000	-	2,000,000
Total		2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

OSBM - Special					
Budget Code 13085		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

OSBM - Special					
Budget Code 13085		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

2017 Annotated Conference Committee Report

(10.0) State Budget and Management - Special

GENERAL FUND

	FY 17-18	FY 18-19
Recommended Base Budget	\$2,000,000	\$2,000,000

Legislative Changes

59 Caldwell County Grant-in-aid

Fund Code: 1022

\$90,000 NR

Provides funding for the purchase of CPR equipment. The revised net appropriation for this grant-in-aid is \$90,000 in FY 2017-18 only.

60 Carolina Ballet Matching Grant

Fund Code: 1022

\$100,000 NR

Provides funding for a matching grant to the Carolina Ballet in honor of their 20th anniversary season. The revised net appropriation for this grant is \$100,000 in FY 2017-18 only. (S.L. 2017-57, Sec. 26.6)

61 Clement Civic Center, Inc.

Fund Code: 1022

\$65,000 NR

Provides a grant-in-aid to Clement Civic Center, Inc. in the amount of \$65,000. The revised net appropriation to Clement Civic Center, Inc. is \$65,000 in FY 2017-18 only.

62 Mitchell County

Fund Code: 1022

\$250,000 NR

Provides a grant-in-aid to Mitchell County for improvements to Mitchell County High School. The revised net appropriation to Mitchell County for high school improvements is \$250,000 in FY 2017-18 only.

63 Wayne County

Fund Code: 1022

\$83,000 NR

Provides a grant-in-aid to Wayne County for a new Cooperative Extension storage building. The revised net appropriation to Wayne County for this grant-in-aid is \$83,000 in FY 2017-18 only.

64 Robeson County

Fund Code: 1022

\$62,000 NR

Provides a grant-in-aid to Robeson County for the swift water rescue program. The revised net appropriation for this program is \$62,000 in FY 2017-18 only.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

65 Union County

Fund Code: 1022

\$1,500,000 NR

Provides a grant-in-aid to Union County for the community shelter in Monroe, NC. The revised net appropriation for this grant-in-aid is \$1.5 million in FY 2017-18 only.

66 Davidson United Methodist Church

Fund Code: 1022

\$50,000 NR

Provides a grant-in-aid to Davidson United Methodist Church's Getting Ahead Program. The revised net appropriation to Davidson United Methodist Church is \$50,000 in FY 2017-18 only.

67 Wilson County

Fund Code: 1022

\$125,000 NR

Provides a grant-in-aid to Wilson County for improvements to the courthouse. The revised net appropriation to Wilson County for courthouse improvements is \$125,000 in FY 2017-18 only.

68 Fire and Rescue Grants-in-aid

Fund Code: 1022

\$645,000 NR

Provides grants-in-aid to the following organizations:

Ashe County Fire-Rescue Association, Inc. \$50,000
Caldwell County for EMS services \$150,000
Autryville Volunteer Fire Department \$75,000
Seven Springs Fire Department \$240,000
Person County Fire Department \$100,000
Mooresville Fire and Rescue \$30,000

The revised net appropriation for these grants-in-aid is \$645,000 in FY 2017-18 only.

(S.L. 2017-197, Section 6.3 Budget Technical Corrections, amends this item to increase the grant-in-aid to Caldwell County from \$50,000 to \$150,000.)

69 Richmond County

Fund Code: 1022

\$100,000 NR

Provides a grant-in-aid to Richmond County for an athletic field at Ellerbe Middle School. The revised net appropriation for this grant-in-aid is \$100,000 for FY 2017-18 only.

70 YMCA Grants-in-aid

Fund Code: 1022

\$1,175,000 NR

Provides grants-in-aid to the following branches of the YMCA:

YMCA of the Triangle \$175,000
Gaston County Family YMCA at Robinwood Lake \$1,000,000

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

The revised net appropriation for these YMCA grants-in-aid is \$1,175,000 in FY 2017-18 only.

71 Town of Banner Elk

Fund Code: 1022

\$25,000 NR

Provides a grant-in-aid to the Town of Banner Elk for elementary school improvements. The revised net appropriation for this grant-in-aid is \$25,000 for FY 2017-18 only.

72 NC Community Foundation - Montgomery County Fund

Fund Code: 1022

\$125,000 NR

Provides a grant-in-aid to the NC Community Foundation - Montgomery County Fund of \$125,000. The revised net appropriation to this organization is \$125,000 in FY 2017-18 only.

73 Kernersville Foundation

Fund Code: 1022

\$100,000 NR

Provides a grant-in-aid to the Kernersville Foundation in the amount of \$100,000. The revised net appropriation to the Kernersville Foundation is \$100,000 in FY 2017-18 only.

74 NC Museum of Natural Sciences

Fund Code: 1022

\$273,881 NR

Provides funds for the dinosaur project at the NC Museum of Natural Sciences to improve the visitor experience. The revised net appropriation for this project is \$273,881 in FY 2017-18 only. (S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 6.5, Budget Technical Corrections, reduces this appropriation from \$1.5 million to \$273,881.)

75 Town of Clayton

Fund Code: 1022

\$50,000 NR

Provides funds to the Town of Clayton to contract for a rate study. The revised net appropriation for this grant-in-aid is \$50,000 in FY 2017-18 only.

76 Renaissance West Community Initiative

Fund Code: 1022

\$250,000 NR

Provides a grant-in-aid to the Renaissance West Community Initiative in the amount of \$250,000. The revised net appropriation to the Renaissance West Community Initiative is \$250,000 in FY 2017-18 only.

77 Rescue Squad Park

Fund Code: 1022

\$150,000 NR

Provides a grant-in-aid to the Rescue Squad Park located in Denver. The revised net appropriation to the Rescue Squad Park

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

is \$150,000 in FY 2017-18 only.

78 Northern Pitt County Improvement Association

Fund Code: 1022

\$25,000 NR

Provides a grant-in-aid to the Northern Pitt County Improvement Association. The revised net appropriation for this grant-in-aid is \$25,000 in FY 2017-18 only.

79 Greene Community Improvement Association, Inc.

Fund Code: 1022

\$50,000 NR

Provides a grant-in-aid to the Greene Community Improvement Association, Inc. The revised net appropriation for this grant-in-aid is \$50,000 in FY 2017-18 only.

80 Boys and Girls Club of Greene County, Inc.

Fund Code: 1022

\$20,000 NR

Provides a grant-in-aid to the Boys and Girls Club of Greene County, Inc. The revised net appropriation for this grant-in-aid is \$20,000 in FY 2017-18 only.

81 Greene County Interfaith Volunteers

Fund Code: 1022

\$50,000 NR

Provides a grant-in-aid to the Greene County Interfaith Volunteers. The revised net appropriation for this grant-in-aid is \$50,000 in FY 2017-18 only.

82 Greene County Wellness Center

Fund Code: 1022

\$250,000 NR

Provides a grant-in-aid for the Greene County Wellness Center. The revised net appropriation for this grant-in-aid is \$250,000 in FY 2017-18 only.

83 Halifax County

Fund Code: 1022

\$150,000 NR

Provides a grant-in-aid to Halifax County for maintenance and repair of the Joseph Montfort Amphitheater. The revised net appropriation for this grant-in-aid is \$150,000 in FY 2017-18 only.

(S.L. 2017-197, Sec. 6.6, Budget Technical Corrections, adds this new grant-in-aid.)

84 NC Civil War History Center

Fund Code: 1022

\$5,000,000 NR

Provides funds for a challenge grant to the NC Civil War History Center for the NC Civil War History Center project. The revised net appropriation for this grant is \$5 million in FY 2017-18 only.

(S.L. 2017-197, Sec. 6.7, Budget Technical Corrections, adds this

new grant-in-aid.)

Total Legislative Changes

\$10,763,881 NR

Total Position Changes

Revised Budget

\$12,763,881

\$2,000,000

Special Provisions

2017 Session : SB 257

Department: (10.0) State Budget and Management - Special

Section: 26.1

Title: MODIFICATIONS TO PREVIOUS OSBM SPECIAL APPROPRIATIONS

Summary: Exempts certain special appropriations from reverting on June 30, 2017, in accordance to G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1).

Subsection (a) exempts the FY 2016-17 special appropriations for (1) Macon County Community Funding Pool, (2) Watauga County, (3) Andrew Jackson Historical Foundation, Inc. and (4) Randolph-Asheboro YMCA from reverting on June 30, 2017.

Subsection (a) also changes the use of funds for (1) Macon County Community Funding Pool to Macon County for community purposes, and for (2) Watauga County tourism and development for New River access points for Guy Ford Road canoe access points on the Watauga River. (S.B. 416)

Section: 26.2

Title: SYMPHONY CHALLENGE GRANT

Summary: Requires the North Carolina Symphony to raise up to \$9 million in non-State funds in each year of the 2017-19 Fiscal Biennium in order to receive up to \$2 million in State funds. Specifically, the North Carolina Symphony is required to raise non-State funds of \$4 million in order to receive \$600,000 of State funds, \$2 million in order to receive \$700,000 of State funds, and \$3 million in order to receive \$700,000 in State funds.

Section: 26.6

Title: CAROLINA BALLET CHALLENGE GRANT

Summary: Requires the Carolina Ballet to raise \$100,000 in non-State funds in order to receive up to \$100,000 in State funds for FY 2017-18. Specifically, for every \$25,000 raised in non-State funds the Carolina Ballet will receive \$25,000 in State funds, up to a \$100,000 State fund maximum.

The Carolina Ballet is required to raise funds in \$25,000 increments in order to receive the appropriated funds and the match ratio is 1:1.

2017 Session : HB 528

Department: (10.0) State Budget and Management - Special

Section: 6.3

Title: BUDGET CHANGE: FIRE AND RESCUE GRANTS-IN-AID

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 26.8 to increase the grant-in-aid to Caldwell County for EMS services from \$50,000 to \$150,000.

Section: 6.5

Title: BUDGET CHANGE: REDUCTION FOR OSBM SPECIAL APPROPRIATIONS

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 31.5 to reduce the funds appropriated for the dinosaur project at the North Carolina Museum of Natural Sciences from \$1.5 million to \$273,811 in FY 2017-18.

Section: 6.6

Title: BUDGET CHANGE: JOSEPH MONTFORT AMPHITHEATRE REDEVELOPMENT

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 31.6 to provide \$150,000 in FY 2017-18 to Halifax County for the redevelopment of the Joseph Montfort Amphitheatre for the First for Freedom Outdoor Drama.

Section: 6.7

Title: BUDGET CHANGE: NORTH CAROLINA CIVIL WAR HISTORY CENTER

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 31.7 to provide a challenge grant to the North Carolina Civil War History Center. The challenge grant provides \$2.5 million to the Center in FY 2017-18. In addition, the State will provide one dollar for every private dollar provided in kind for a maximum of \$2.5 million. The maximum State funding for the Center is \$5 million.

**Department of Revenue
Budget Code 14700**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$138,664,960	\$138,664,960
Receipts	\$55,458,890	\$55,458,890
Net Appropriation	\$83,206,070	\$83,206,070
Legislative Changes		
Requirements	\$1,439,541	\$2,277,900
Receipts	\$0	\$0
Net Appropriation	\$1,439,541	\$2,277,900
Revised Budget		
Requirements	\$140,104,501	\$140,942,860
Receipts	\$55,458,890	\$55,458,890
Net Appropriation	\$84,645,611	\$85,483,970

General Fund FTE

Base Budget	1,470.92	1,470.92
Legislative Changes	(5.00)	(5.00)
Revised Budget	1,465.92	1,465.92

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Revenue										
Budget Code 14700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,348,313	-	3,348,313	-	-	-	3,348,313	-	3,348,313
1601	Enterprise Project Management Office	780,128	-	780,128	-	-	-	780,128	-	780,128
1603	Human Resources	1,775,598	-	1,775,598	-	-	-	1,775,598	-	1,775,598
1605	Information Technology	16,876,783	413,232	16,463,551	-	-	-	16,876,783	413,232	16,463,551
1607	Revenue Research	447,299	-	447,299	-	-	-	447,299	-	447,299
1609	Criminal Investigations	887,087	-	887,087	-	-	-	887,087	-	887,087
1624	Income Tax Division	2,306,019	-	2,306,019	-	-	-	2,306,019	-	2,306,019
1625	Excise Tax Division	207,200	-	207,200	-	-	-	207,200	-	207,200
1627	Sales and Use Taxes	1,442,510	-	1,442,510	-	-	-	1,442,510	-	1,442,510
1629	Local Government Division	5,156,563	5,156,563	-	-	-	-	5,156,563	5,156,563	-
1643	Taxpayer Assistance	9,410,439	304,125	9,106,314	-	-	-	9,410,439	304,125	9,106,314
1660	Collection	230,832	-	230,832	-	-	-	230,832	-	230,832
1661	Project Collect Tax	27,588,723	27,588,723	-	-	-	-	27,588,723	27,588,723	-
1662	Taxpayer Call Center	10,353,222	10,353,222	-	-	-	-	10,353,222	10,353,222	-
1663	Examination	25,755,979	-	25,755,979	-	-	-	25,755,979	-	25,755,979
1670	Unauthorized Substance Tax	1,630,339	-	1,630,339	-	-	-	1,630,339	-	1,630,339
1681	Business Operations	7,616,874	458,373	7,158,501	-	-	-	7,616,874	458,373	7,158,501
1683	Financial Services	872,912	-	872,912	-	-	-	872,912	-	872,912
1685	Documents and Payments Processing	12,015,215	1,221,727	10,793,488	(195,750)	-	(195,750)	11,819,465	1,221,727	10,597,738
1700	Motor Fuels	5,090,340	5,090,340	-	-	-	-	5,090,340	5,090,340	-
1708	International Registration	233,055	233,055	-	-	-	-	233,055	233,055	-
1710	Fuel Tax Compliance	1,616,169	1,616,169	-	-	-	-	1,616,169	1,616,169	-
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	732,570	732,570	-	-	-	-	732,570	732,570	-
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	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,066,191	-	1,066,191	1,066,191	-	1,066,191
N/A	State Retirement Contributions	-	-	-	388,676	-	388,676	388,676	-	388,676
N/A	State Health Plan Reserve	-	-	-	180,424	-	180,424	180,424	-	180,424
Total		138,664,960	55,458,890	83,206,070	1,439,541	-	1,439,541	140,104,501	55,458,890	84,645,611

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Revenue										
Budget Code 14700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,348,313	-	3,348,313	-	-	-	3,348,313	-	3,348,313
1601	Enterprise Project Management Office	780,128	-	780,128	-	-	-	780,128	-	780,128
1603	Human Resources	1,775,598	-	1,775,598	-	-	-	1,775,598	-	1,775,598
1605	Information Technology	16,876,783	413,232	16,463,551	-	-	-	16,876,783	413,232	16,463,551
1607	Revenue Research	447,299	-	447,299	-	-	-	447,299	-	447,299
1609	Criminal Investigations	887,087	-	887,087	-	-	-	887,087	-	887,087
1624	Income Tax Division	2,306,019	-	2,306,019	-	-	-	2,306,019	-	2,306,019
1625	Excise Tax Division	207,200	-	207,200	-	-	-	207,200	-	207,200
1627	Sales and Use Taxes	1,442,510	-	1,442,510	-	-	-	1,442,510	-	1,442,510
1629	Local Government Division	5,156,563	5,156,563	-	-	-	-	5,156,563	5,156,563	-
1643	Taxpayer Assistance	9,410,439	304,125	9,106,314	-	-	-	9,410,439	304,125	9,106,314
1660	Collection	230,832	-	230,832	-	-	-	230,832	-	230,832
1661	Project Collect Tax	27,588,723	27,588,723	-	-	-	-	27,588,723	27,588,723	-
1662	Taxpayer Call Center	10,353,222	10,353,222	-	-	-	-	10,353,222	10,353,222	-
1663	Examination	25,755,979	-	25,755,979	-	-	-	25,755,979	-	25,755,979
1670	Unauthorized Substance Tax	1,630,339	-	1,630,339	-	-	-	1,630,339	-	1,630,339
1681	Business Operations	7,616,874	458,373	7,158,501	-	-	-	7,616,874	458,373	7,158,501
1683	Financial Services	872,912	-	872,912	-	-	-	872,912	-	872,912
1685	Documents and Payments Processing	12,015,215	1,221,727	10,793,488	(195,750)	-	(195,750)	11,819,465	1,221,727	10,597,738
1700	Motor Fuels	5,090,340	5,090,340	-	-	-	-	5,090,340	5,090,340	-
1708	International Registration	233,055	233,055	-	-	-	-	233,055	233,055	-
1710	Fuel Tax Compliance	1,616,169	1,616,169	-	-	-	-	1,616,169	1,616,169	-
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	732,570	732,570	-	-	-	-	732,570	732,570	-
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	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,066,191	-	1,066,191	1,066,191	-	1,066,191
N/A	State Retirement Contributions	-	-	-	1,025,133	-	1,025,133	1,025,133	-	1,025,133
N/A	State Health Plan Reserve	-	-	-	382,326	-	382,326	382,326	-	382,326
Total		138,664,960	55,458,890	83,206,070	2,277,900	-	2,277,900	140,942,860	55,458,890	85,483,970

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Revenue					
Budget Code 14700		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	24.65	-	-	24.65
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	22.00	-	-	22.00
1605	Information Technology	100.50	-	-	100.50
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	7.31	-	-	7.31
1624	Income Tax Division	19.94	-	-	19.94
1625	Excise Tax Division	1.84	-	-	1.84
1627	Sales and Use Taxes	13.39	-	-	13.39
1629	Local Government Division	32.00	-	-	32.00
1643	Taxpayer Assistance	139.59	-	-	139.59
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	336.85	-	-	336.85
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	279.03	-	-	279.03
1670	Unauthorized Substance Tax	19.62	-	-	19.62
1681	Business Operations	22.00	-	-	22.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents and Payments Processing	197.83	(5.00)	-	192.83
1700	Motor Fuels	46.06	-	-	46.06
1708	International Registration	2.46	-	-	2.46
1710	Fuel Tax Compliance	13.12	-	-	13.12
1711	Federal Grant - Joint Operations Center	1.72	-	-	1.72
1800	White Goods - Disposal Tax	5.83	-	-	5.83
1820	Scrap Tire Disposal Tax	5.83	-	-	5.83
1830	Public Transit Tax	7.51	-	-	7.51
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	5.83	-	-	5.83
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		1,470.92	(5.00)	-	1,465.92

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Revenue					
Budget Code 14700		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	24.65	-	-	24.65
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	22.00	-	-	22.00
1605	Information Technology	100.50	-	-	100.50
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	7.31	-	-	7.31
1624	Income Tax Division	19.94	-	-	19.94
1625	Excise Tax Division	1.84	-	-	1.84
1627	Sales and Use Taxes	13.39	-	-	13.39
1629	Local Government Division	32.00	-	-	32.00
1643	Taxpayer Assistance	139.59	-	-	139.59
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	336.85	-	-	336.85
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	279.03	-	-	279.03
1670	Unauthorized Substance Tax	19.62	-	-	19.62
1681	Business Operations	22.00	-	-	22.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents and Payments Processing	197.83	(5.00)	-	192.83
1700	Motor Fuels	46.06	-	-	46.06
1708	International Registration	2.46	-	-	2.46
1710	Fuel Tax Compliance	13.12	-	-	13.12
1711	Federal Grant - Joint Operations Center	1.72	-	-	1.72
1800	White Goods - Disposal Tax	5.83	-	-	5.83
1820	Scrap Tire Disposal Tax	5.83	-	-	5.83
1830	Public Transit Tax	7.51	-	-	7.51
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	5.83	-	-	5.83
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		1,470.92	(5.00)	-	1,465.92

2017 Annotated Conference Committee Report

(11.0) Revenue

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$83,206,070		\$83,206,070	
Legislative Changes				
Reserve for Salaries and Benefits				
85 Compensation Increase Reserve	\$1,066,191	R	\$1,066,191	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
86 State Retirement Contributions	\$388,676	R	\$1,025,133	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
87 State Health Plan	\$180,424	R	\$382,326	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Documents and Payments Processing

88 Position Eliminations

(\$195,750)	R
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(\$195,750)	R
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Fund Code: 1685

-5.00

-5.00

Eliminates the following 5 positions that have been vacant in excess of 5 months:

60082617 Processing Assistant IV

60082622 Processing Assistant IV

60082638 Processing Assistant IV

60082646 Processing Assistant IV

60082696 Processing Assistant IV

The revised net appropriation for this fund code is \$10.6 million in each year of the biennium.

Total Legislative Changes

\$1,439,541	R
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\$2,277,900	R
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Total Position Changes

-5.00

-5.00

Revised Budget

\$84,645,611

\$85,483,970

Project Collect Tax

Budget Code: 24704

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$58,224,196	\$23,705,289
Recommended Budget		
Requirements	\$37,775,826	\$37,775,826
Receipts	\$33,060,361	\$33,060,361
Positions	0.00	0.00
<hr/>		
Legislative Changes		
Requirements:		
Operating and Maintenance Costs	(\$1,750,000) R	(\$1,750,000) R
Reduces the budget for operating and maintenance of the E-services project due to a change in the project scope.	\$0 NR	\$0 NR
The revised requirements for operating and maintenance are \$250,000 in each year of the biennium. (S.B. 430/H.B. 537)	0.00	0.00
Operations and Maintenance for Tax Systems	\$0 R	\$0 R
Provides funds to DOR from the Collections Assistance Fee (CAF) to support Portfolio Warehouse, Modernize eFile and tax systems operations and maintenance upgrades. The revised total requirements for all changes are \$67.6 million in FY 2017-18 and \$36 million in FY 2018-19. (S.B. 430/H.B. 537)	\$7,153,442 NR	\$0 NR
	0.00	0.00
Identity Theft and Tax Fraud Analysis	\$0 R	\$0 R
Provides funds to DOR from the Collections Assistance Fee (CAF) to 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. The revised total requirements for all changes are \$67.6 million for FY 2017-18 and \$36 million in FY 2018-19. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 32.2)	\$4,400,000 NR	\$0 NR
	0.00	0.00
Collections Case Management System	\$0 R	\$0 R
Provides funds to DOR from the Collections Assistance Fee (CAF) to implement a new tax collection system. The revised total requirements for all changes are \$67.6 million for FY 2017-18 and \$36 million in FY 2018-19. (S.B. 430/H.B. 537)	\$20,000,000 NR	\$0 NR
	0.00	0.00

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	(\$1,750,000) R	(\$1,750,000) R
	\$31,553,442 NR	\$0 NR
	0.00	0.00
<hr/>		
Receipts:		
Operating and Maintenance Costs	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$67,579,268	\$36,025,826
Revised Total Receipts	\$33,060,361	\$33,060,361
Change in Fund Balance	(\$34,518,907)	(\$2,965,465)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$23,705,289	\$20,739,824

ITAS Replacement

Budget Code: 24708

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$9,800,546	\$4,453,988
Recommended Budget		
Requirements	\$2,000,000	\$2,000,000
Receipts	\$2,000,000	\$2,000,000
Positions	0.00	0.00

Legislative Changes

Requirements:

Operating and Maintenance Costs	(\$1,750,000) R	(\$1,750,000) R
Reduces the budget for operating and maintenance of the E-services project due to a change in the project scope.	\$0 NR	\$0 NR
The revised requirements for operations and maintenance are \$250,000 in each year of the biennium. (S.B. 430/H.B. 537)	0.00	0.00
Operations and Maintenance for Tax Systems	\$0 R	\$0 R
Provides funds to DOR from Integrated Tax Administration System (ITAS) Replacement to support Portfolio Warehouse, Modernize eFile and tax systems operations and maintenance upgrades. The revised total requirements for FY 2017-18 are \$5.6 million and \$250,000 in FY 2018-19. (S.B. 430/H.B. 537)	\$5,346,558 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	(\$1,750,000) R	(\$1,750,000) R
	\$5,346,558 NR	\$0 NR
	0.00	0.00

Receipts:

Operating and Maintenance Costs	(\$1,750,000) R	(\$1,750,000) R
Reduces the budget for operating and maintenance of the E-services project due to a change in the project scope.	\$0 NR	\$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	(\$1,750,000) R \$0 NR	(\$1,750,000) R \$0 NR
Revised Total Requirements	\$5,596,558	\$250,000
Revised Total Receipts	\$250,000	\$250,000
Change in Fund Balance	(\$5,346,558)	\$0
Total Position s	0.00	0.00
Unappropriated Balance Remaining	\$4,453,988	\$4,453,988

Special Provisions

2017 Session : SB 257

Department: (11.0) Revenue

Section: 32.1

Title: CRIMINAL RECORD CHECKS FOR THE DEPARTMENT OF REVENUE

Summary: Amends G.S. 143B, Article 13, Part 4, Subpart D by adding G.S. 143B-967, which enables the Department of Revenue (DOR) to request the Department of Public Safety's (DPS) assistance in obtaining nationwide criminal record checks on its current and prospective employees that have access to Federal Tax Information.

DPS will forward fingerprints of individuals whose records are being sought by DOR to the State Bureau of Investigation and the Federal Bureau of Investigation. DPS may charge administrative fees to DOR to offset the cost of the criminal record checks or costs associated with the criminal record checks.

(S.B. 430/ H.B. 537)

Section: 32.2

Title: DOR TAX FRAUD ANALYTICS

Summary: Directs how DOR may use \$4.4 million in nonrecurring funds in FY 2017-18 on the department's tax fraud analysis contract.

Subsection (b) directs DOR to continue to coordinate with the Government Data Analytics Center (GDAC) and its public-private partnerships for fraud detection analytics and infrastructure.

**Office of State Controller
Budget Code 14160**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$24,174,328	\$24,174,328
Receipts	\$821,119	\$821,119
Net Appropriation	\$23,353,209	\$23,353,209
Legislative Changes		
Requirements	(\$2,479,341)	(\$109,733)
Receipts	\$0	\$0
Net Appropriation	(\$2,479,341)	(\$109,733)
Revised Budget		
Requirements	\$21,694,987	\$24,064,595
Receipts	\$821,119	\$821,119
Net Appropriation	\$20,873,868	\$23,243,476

General Fund FTE

Base Budget	169.01	169.01
Legislative Changes	0.00	0.00
Revised Budget	169.01	169.01

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Office of State Controller										
Budget Code 14160		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	Office of State Controller	24,174,328	821,119	23,353,209	(2,801,263)	-	(2,801,263)	21,373,065	821,119	20,551,946
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	197,376	-	197,376	197,376	-	197,376
N/A	State Retirement Contributions	-	-	-	91,114	-	91,114	91,114	-	91,114
N/A	State Health Plan Reserve	-	-	-	33,432	-	33,432	33,432	-	33,432
Total		24,174,328	821,119	23,353,209	(2,479,341)	-	(2,479,341)	21,694,987	821,119	20,873,868

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Office of State Controller		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14160										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	Office of State Controller	24,174,328	821,119	23,353,209	(618,267)	-	(618,267)	23,556,061	821,119	22,734,942
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	197,376	-	197,376	197,376	-	197,376
N/A	State Retirement Contributions	-	-	-	240,314	-	240,314	240,314	-	240,314
N/A	State Health Plan Reserve	-	-	-	70,844	-	70,844	70,844	-	70,844
Total		24,174,328	821,119	23,353,209	(109,733)	-	(109,733)	24,064,595	821,119	23,243,476

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Controller					
Budget Code 14160		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	Office of State Controller	169.01	-	-	169.01
Total FTE		169.01	-	-	169.01

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Controller					
Budget Code 14160		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	Office of State Controller	169.01	-	-	169.01
Total FTE		169.01	-	-	169.01

2017 Annotated Conference Committee Report

(12.0) State Controller

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$23,353,209		\$23,353,209	
Legislative Changes				
Reserve for Salaries and Benefits				
89 Compensation Increase Reserve	\$197,376	R	\$197,376	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
90 State Retirement Contributions	\$91,114	R	\$240,314	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
91 State Health Plan	\$33,432	R	\$70,844	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Office of State Controller

92 Administrative Reduction

Fund Code: 1000

(\$2,734,642) NR

(\$734,642) NR

Increases receipts from the Federal Income Contribution Act (FICA) Special Fund and reduces General Funds available for the Office of State Controller. The revised net appropriation for the Office of State Controller is \$20.9 million in FY 2017-18 and \$23.2 million in FY 2018-19.

(S.B. 430/H.B. 537)

(A related item also appears in the Office of State Controller Special Fund on page J 117 in the General Government section.)

93 Lease Reduction

Fund Code: 1000

(\$266,029) R

(\$266,029) R

(\$182,996) NR

Reduces the amount of funds available for leased space due to renegotiation of a 10-year contract. The revised net appropriation available for leased space for the Office of State Controller is \$576,826 in FY 2017-18 and \$759,822 in FY 2018-19.

(S.B. 430/H.B. 537)

94 Information Technology Service Contracts

Fund Code: 1000

\$382,404 R

\$382,404 R

Provides additional funds for service contracts including the North Carolina Accounting System, Cash Management System, HR Payroll System and others that support the Office of State Controller responsibilities. The revised net appropriation for these service contracts is \$2.5 million in each year of the biennium.

(S.B. 430/H.B. 537)

Total Legislative Changes

\$438,297 R

\$624,909 R

(\$2,917,638) NR

(\$734,642) NR

Total Position Changes

Revised Budget

\$20,873,868

\$23,243,476

NC Flex FICA Reserve

Budget Code: 24160

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$21,626,786	\$13,613,183
Recommended Budget		
Requirements	\$13,043,706	\$13,043,706
Receipts	\$7,764,745	\$7,764,745
Positions	0.00	0.00
<hr/>		
Legislative Changes		
Requirements:		
Federal Insurance Contribution Act Savings	\$0 R	\$0 R
Transfers funds to the Office of State Controller, Budget Code 14160. The revised total requirements for FY 2017-18 is \$15.8 million. (S.B. 430/H.B. 537)	\$2,734,642 NR 0.00	\$734,642 NR 0.00
(A related item also appears in the Office of State Controller in the General Government section. See page J 116 item 92)		
Subtotal Legislative Changes	\$0 R \$2,734,642 NR 0.00	\$0 R \$734,642 NR 0.00
<hr/>		
Receipts:		
Federal Insurance Contribution Act Savings	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R \$0 NR	\$0 R \$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$15,778,348	\$13,778,348
Revised Total Receipts	\$7,764,745	\$7,764,745
Change in Fund Balance	(\$8,013,603)	(\$6,013,603)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$13,613,183	\$7,599,580

Special Provisions

2017 Session : SB 257

Department: (12.0) State Controller

Section: 33.1

Title: OVERPAYMENTS AUDIT

Summary: Requires that receipts generated by the collection of inadvertent overpayments by State agencies during the 2017-19 Fiscal Biennium be deposited in the Special Reserve Account 24172 as required by G.S. 147-86.22(c).

Subsection (b) allows the Office of State Controller (OSC) to use \$500,000 from this account during each year of the biennium for data processing, debt collection, or e-commerce costs.

Subsection (c) requires that all funds available in the Special Reserve Account 24172 on June 30 of each year of the 2017-19 Fiscal Biennium revert to the General Fund.

Subsection (d) requires the State Controller to submit quarterly reports on the financial activity of the Special Reserve Account 24172 to the Joint Legislative Commission on Governmental Operations and FRD.

**Office of Administrative Hearings
Budget Code 18210**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$7,150,460	\$7,150,460
Receipts	\$1,796,203	\$1,796,203
Net Appropriation	\$5,354,257	\$5,354,257
Legislative Changes		
Requirements	\$611,841	\$660,048
Receipts	\$3,618	\$3,618
Net Appropriation	\$608,223	\$656,430
Revised Budget		
Requirements	\$7,762,301	\$7,810,508
Receipts	\$1,799,821	\$1,799,821
Net Appropriation	\$5,962,480	\$6,010,687

General Fund FTE

Base Budget	49.50	49.50
Legislative Changes	6.29	6.29
Revised Budget	55.79	55.79

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Office of Administrative Hearings										
Budget Code 18210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	7,150,460	1,796,203	5,354,257	516,455	3,618	512,837	7,666,915	1,799,821	5,867,094
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	58,271	-	58,271	58,271	-	58,271
N/A	State Retirement Contributions	-	-	-	27,245	-	27,245	27,245	-	27,245
N/A	State Health Plan Reserve	-	-	-	9,870	-	9,870	9,870	-	9,870
Total		7,150,460	1,796,203	5,354,257	611,841	3,618	608,223	7,762,301	1,799,821	5,962,480

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Office of Administrative Hearings		Base Budget			Legislative Changes			Revised Budget		
Budget Code 18210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	7,150,460	1,796,203	5,354,257	509,004	3,618	505,386	7,659,464	1,799,821	5,859,643
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	58,271	-	58,271	58,271	-	58,271
N/A	State Retirement Contributions	-	-	-	71,858	-	71,858	71,858	-	71,858
N/A	State Health Plan Reserve	-	-	-	20,915	-	20,915	20,915	-	20,915
Total		7,150,460	1,796,203	5,354,257	660,048	3,618	656,430	7,810,508	1,799,821	6,010,687

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	49.50	6.29	-	55.79
Total FTE		49.50	6.29	-	55.79

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	49.50	6.29	-	55.79
Total FTE		49.50	6.29	-	55.79

2017 Annotated Conference Committee Report

(13.0) Office of Administrative Hearings

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$5,354,257		\$5,354,257	
Legislative Changes				
Reserve for Salaries and Benefits				
95 Compensation Increase Reserve	\$58,271	R	\$58,271	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
96 State Retirement Contributions	\$27,245	R	\$71,858	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
97 State Health Plan	\$9,870	R	\$20,915	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Civil Rights Division

98 Office Renovation

Fund Code: 1100

\$50,000 NR

Provides \$50,000 for the Office of Administrative Hearings (OAH) to renovate space within its existing office to accommodate the transfer of the Human Relations Commission to the Civil Rights Division. The revised net appropriation from all changes for the Office of Administrative Hearings is \$6.0 million in each year of the biennium.

99 Civil Rights Investigator

Fund Code: 1100

\$43,626 R

\$87,251 R

\$1,076 NR

1.00

1.00

Provides funding for 1 additional Civil Rights Investigator position effective January 1, 2018 and start-up costs associated with the position. The revised net appropriation from all changes for the Office of Administrative Hearings is \$6.0 million in each year of the biennium.
(S.B. 430/H.B. 537)

100 Human Relations Commission Transfer

Fund Code: 1100

\$418,135 R

\$418,135 R

5.29

5.29

Transfers all funding and positions for the Human Relations Commission from the Department of Administration to OAH as a Type I transfer. The Human Relations Commission will become part of the Civil Rights Division within OAH. The revised net appropriation from all changes for the OAH is \$6.0 million in each year of the biennium.
(S.L. 2017-57, Sec. 31.1)

(This item also appears in the Department of Administration in the General Government section.)

Hearings Division

101 Medicaid Administrative Law Judge

Fund Code: 1100

Provides funding for an upgrade of an receipt supported Attorney II position to a newly designated Medicaid Administrative Law Judge position. The total increase in costs for the upgrade is \$3,618. The revised amount to be transferred from the Department of Health and Human Services is \$136,201 in support of this position. The revised net appropriation from all changes for the Office of Administrative Hearings is \$6.0 million in each year of the biennium.
(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	\$557,147	R	\$656,430	R
	\$51,076	NR		
Total Position Changes	6.29		6.29	
Revised Budget	\$5,962,480		\$6,010,687	

Special Provisions

2017 Session : SB 257

Department: (13.0) Office of Administrative Hearings

Section: 20.1

Title: OAH/LAWSUIT FUNDS

Summary: Directs the Department of Public Instruction to transfer \$50,000 to the OAH to be allocated to the Rules Review Commission to pay for any litigation costs incurred in the defense of the North Carolina State Board of Education lawsuit versus the State of North Carolina and the Rules Review Commission. Funds do not revert at the end of FY 2017-18.

Department of Administration
Budget Code 14100
(As amended by S.L. 2017-197, Budget Technical Corrections)

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$73,622,445	\$73,622,445
Receipts	\$11,636,042	\$11,636,042
Net Appropriation	\$61,986,403	\$61,986,403
Legislative Changes		
Requirements	\$1,260,910	\$716,641
Receipts	(\$693,708)	(\$693,708)
Net Appropriation	\$1,954,618	\$1,410,349
Revised Budget		
Requirements	\$74,883,355	\$74,339,086
Receipts	\$10,942,334	\$10,942,334
Net Appropriation	\$63,941,021	\$63,396,752

General Fund FTE

Base Budget	429.25	429.25
Legislative Changes	(10.29)	(10.29)
Revised Budget	418.96	418.96

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

Department of Administration										
Budget Code 14100		Base 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	1,825,465	176,355	1,649,110	50,000	-	50,000	1,875,465	176,355	1,699,110
1121	Fiscal Management	1,956,622	710,331	1,246,291	-	-	-	1,956,622	710,331	1,246,291
1122	Personnel	837,632	189,952	647,680	-	-	-	837,632	189,952	647,680
1123	Ofc. for Historically Underutilized Businesses	620,484	129,382	491,102	-	-	-	620,484	129,382	491,102
1124	Justice for Sterilization Victims	-	-	-	-	-	-	-	-	-
1230	Non-Public Education	449,770	-	449,770	-	-	-	449,770	-	449,770
1241	Management Information Systems	869,354	34,330	835,024	-	-	-	869,354	34,330	835,024
1311	Office of State Human Resources	8,349,341	115,619	8,233,722	-	-	-	8,349,341	115,619	8,233,722
1411	State Construction Office	6,291,050	693,708	5,597,342	40,934	(693,708)	734,642	6,331,984	-	6,331,984
1412	State Property Office	1,688,254	738,107	950,147	-	-	-	1,688,254	738,107	950,147
1421	Facilities Management Division	31,271,709	3,668,687	27,603,022	-	-	-	31,271,709	3,668,687	27,603,022
1511	Purchase and Contract	3,052,158	-	3,052,158	-	-	-	3,052,158	-	3,052,158
1731	Council for Women and Domestic Violence	1,069,679	-	1,069,679	525,000	-	525,000	1,594,679	-	1,594,679
1732	Displaced Homemakers	-	-	-	-	-	-	-	-	-
1734	Sexual Assault Program	2,895,560	-	2,895,560	-	-	-	2,895,560	-	2,895,560
1741	Human Relations Commission	580,844	-	580,844	(580,844)	-	(580,844)	-	-	-
1742	Martin Luther King Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	10,369	-	10,369	-	-	-	10,369	-	10,369
1771	Veterans Affairs - Administration	1,082,055	1,082,055	-	-	-	-	1,082,055	1,082,055	-
1772	State Veterans Home Program	-	-	-	-	-	-	-	-	-
1781	Domestic Violence Program	5,091,486	-	5,091,486	-	-	-	5,091,486	-	5,091,486
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,273,553	58,170	1,215,383	20,000	-	20,000	1,293,553	58,170	1,235,383
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	332,336	-	332,336	350,000	-	350,000	682,336	-	682,336
1900	Reserves and Transfers	126,134	126,134	-	-	-	-	126,134	126,134	-
Undesignated Items										
N/A	Position Changes	-	-	-	118,943	-	118,943	118,943	-	118,943
N/A	Compensation Increase Reserve	-	-	-	478,698	-	478,698	478,698	-	478,698
N/A	State Retirement Contributions	-	-	-	177,096	-	177,096	177,096	-	177,096
N/A	State Health Plan Reserve	-	-	-	81,083	-	81,083	81,083	-	81,083
Total		73,622,445	11,636,042	61,986,403	1,260,910	(693,708)	1,954,618	74,883,355	10,942,334	63,941,021

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Administration										
Budget Code 14100		Base 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	1,825,465	176,355	1,649,110	-	-	-	1,825,465	176,355	1,649,110
1121	Fiscal Management	1,956,622	710,331	1,246,291	-	-	-	1,956,622	710,331	1,246,291
1122	Personnel	837,632	189,952	647,680	-	-	-	837,632	189,952	647,680
1123	Ofc. for Historically Underutilized Businesses	620,484	129,382	491,102	-	-	-	620,484	129,382	491,102
1124	Justice for Sterilization Victims	-	-	-	-	-	-	-	-	-
1230	Non-Public Education	449,770	-	449,770	-	-	-	449,770	-	449,770
1241	Management Information Systems	869,354	34,330	835,024	-	-	-	869,354	34,330	835,024
1311	Office of State Human Resources	8,349,341	115,619	8,233,722	-	-	-	8,349,341	115,619	8,233,722
1411	State Construction Office	6,291,050	693,708	5,597,342	40,934	(693,708)	734,642	6,331,984	-	6,331,984
1412	State Property Office	1,688,254	738,107	950,147	-	-	-	1,688,254	738,107	950,147
1421	Facilities Management Division	31,271,709	3,668,687	27,603,022	-	-	-	31,271,709	3,668,687	27,603,022
1511	Purchase and Contract	3,052,158	-	3,052,158	-	-	-	3,052,158	-	3,052,158
1731	Council for Women and Domestic Violence	1,069,679	-	1,069,679	-	-	-	1,069,679	-	1,069,679
1732	Displaced Homemakers	-	-	-	-	-	-	-	-	-
1734	Sexual Assault Program	2,895,560	-	2,895,560	-	-	-	2,895,560	-	2,895,560
1741	Human Relations Commission	580,844	-	580,844	(580,844)	-	(580,844)	-	-	-
1742	Martin Luther King Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	10,369	-	10,369	-	-	-	10,369	-	10,369
1771	Veterans Affairs - Administration	1,082,055	1,082,055	-	-	-	-	1,082,055	1,082,055	-
1772	State Veterans Home Program	-	-	-	-	-	-	-	-	-
1781	Domestic Violence Program	5,091,486	-	5,091,486	-	-	-	5,091,486	-	5,091,486
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,273,553	58,170	1,215,383	20,000	-	20,000	1,293,553	58,170	1,235,383
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	332,336	-	332,336	-	-	-	332,336	-	332,336
1900	Reserves and Transfers	126,134	126,134	-	-	-	-	126,134	126,134	-
Undesignated Items										
N/A	Position Changes	-	-	-	118,943	-	118,943	118,943	-	118,943
N/A	Compensation Increase Reserve	-	-	-	478,698	-	478,698	478,698	-	478,698
N/A	State Retirement Contributions	-	-	-	467,091	-	467,091	467,091	-	467,091
N/A	State Health Plan Reserve	-	-	-	171,819	-	171,819	171,819	-	171,819
Total		73,622,445	11,636,042	61,986,403	716,641	(693,708)	1,410,349	74,339,086	10,942,334	63,396,752

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Administration					
Budget Code 14100		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	13.00	-	-	13.00
1121	Fiscal Management	25.52	-	-	25.52
1122	Personnel	11.00	-	-	11.00
1123	Ofc. for Historically Underutilized Businesses	8.00	-	-	8.00
1124	Justice for Sterilization Victims	-	-	-	-
1230	Non-Public Education	5.75	-	-	5.75
1241	Management Information Systems	-	-	-	-
1311	Office of State Human Resources	64.75	-	-	64.75
1411	State Construction Office	61.00	8.00	(8.00)	61.00
1412	State Property Office	19.00	-	-	19.00
1421	Facilities Management Division	149.00	-	-	149.00
1511	Purchase and Contract	32.10	-	-	32.10
1731	Council for Women and Domestic Violence	11.00	-	-	11.00
1732	Displaced Homemakers	-	-	-	-
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	7.29	(7.29)	-	-
1742	Martin Luther King Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	-	-	-	-
1771	Veterans Affairs - Administration	-	-	-	-
1772	State Veterans Home Program	-	-	-	-
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	3.84	-	-	3.84
1900	Reserves and Transfers	-	-	-	-
N/A	Position Changes	-	(0.06)	(2.94)	(3.00)
Total FTE		429.25	0.65	(10.94)	418.96

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Administration					
Budget Code 14100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	13.00	-	-	13.00
1121	Fiscal Management	25.52	-	-	25.52
1122	Personnel	11.00	-	-	11.00
1123	Ofc. for Historically Underutilized Businesses	8.00	-	-	8.00
1124	Justice for Sterilization Victims	-	-	-	-
1230	Non-Public Education	5.75	-	-	5.75
1241	Management Information Systems	-	-	-	-
1311	Office of State Human Resources	64.75	-	-	64.75
1411	State Construction Office	61.00	8.00	(8.00)	61.00
1412	State Property Office	19.00	-	-	19.00
1421	Facilities Management Division	149.00	-	-	149.00
1511	Purchase and Contract	32.10	-	-	32.10
1731	Council for Women and Domestic Violence	11.00	-	-	11.00
1732	Displaced Homemakers	-	-	-	-
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	7.29	(7.29)	-	-
1742	Martin Luther King Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	-	-	-	-
1771	Veterans Affairs - Administration	-	-	-	-
1772	State Veterans Home Program	-	-	-	-
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	3.84	-	-	3.84
1900	Reserves and Transfers	-	-	-	-
N/A	Position Changes	-	(0.06)	(2.94)	(3.00)
Total FTE		429.25	0.65	(10.94)	418.96

2017 Annotated Conference Committee Report

(14.0) Administration

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$61,986,403		\$61,986,403	
Legislative Changes				
Reserve for Salaries and Benefits				
102 Compensation Increase Reserve	\$478,698	R	\$478,698	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
103 State Retirement Contributions	\$177,096	R	\$467,091	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
104 State Health Plan	\$81,083	R	\$171,819	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Advocacy Programs

105 Human Relations Commission Transfer Fund Code: 1741	(\$418,135)	R	(\$418,135)	R
Transfers all funding and positions for the Human Relations Commission to the Civil Rights Division within OAH as a Type I transfer. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is \$0 in each year of the biennium. (S.L. 2017-57, Sec. 31.1)	-5.29		-5.29	
(This item also appears in OAH in the General Government section.)				
106 Human Relations Commission Director Position Elimination Fund Code: 1741	(\$111,042)	R	(\$111,042)	R
Eliminates the Human Relations Commission Director position (60014486), including salary and benefits. The Human Relations Commission will be transferred to OAH, where the Director of the Civil Rights Division will oversee operations. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is \$0 in each year of the biennium.	-1.00		-1.00	
107 Human Relations Commission Assistant Position Elimination Fund Code: 1741	(\$51,667)	R	(\$51,667)	R
Eliminates the Human Relations Commission Administrative Assistant I position (65024966), including salary and benefits. This position has been vacant for over 6 months. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is \$0 in each year of the biennium.	-1.00		-1.00	
108 Grants-in-aid Fund Code: 1731	\$525,000	NR		
Provides grants-in-aid to the following organizations: Onslow Women's Center \$125,000 Ruth's House in Washington, NC \$100,000 North Carolina Coalition Against Sexual Assault for trauma counselors \$300,000 The revised net appropriation for these grants-in-aid is \$525,000 in FY 2017-18 only.				
109 Operational Funds Fund Code: 1861	\$250,000	NR		
Provides funding for operational support for the Commission on Indian Affairs to help expedite the recognition review process of North Carolina tribes and commissions. The revised net				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

appropriation to the Commission on Indian Affairs is \$682,336 in FY 2017-18.

(S.L. 2017-197, Sec. 6.4, Budget Technical Corrections, adds this item.)

110 Lumbee Cultural Center

Fund Code: 1861

\$100,000 NR

Provides a grant-in-aid to the Lumbee Cultural Center in Robeson County. The revised net appropriation to the Lumbee Cultural Center is \$100,000 in FY 2017-18 only.

Department Wide

111 Vacant Position Eliminations

Fund Code: N/A

(\$144,127)	R	(\$144,127)	R
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-3.00

-3.00

Eliminates the following vacant positions, including salaries and benefits, which have been vacant for longer than 6 months:

60013858 Office Assistant IV

60014835 Grounds Worker

60014669 HVAC Technician

The revised net appropriation for the Department of Administration is \$63.7 million in FY 2017-18 and \$63.4 million in FY 2018-19.

112 Position Funding Realignment

Fund Code: N/A

\$263,070	R	\$263,070	R
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Provides funding to move the following positions from partial receipt support to 100% General Fund appropriations.

60013848 Deputy Secretary - 0.31 FTE

60013849 Deputy Secretary - 0.13 FTE

60089847 Administrative Assistant - 0.80 FTE

60008588 Accountant - 0.60 FTE

60014112 Accountant - 0.35 FTE

60014099 Departmental Purchasing Agent II - 0.75 FTE

The revised net appropriation for the Department of Administration is \$63.7 million in FY 2017-18 and \$63.4 million in FY 2018-19.

(S.B. 430/H.B. 537)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Office of the Secretary

113 Measurability Assessment and Efficiency Study

Fund Code: 1111

\$50,000 NR

Provides funding for the Department of Administration to contract with the Program Evaluation Division for a measurability assessment and efficiency study of the agency. The revised net appropriation for the Office of the Secretary is \$1.7 million in FY 2017-18 and \$1.6 million in FY 2018-19.
(S.L. 2017-57, Sec. 24.1)

(A related item also appears in the General Assembly in the General Government section.)

State Construction Office

114 State Construction Position Funding Realignment

Fund Code: 1411

\$734,642 NR

\$734,642 NR

Provides funding to shift the following positions from receipts, which are paid by the Department of Insurance, to General Fund appropriations.

60013374 Engineer
60013375 Engineer
60089843 Engineer
60089845 Engineer
65009250 Engineering Technician
65009251 Engineering Technician
65009252 Engineering Technician
65009253 Engineering Technician

The revised net appropriation for the State Construction Office is \$6.3 million in each year of the biennium.
(S.L. 2017-57, Secs. 22.2 and 26.4)

(Related items also appear in the Department of Insurance Special Fund on page J 37 and in the Department of Insurance on page J 35, item 30 in the General Government section.)

State Ethics Commission

115 Electronic System Maintenance

Fund Code: 1810

\$20,000 R

\$20,000 R

Provides an additional \$20,000 for annual maintenance of the new electronic Statement of Economic Interest (SEI) and ethics education system. The revised net appropriation for the Ethics Commission is \$1.2 million in each year of the biennium.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	\$294,976	R	\$675,707	R
	\$1,659,642	NR	\$734,642	NR
Total Position Changes	-10.29		-10.29	
Revised Budget	\$63,941,021		\$63,396,752	

Special Provisions

2017 Session : SB 257

Department: (14.0) Administration

Section: 31.1

Title: TRANSFER THE HUMAN RELATIONS COMMISSION

Summary: Requires a Type I transfer of the Human Relations Commission from the Department of Administration (DOA) to the Civil Rights Division within OAH.

Section: 31.2

Title: COUNCIL FOR WOMEN/DOMESTIC VIOLENCE GRANTS

Summary: Amends G.S. 50B-9 to require DOA and the Council for Women to send contracts to grantees of the Domestic Violence Center funds no later than 10 business days after the State budget is certified. The Council for Women is required to report the quarterly distributions of these funds to the Senate chairs of the Appropriations Committee on General Government and Information Technology and the House of Representatives chairs of the Appropriations Committee on General Government within 5 business days of distribution. The report must include the date, amount, and recipients of the funds, as well as any programs ineligible to receive funding during the reporting period.

Subsection (b) directs the Department of Information Technology to review the grants management process for the Council for Women and Youth Involvement Office and provide a report on electronic grants management program options. The report is due to the JLOC on General Government by April 1, 2018.

Section: 31.3

Title: DOA/COST TO AGENCIES TO MAINTAIN AND OPERATE MOTOR FLEET

Summary: Directs DOA to increase the amount charged to State agencies for transportation, as authorized by G.S. 143-341(8)i.6, beginning on January 1, 2018. For calendar year 2018, DOA is to subsidize the increased amount charged to agencies and beginning on January 1, 2019, the subsidy will end and agencies will pay the new fee in full. At the end of FY 2017-18, DOA is to transfer to the Motor Fleet fund any unexpended and unencumbered funds from the General Fund to offset any deficiencies created by the year of fee subsidization.

Subsection (b) directs DOA and the Motor Fleet Management Division to work with State agencies to determine needs and the appropriate size of the State's motor fleet.

Subsection (c) requires DOA to determine the amount required by each agency to cover the increased motor fleet fee costs and directs the Office of State Budget and Management to build the increased amount into the base budget for the 2019-2021 Fiscal Biennium.

Section: 31.4

Title: DOA ALLOCATE OR LEASE OFFICE SPACE FOR BIPARTISAN STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT

Summary: Directs DOA to allocate office space no later than August 1, 2017, for the Bipartisan State Board of Elections and Ethics Enforcement. The office space is required to be no smaller than the current facilities of State agencies that were consolidated in S.L. 2017-6, Bipartisan Board of Elections and Ethics Enforcement, which includes the State Board of Elections, State Ethics Commission, and the Lobbying Compliance Division within the Secretary of State's Office. By September 1, 2017, all personnel are to be housed in the same facility.

Subsection (b) requires DOA to consider the following when determining how to allocate office space: requirements of the State Board, the availability of property already owned by the State or by a State agency, and the availability of any other property which may meet the State Board's needs.

2017 Session : HB 528

Department: (14.0) Administration

Section: 6.4

Title: BUDGET CHANGE: INDIAN AFFAIRS COMMISSION

Summary: Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 26.9 to provide \$250,000 in FY 2017-18 to the Indian Affairs Commission for operational support to expedite the recognition review process of North Carolina tribes and commissions.

2017 Session : SB 582

Department: (14.0) Administration

Section: 1.4

Title: STUDY OF UTILIZATION OF BUILDINGS BY STATE AGENCIES IN DOWNTOWN RALEIGH

Summary: Directs the Department of Administration to study the utilization of buildings by State agencies in the downtown Raleigh area and report to the Joint Legislative Commission on Governmental Operations by April 1, 2018.

**Housing Finance Agency
Budget Code 13010**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$10,660,000	\$10,660,000
Receipts	\$0	\$0
Net Appropriation	\$10,660,000	\$10,660,000
Legislative Changes		
Requirements	\$20,000,000	\$20,000,000
Receipts	\$16,050,841	\$0
Net Appropriation	\$3,949,159	\$20,000,000
Revised Budget		
Requirements	\$30,660,000	\$30,660,000
Receipts	\$16,050,841	\$0
Net Appropriation	\$14,609,159	\$30,660,000

General Fund FTE

Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Housing Finance Agency		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13010										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency - Appropriations	10,660,000	-	10,660,000	20,000,000	16,050,841	3,949,159	30,660,000	16,050,841	14,609,159
Total		10,660,000	-	10,660,000	20,000,000	16,050,841	3,949,159	30,660,000	16,050,841	14,609,159

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Housing Finance Agency		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13010										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency - Appropriations	10,660,000	-	10,660,000	20,000,000	-	20,000,000	30,660,000	-	30,660,000
Total		10,660,000	-	10,660,000	20,000,000	-	20,000,000	30,660,000	-	30,660,000

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Housing Finance Agency					
Budget Code 13010		<u>Base</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		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Housing Finance Agency					
Budget Code 13010		<u>Base</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		-	-	-	-

2017 Annotated Conference Committee Report

(15.0) Housing Finance Agency

GENERAL FUND				
	FY 17-18		FY 18-19	
Recommended Base Budget	\$10,660,000		\$10,660,000	
Legislative Changes				
116 Workforce Housing Loan Program				
Fund Code: 1100	\$3,949,159	NR	\$20,000,000	NR
<p>Provides \$16,050,841 in funds received by the State from the Settlement Agreement dated January 13, 2017, and entered into with Moody's Corporation, Moody's Investors Service, Inc., and Moody's Analytics, Inc., to the Workforce Housing Loan Program (WHLP) to assist with the development of low-income housing units across the State. In addition to the settlement funds, an additional \$3,949,159 is provided to the WHLP in FY 2017-18 and \$20,000,000 in FY 2018-19. The total requirements for the WHLP are \$20,000,000 in each year of the biennium. The revised net appropriation for the WHLP is \$3,949,159 in FY 2017-18 and \$20,000,000 in FY 2018-19.</p> <p>(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 28.1)</p>				
Total Legislative Changes	\$3,949,159	NR	\$20,000,000	NR
Total Position Changes				
Revised Budget	\$14,609,159		\$30,660,000	

Housing Finance Agency – Partnership

Budget Code: 63011

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$103,811,465	\$102,973,465
Recommended Budget		
Requirements	\$11,498,000	\$11,498,000
Receipts	\$10,660,000	\$10,660,000
Positions	0.00	0.00
<hr/>		
Legislative Changes		
Requirements:		
Community Living Housing Fund	\$0 R	\$0 R
Provides funds to the Community Living Housing Fund (CLHF) to increase access to permanent, community-based integrated housing for individuals with disabilities in support of the Olmstead Settlement. The revised total requirements for the CLHF are \$4.2 million in FY 2017-18 only. (S.B. 430/H.B. 537)	\$4,221,055 NR 0.00	\$0 NR 0.00
Subtotal Legislative Changes	\$0 R \$4,221,055 NR 0.00	\$0 R \$0 NR 0.00
<hr/>		
Receipts:		
Community Living Housing Fund	\$0 R	\$0 R
Adjusts the fund to reflect receipts transferred from the Department of Health and Human Services.	\$4,221,055 NR	\$0 NR
Subtotal Legislative Changes	\$0 R \$4,221,055 NR	\$0 R \$0 NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$15,719,055	\$11,498,000
Revised Total Receipts	\$14,881,055	\$10,660,000
Change in Fund Balance	(\$838,000)	(\$838,000)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$102,973,465	\$102,135,465

Special Provisions

2017 Session : SB 257

Department: (15.0) Housing Finance Agency

Section: 28.1

Title: HFA/WORKFORCE HOUSING LOAN PROGRAM ESTABLISHED

Summary: Amends G.S. 122A to include the Workforce Housing Loan Program (WHLP). The WHLP was established in S.L. 2014-100, Section 31.1, Appropriations Act of 2014. The Housing Finance Agency (HFA) is required to administer the WHLP by making loans for qualified low-income housing in the State. Section 28.1 outlines the loan criteria for the program and sets loan limits based on the county in which the project is located. No loan may exceed \$2.0 million in a low-income county, \$1.5 million in a moderate-income county, or \$250,000 in a high-income county. HFA is required to report by February 1 each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of loans made, the amount of each loan, and whether the development is located in a low-, moderate-, or high-income county.

**Lieutenant Governor
Budget Code 13100**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$703,302	\$703,302
Receipts	\$0	\$0
Net Appropriation	\$703,302	\$703,302
Legislative Changes		
Requirements	\$90,406	\$68,195
Receipts	\$0	\$0
Net Appropriation	\$90,406	\$68,195
Revised Budget		
Requirements	\$793,708	\$771,497
Receipts	\$0	\$0
Net Appropriation	\$793,708	\$771,497

General Fund FTE

Base Budget	6.00	6.00
Legislative Changes	1.00	1.00
Revised Budget	7.00	7.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Lieutenant Governor										
Budget Code 13100		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	703,302	-	703,302	77,812	-	77,812	781,114	-	781,114
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	7,439	-	7,439	7,439	-	7,439
N/A	State Retirement Contributions	-	-	-	3,895	-	3,895	3,895	-	3,895
N/A	State Health Plan Reserve	-	-	-	1,260	-	1,260	1,260	-	1,260
Total		703,302	-	703,302	90,406	-	90,406	793,708	-	793,708

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Lieutenant Governor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13100										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	703,302	-	703,302	47,812	-	47,812	751,114	-	751,114
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	7,439	-	7,439	7,439	-	7,439
N/A	State Retirement Contributions	-	-	-	10,274	-	10,274	10,274	-	10,274
N/A	State Health Plan Reserve	-	-	-	2,670	-	2,670	2,670	-	2,670
Total		703,302	-	703,302	68,195	-	68,195	771,497	-	771,497

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Lieutenant Governor					
Budget Code 13100		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	1.00	-	7.00
Total FTE		6.00	1.00	-	7.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Lieutenant Governor					
Budget Code 13100		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	1.00	-	7.00
Total FTE		6.00	1.00	-	7.00

2017 Annotated Conference Committee Report

(16.0) Lieutenant Governor

GENERAL FUND				
		FY 17-18		FY 18-19
Recommended Base Budget		\$703,302		\$703,302
Legislative Changes				
Reserve for Salaries and Benefits				
117	Compensation Increase Reserve	\$7,439	R	\$7,439 R
	Fund Code: N/A			
	Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)			
118	State Retirement Contributions	\$3,895	R	\$10,274 R
	Fund Code: N/A			
	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
119	State Health Plan	\$1,260	R	\$2,670 R
	Fund Code: N/A			
	Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Administration

120 Supplies and Equipment

Fund Code: 1110

\$30,000 NR

Provides an additional \$30,000 for the purchase or upgrade of technology and communications equipment and supplies. The revised net appropriation from all changes in this report for the Office of the Lieutenant Governor is \$793,708 in FY 2017-18 and \$771,497 in FY 2018-19.

121 Administrative Assistant Position

Fund Code: 1110

\$47,812 R

\$47,812 R

1.00

1.00

Creates a new Administrative Assistant I position. The total cost of the position, including salaries and benefits, is \$47,812. The revised net appropriation from all changes in this report for the Office of the Lieutenant Governor is \$793,708 in FY 2017-18 and \$771,497 in FY 2018-19.

Total Legislative Changes

\$60,406 R

\$68,195 R

\$30,000 NR

Total Position Changes

1.00

1.00

Revised Budget

\$793,708

\$771,497

Special Provisions

2017 Session : SB 257

Department: (16.0) Lieutenant Governor

Section:

Title: No Special Provisions

Summary:

**Secretary of State
Budget Code 13200**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$12,923,217	\$12,983,865
Receipts	\$171,794	\$171,794
Net Appropriation	\$12,751,423	\$12,812,071
Legislative Changes		
Requirements	\$352,888	\$502,872
Receipts	\$0	\$0
Net Appropriation	\$352,888	\$502,872
Revised Budget		
Requirements	\$13,276,105	\$13,486,737
Receipts	\$171,794	\$171,794
Net Appropriation	\$13,104,311	\$13,314,943

General Fund FTE

Base Budget	175.88	175.88
Legislative Changes	0.00	0.00
Revised Budget	175.88	175.88

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Secretary of State										
Budget Code 13200		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,390,384	-	3,390,384	-	-	-	3,390,384	-	3,390,384
1120	Publications Division	203,879	553	203,326	-	-	-	203,879	553	203,326
1150	Lobbyist Registration	329,367	-	329,367	-	-	-	329,367	-	329,367
1200	Trademark Offender	134,316	134,316	-	-	-	-	134,316	134,316	-
1210	Corporations Division	3,262,709	2,100	3,260,609	100,000	-	100,000	3,362,709	2,100	3,360,609
1220	Certification and Filing Division	2,460,857	34,825	2,426,032	-	-	-	2,460,857	34,825	2,426,032
1230	Securities Division	2,412,212	-	2,412,212	-	-	-	2,412,212	-	2,412,212
1600	Charitable Solicitation Licensing	729,493	-	729,493	-	-	-	729,493	-	729,493
Undesignated Items				-						
N/A	Travel Reduction	-	-	-	(67,649)	-	(67,649)	(67,649)	-	(67,649)
N/A	Compensation Increase Reserve	-	-	-	217,316	-	217,316	217,316	-	217,316
N/A	State Retirement Contributions	-	-	-	66,496	-	66,496	66,496	-	66,496
N/A	State Health Plan Reserve	-	-	-	36,725	-	36,725	36,725	-	36,725
Total		12,923,217	171,794	12,751,423	352,888	-	352,888	13,276,105	171,794	13,104,311

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Secretary of State										
Budget Code 13200		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,390,384	-	3,390,384	-	-	-	3,390,384	-	3,390,384
1120	Publications Division	203,879	553	203,326	-	-	-	203,879	553	203,326
1150	Lobbyist Registration	329,367	-	329,367	-	-	-	329,367	-	329,367
1200	Trademark Offender	134,316	134,316	-	-	-	-	134,316	134,316	-
1210	Corporations Division	3,262,709	2,100	3,260,609	100,000	-	100,000	3,362,709	2,100	3,360,609
1220	Certification and Filing Division	2,506,343	34,825	2,471,518	-	-	-	2,506,343	34,825	2,471,518
1230	Securities Division	2,427,374	-	2,427,374	-	-	-	2,427,374	-	2,427,374
1600	Charitable Solicitation Licensing	729,493	-	729,493	-	-	-	729,493	-	729,493
Undesignated Items										
N/A	Travel Reduction	-	-	-	(67,649)	-	(67,649)	(67,649)	-	(67,649)
N/A	Compensation Increase Reserve	-	-	-	217,316	-	217,316	217,316	-	217,316
N/A	State Retirement Contributions	-	-	-	175,383	-	175,383	175,383	-	175,383
N/A	State Health Plan Reserve	-	-	-	77,822	-	77,822	77,822	-	77,822
Total		12,983,865	171,794	12,812,071	502,872	-	502,872	13,486,737	171,794	13,314,943

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Secretary of State					
Budget Code 13200		<u>Base</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
1200	Trademark Offender	1.00	-	-	1.00
1210	Corporations Division	57.87	-	-	57.87
1220	Certification and Filing Division	39.00	-	-	39.00
1230	Securities Division	26.75	-	-	26.75
1600	Charitable Solicitation Licensing	9.43	-	-	9.43
Total FTE		175.88	0.00	0.00	175.88

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Secretary of State					
Budget Code 13200		Base	Legislative Changes		Revised
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
1200	Trademark Offender	1.00	-	-	1.00
1210	Corporations Division	57.87	-	-	57.87
1220	Certification and Filing Division	39.00	-	-	39.00
1230	Securities Division	26.75	-	-	26.75
1600	Charitable Solicitation Licensing	9.43	-	-	9.43
Total FTE		175.88	0.00	0.00	175.88

2017 Annotated Conference Committee Report

(17.0) Secretary of State

(17.0) Secretary of State

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$12,751,423		\$12,812,071	
Legislative Changes				
Reserve for Salaries and Benefits				
122 Compensation Increase Reserve	\$217,316	R	\$217,316	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)				
123 State Retirement Contributions	\$66,496	R	\$175,383	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
124 State Health Plan	\$36,725	R	\$77,822	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Corporations Division

125 Call Center Temporary Positions

\$100,000

R

\$100,000

R

Fund Code: 1210

Provides \$100,000 to the Corporations Division for the use of temporary employees in the call center. The revised net appropriation from all changes in this report for the Corporations Division is \$3.4 million in each year of the biennium.
(S.B. 430/H.B. 537)

Department Wide

126 Travel Reduction

(\$67,649)

R

(\$67,649)

R

Fund Code: N/A

Reduces the travel budget for the Secretary of State's Office by \$67,649 in each year of the 2017-2019 fiscal biennium. The revised net appropriation for the Secretary of State's Office is \$13.1 million in FY 2017-18 and \$13.3 million in FY 2018-19.

Total Legislative Changes

\$352,888

R

\$502,872

R

Total Position Changes

Revised Budget

\$13,104,311

\$13,314,943

Special Provisions

2017 Session : SB 257

Department: (17.0) Secretary of State

Section:

Title: No Special Provisions

Summary:

**Office of State Auditor
Budget Code 13300**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$19,327,612	\$19,327,612
Receipts	\$5,947,874	\$5,947,874
Net Appropriation	\$13,379,738	\$13,379,738
Legislative Changes		
Requirements	\$448,470	\$400,793
Receipts	\$0	\$0
Net Appropriation	\$448,470	\$400,793
Revised Budget		
Requirements	\$19,776,082	\$19,728,405
Receipts	\$5,947,874	\$5,947,874
Net Appropriation	\$13,828,208	\$13,780,531

General Fund FTE

Base Budget	166.00	166.00
Legislative Changes	0.00	0.00
Revised Budget	166.00	166.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Office of State Auditor										
Budget Code 13300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	2,719,135	-	2,719,135	-	-	-	2,719,135	-	2,719,135
1210	Field Audit Division	16,608,477	5,947,874	10,660,603	200,000	-	200,000	16,808,477	5,947,874	10,860,603
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	147,536	-	147,536	147,536	-	147,536
N/A	State Retirement Contributions	-	-	-	75,944	-	75,944	75,944	-	75,944
N/A	State Health Plan Reserve	-	-	-	24,990	-	24,990	24,990	-	24,990
Total		19,327,612	5,947,874	13,379,738	448,470	-	448,470	19,776,082	5,947,874	13,828,208

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Office of State Auditor		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13300										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	2,719,135	-	2,719,135	-	-	-	2,719,135	-	2,719,135
1210	Field Audit Division	16,608,477	5,947,874	10,660,603	-	-	-	16,608,477	5,947,874	10,660,603
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	147,536	-	147,536	147,536	-	147,536
N/A	State Retirement Contributions	-	-	-	200,302	-	200,302	200,302	-	200,302
N/A	State Health Plan Reserve	-	-	-	52,955	-	52,955	52,955	-	52,955
Total		19,327,612	5,947,874	13,379,738	400,793	-	400,793	19,728,405	5,947,874	13,780,531

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Auditor					
Budget Code 13300		<u>Base</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	143.00	-	-	143.00
Total FTE		166.00	-	-	166.00

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Auditor					
Budget Code 13300		<u>Base</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	143.00	-	-	143.00
Total FTE		166.00	-	-	166.00

2017 Annotated Conference Committee Report

(18.0) Auditor

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$13,379,738	\$13,379,738
Legislative Changes			
Reserve for Salaries and Benefits			
127 Compensation Increase Reserve	\$147,536	R	\$147,536 R
Fund Code: N/A			
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.2, 35.11, and 35.12)			
128 State Retirement Contributions	\$75,944	R	\$200,302 R
Fund Code: N/A			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)			
129 State Health Plan	\$24,990	R	\$52,955 R
Fund Code: N/A			
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)			

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Field Audit Division

130 Subject Matter Experts

Fund Code: 1210

\$200,000 NR

Provides an additional \$200,000 in FY 2017-18 for contract work with subject matter experts during audits. The revised net appropriation for the Field Audit Division is \$10.9 million in FY 2017-18 and \$10.7 million in FY 2018-19.
(S.B. 430/H.B. 537)

Total Legislative Changes

\$248,470

R

\$400,793

R

\$200,000

NR

Total Position Changes

Revised Budget

\$13,828,208

\$13,780,531

Special Provisions

2017 Session : SB 257

Department: (18.0) Auditor

Section:

Title: No Special Provisions

Summary:

Transportation Section K

**Department of Transportation
Budget Code 84210**

Highway Fund Budget ¹

		<u>FY 2017-18</u>		<u>FY 2018-19</u>
Base Budget				
Requirements	\$	7,245,197,068	\$	7,237,942,131
Receipts	\$	5,236,376,809	\$	5,229,096,914
Net Appropriation	\$	2,008,820,259	\$	2,008,845,217
Legislative Changes				
Requirements	\$	176,490,978	\$	238,947,766
Receipts	\$	(5,652,533)	\$	(3,704,705)
Net Appropriation	\$	182,143,511	\$	242,652,471
Revised Budget				
Requirements	\$	7,421,688,046	\$	7,476,889,897
Receipts	\$	5,230,724,276	\$	5,225,392,209
Net Appropriation	\$	2,190,963,770	\$	2,251,497,688

Highway Fund FTE

Base Budget	12,316.00	12,316.00
Legislative Changes	(225.00)	(224.00)
Revised Budget	12,091.00	12,092.00

¹ The Base Budget and Revised Budget amounts include duplicate receipt-supported fund codes for field operations, grant programs, and equipment established pursuant to S.L. 2011-145, Section 28.2. The revised FY 2017-18 budget without the inclusion of these duplicate fund codes is \$3,340,193,906 in requirements, \$1,149,230,136 in receipts, and \$2,190,963,770 in net appropriation. The revised FY 2018-19 budget net of duplicate receipts is \$3,395,395,757 in requirements, \$1,143,898,069 in receipts, and \$2,251,497,688 in net appropriation.

**Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0001	Board of Transportation	79,834	-	79,834	-	-	-	79,834	-	79,834
0002	Communications	1,792,975	-	1,792,975	-	-	-	1,792,975	-	1,792,975
0006	Legal - Attorney General Staff	1,425,655	-	1,425,655	-	-	-	1,425,655	-	1,425,655
0007	Administration - Secretary	3,081,458	139,700	2,941,758	-	-	-	3,081,458	139,700	2,941,758
0177	Computer Systems	386,728	386,728	-	-	-	-	386,728	386,728	-
1096	Strategic Prioritization - Office of Transportation - Administration	179,446	-	179,446	-	-	-	179,446	-	179,446
1104	Governance Office - Admin	645,574	-	645,574	-	-	-	645,574	-	645,574
7011	Inspector General	2,539,045	697,922	1,841,123	-	-	-	2,539,045	697,922	1,841,123
7015	Human Resources	4,527,752	-	4,527,752	-	-	-	4,527,752	-	4,527,752
7020	Financial	9,794,920	4,226,752	5,568,168	3,800,000	-	3,800,000	13,594,920	4,226,752	9,368,168
7025	Information Technology	58,389,153	6,569,209	51,819,944	2,070,914	-	2,070,914	60,460,067	6,569,209	53,890,858
7030	Administrative Support Services	12,718,196	-	12,718,196	-	-	-	12,718,196	-	12,718,196
7031	Facilities Management	8,328,625	1,323,598	7,005,027	-	-	-	8,328,625	1,323,598	7,005,027
	ADMINISTRATION- DOT	103,889,361	13,343,909	90,545,452	5,870,914	-	5,870,914	109,760,275	13,343,909	96,416,366
0055	Chief Engineer	823,334	-	823,334	-	-	-	823,334	-	823,334
0056	Deputy Chief Engineer of Operations	847,085	-	847,085	-	-	-	847,085	-	847,085
0064	Director of Preconstruction	-	-	-	-	-	-	-	-	-
0149	Transportation Mobility and Safety	5,476,639	5,476,639	-	-	-	-	5,476,639	5,476,639	-
0178	Project Development and Environmental Analysis	901,876	901,876	-	-	-	-	901,876	901,876	-
0179	PDE Engineer Trainee Program	-	-	-	-	-	-	-	-	-
1018	Chief Engineer DOH Special Projects	364,066	364,066	-	-	-	-	364,066	364,066	-
1065	Utilities Unit - Administration	307,055	307,055	-	-	-	-	307,055	307,055	-
1067	Materials and Tests Unit	1,074,979	1,074,979	-	-	-	-	1,074,979	1,074,979	-
1069	Roadside Environmental Unit	2,452,868	-	2,452,868	-	-	-	2,452,868	-	2,452,868
1070	Construction Unit	634,892	634,892	-	-	-	-	634,892	634,892	-
1078	Office of Civil Rights Admin	334,373	334,373	-	-	-	-	334,373	334,373	-
1129	Office of Civil Rights	378,698	378,698	-	-	-	-	378,698	378,698	-
1130	Office of Civil Rights	787,724	-	787,724	-	-	-	787,724	-	787,724
1186	Structure Management	335,069	335,069	-	-	-	-	335,069	335,069	-
1201	Division 1 - Right of Way Administration	49,286	49,286	-	-	-	-	49,286	49,286	-
1202	Division 2 - Right of Way Administration	50,137	50,137	-	-	-	-	50,137	50,137	-
1203	Division 3 - Right of Way Administration	60,685	60,685	-	-	-	-	60,685	60,685	-
1204	Division 4 - Right of Way Administration	51,774	51,774	-	-	-	-	51,774	51,774	-
1205	Division 5 - Right of Way Administration	62,781	62,781	-	-	-	-	62,781	62,781	-
1206	Division 6 - Right of Way Administration	52,884	52,884	-	-	-	-	52,884	52,884	-
1207	Division 7 - Right of Way Administration	-	-	-	-	-	-	-	-	-
1208	Division 8 - Right of Way Administration	47,596	47,596	-	-	-	-	47,596	47,596	-
1209	Division 9 - Right of Way Administration	109,227	109,227	-	-	-	-	109,227	109,227	-
1210	Division 10 - Right of Way Administration	46,765	46,765	-	-	-	-	46,765	46,765	-
1211	Division 11 - Right of Way Administration	52,593	52,593	-	-	-	-	52,593	52,593	-
1212	Division 12 - Right of Way Administration	41,667	41,667	-	-	-	-	41,667	41,667	-
1213	Division 13 - Right of Way Administration	45,491	45,491	-	-	-	-	45,491	45,491	-
1214	Division 14 - Right of Way Administration	52,133	52,133	-	-	-	-	52,133	52,133	-
1256	Program Development - Administration	1,561,390	1,561,390	-	-	-	-	1,561,390	1,561,390	-
1272	Program Development - HF Admin	69,715	-	69,715	-	-	-	69,715	-	69,715
7070	Transportation Planning Program	168,244	168,244	-	750,000	-	750,000	918,244	168,244	750,000

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation			Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210											
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
7080	Division 1	1,567,705	-	1,567,705	-	-	-	1,567,705	-	1,567,705	
7085	Division 2	1,709,170	-	1,709,170	-	-	-	1,709,170	-	1,709,170	
7090	Division 3	1,738,523	-	1,738,523	-	-	-	1,738,523	-	1,738,523	
7095	Division 4	1,643,843	-	1,643,843	-	-	-	1,643,843	-	1,643,843	
7100	Division 5	1,835,321	-	1,835,321	-	-	-	1,835,321	-	1,835,321	
7105	Division 6	1,720,353	-	1,720,353	-	-	-	1,720,353	-	1,720,353	
7110	Division 7	1,818,700	-	1,818,700	-	-	-	1,818,700	-	1,818,700	
7115	Division 8	1,533,563	-	1,533,563	-	-	-	1,533,563	-	1,533,563	
7120	Division 9	1,599,278	-	1,599,278	-	-	-	1,599,278	-	1,599,278	
7125	Division 10	2,130,501	-	2,130,501	-	-	-	2,130,501	-	2,130,501	
7130	Division 11	1,451,895	-	1,451,895	-	-	-	1,451,895	-	1,451,895	
7135	Division 12	1,450,420	-	1,450,420	-	-	-	1,450,420	-	1,450,420	
7140	Division 13	1,396,517	-	1,396,517	-	-	-	1,396,517	-	1,396,517	
7145	Division 14	1,753,918	-	1,753,918	-	-	-	1,753,918	-	1,753,918	
7150	Preconstruction Design Administration	1,560,490	1,560,490	-	-	-	-	1,560,490	1,560,490	-	
7152	OCR - On-the-Job Training Grant	-	-	-	-	-	-	-	-	-	
7153	Technical Services - Administration	5,227,881	4,830,782	397,099	-	-	-	5,227,881	4,830,782	397,099	
7175	Field Operations Support	1,059,855	-	1,059,855	-	-	-	1,059,855	-	1,059,855	
7176	State Asset Management	1,591,588	40,000	1,551,588	-	-	-	1,591,588	40,000	1,551,588	
7185	Safety	3,274,193	580,944	2,693,249	-	-	-	3,274,193	580,944	2,693,249	
7190	Right of Way - Administration	2,619,608	2,619,608	-	-	-	-	2,619,608	2,619,608	-	
	ADMINISTRATION- DOH	55,924,348	21,892,124	34,032,224	750,000	-	750,000	56,674,348	21,892,124	34,782,224	
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	4,036,171	-	4,036,171	(4,036,171)	-	(4,036,171)	-	-	-	
	Mobility/Economic Development/Small Construction	-	-	-	50,000,000	-	50,000,000	50,000,000	-	50,000,000	
	Planning Funds	-	-	-	-	-	-	-	-	-	
	Emergency Detour Route	-	-	-	3,500,000	-	3,500,000	3,500,000	-	3,500,000	
	CONSTRUCTION	44,359,878	-	44,359,878	45,240,122	-	45,240,122	89,600,000	-	89,600,000	
0934	Reserve - General Maintenance	463,365,911	-	463,365,911	(178,568,921)	-	(178,568,921)	284,796,990	-	284,796,990	
7821	Maintenance - Primary	-	-	-	-	-	-	-	-	-	
7822	Maintenance - Secondary	-	-	-	-	-	-	-	-	-	
7824	Contract Resurfacing	498,432,709	-	498,432,709	5,000,000	-	5,000,000	503,432,709	-	503,432,709	
7839	Bridge Program	242,578,738	-	242,578,738	38,580,000	-	38,580,000	281,158,738	-	281,158,738	
	Bridge Preservation	-	-	-	80,000,000	-	80,000,000	80,000,000	-	80,000,000	
	Roadside Environmental	-	-	-	104,000,000	-	104,000,000	104,000,000	-	104,000,000	
7841	Pavement Preservation	85,161,756	-	85,161,756	15,000,000	-	15,000,000	100,161,756	-	100,161,756	
	MAINTENANCE	1,289,539,114	-	1,289,539,114	64,011,079	-	64,011,079	1,353,550,193	-	1,353,550,193	
7827	FHWA Construction	886,489,400	886,489,400	-	-	-	-	886,489,400	886,489,400	-	
	PLANNING & RESEARCH	886,489,400	886,489,400	-	-	-	-	886,489,400	886,489,400	-	

**Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
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
0035	Bicycle Program	724,032	-	724,032	-	-	-	724,032	-	724,032
0036	Public Transportation	434,523	-	434,523	-	-	-	434,523	-	434,523
7831	Public Transportation - Highway Fund	129,869,100	38,026,031	91,843,069	1,500,000	-	1,500,000	131,369,100	38,026,031	93,343,069
0037	Rail Division	621,357	-	621,357	-	-	-	621,357	-	621,357
7829	Railroad Program	41,045,621	4,247,816	36,797,805	1,597,200	-	1,597,200	42,642,821	4,247,816	38,395,005
	Rail Equipment Overhaul	-	-	-	4,643,000	-	4,643,000	4,643,000	-	4,643,000
0041	Aviation	2,299,073	203,717	2,095,356	-	-	-	2,299,073	203,717	2,095,356
7830	Airports Program	66,517,417	20,000,000	46,517,417	51,883,000	-	51,883,000	118,400,417	20,000,000	98,400,417
7040	Ferry Administration	1,302,269	-	1,302,269	-	-	-	1,302,269	-	1,302,269
7825	Ferry Operations	46,181,106	2,500,000	43,681,106	3,000,000	-	3,000,000	49,181,106	2,500,000	46,681,106
	INTERMODAL	288,994,498	64,977,564	224,016,934	62,623,200	-	62,623,200	351,617,698	64,977,564	286,640,134
0042	Governor's Highway Safety Program	510,734	255,367	255,367	-	-	-	510,734	255,367	255,367
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	14,010,734	13,755,367	255,367	-	-	-	14,010,734	13,755,367	255,367
0049	Driver Licensing	-	-	-	-	-	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	11,128,541	-	11,128,541	-	-	-	11,128,541	-	11,128,541
7050	DMV - Commissioner's Office	4,670,380	11,000	4,659,380	500,000	-	500,000	5,170,380	11,000	5,159,380
7055	DMV Field Services	97,575,917	18,216,647	79,359,270	5,648,256	-	5,648,256	103,224,173	18,216,647	85,007,526
7056	DMV Processing Services	18,028,848	8,187,019	9,841,829	2,349,529	-	2,349,529	20,378,377	8,187,019	12,191,358
7060	License and Theft Bureau	15,887,669	759,748	15,127,921	-	-	-	15,887,669	759,748	15,127,921
	Hearings Unit	-	-	-	3,734,657	1,867,329	1,867,328	3,734,657	1,867,329	1,867,328
	DIVISION OF MOTOR VEHICLES	147,291,355	27,174,414	120,116,941	12,232,442	1,867,329	10,365,113	159,523,797	29,041,743	130,482,054
0852	Department of Revenue - International Registration Plan	232,060	-	232,060	-	-	-	232,060	-	232,060
0862	Department of Agriculture - Gasoline Inspection Fee	5,351,999	-	5,351,999	-	-	-	5,351,999	-	5,351,999
0864	Department of Revenue - Gasoline Tax Collections	5,056,503	-	5,056,503	-	-	-	5,056,503	-	5,056,503
0865	DHHS - Chemical Testing	569,753	-	569,753	-	-	-	569,753	-	569,753
0889	Office of State Budget and Management - Civil Penalty	59,025,029	59,025,029	-	-	-	-	59,025,029	59,025,029	-
0893	Office of State Controller - Best Shared Services	505,399	-	505,399	-	-	-	505,399	-	505,399
1260	State Ethics Commission	56,816	-	56,816	-	-	-	56,816	-	56,816
7834	Motor Carrier Safety	2,123,200	-	2,123,200	-	-	-	2,123,200	-	2,123,200
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	158,000	-	158,000	158,000	-	158,000
	Cape Fear River Trail	-	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
	Department of Public Instruction	-	-	-	2,500,000	-	2,500,000	2,500,000	-	2,500,000
	OTHER STATE AGENCIES	72,920,759	59,025,029	13,895,730	3,658,000	-	3,658,000	76,578,759	59,025,029	17,553,730
0868	General Fund - Sales Tax Exemption	-	-	-	-	-	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-	-	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-	-	-	-	-	-

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation										
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0869	Reserve - Global TransPark	750,000	-	750,000	935,000	-	935,000	1,685,000	-	1,685,000
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	(34,065,000)	-	(34,065,000)	1,685,000	-	1,685,000
0871	Employer's Contribution - Retirement	266,525	-	266,525	2,416,796	-	2,416,796	2,683,321	-	2,683,321
0873	Legislative Salary Increases	1,327,923	-	1,327,923	7,826,238	-	7,826,238	9,154,161	-	9,154,161
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-	-	-	-	-	-
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0885	Reserve - State Employee Medical Plan	884,311	-	884,311	1,325,625	-	1,325,625	2,209,936	-	2,209,936
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0937	Reserve - Administration Reduction	(2,064,244)	-	(2,064,244)	-	-	-	(2,064,244)	-	(2,064,244)
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
	Classification & Compensation System	-	-	-	504,724	-	504,724	504,724	-	504,724
	OTHER RESERVES	8,850,589	400,000	8,450,589	12,073,383	-	12,073,383	20,923,972	400,000	20,523,972
0892	GARVEE Bond Redemption	70,805,000	70,805,000	-	-	-	-	70,805,000	70,805,000	-
	DEBT SERVICE	70,805,000	70,805,000	-	-	-	-	70,805,000	70,805,000	-
7826	Capital Improvements	-	-	-	11,616,700	-	11,616,700	11,616,700	-	11,616,700
	CAPITAL IMPROVEMENTS	-	-	-	11,616,700	-	11,616,700	11,616,700	-	11,616,700
0704	Legal - Field	8,236,182	8,236,182	-	-	-	-	8,236,182	8,236,182	-
0714	Engineer Trainee Program	4,138,739	4,138,739	-	-	-	-	4,138,739	4,138,739	-
0720	Governor's Highway Safety Program	21,424,686	21,424,686	-	-	-	-	21,424,686	21,424,686	-
1017	Director of Preconstruction - Field	-	-	-	-	-	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	4,292,549	4,292,549	-	-	-	-	4,292,549	4,292,549	-
1066	Utilities Unit - Field	63,661,088	63,661,088	-	-	-	-	63,661,088	63,661,088	-
1068	Materials and Tests - Field	28,672,182	28,672,182	-	-	-	-	28,672,182	28,672,182	-
1071	Construction Unit - Field	3,840,643	3,840,643	-	-	-	-	3,840,643	3,840,643	-
1080	Roadside Environmental Unit - SW Field	7,257,152	7,257,152	-	-	-	-	7,257,152	7,257,152	-
1081	Office of Civil Rights - Field	3,029,089	3,029,089	-	-	-	-	3,029,089	3,029,089	-
1087	Safe Routes to School - Field	2,322,449	2,322,449	-	-	-	-	2,322,449	2,322,449	-
1088	Public Information - Field	745,717	745,717	-	-	-	-	745,717	745,717	-
1097	Strategic Prioritization - Office of Transportation - Field	1,661,922	1,661,922	-	-	-	-	1,661,922	1,661,922	-
1098	HR Talent Management - Field	357,756	357,756	-	-	-	-	357,756	357,756	-
1099	Governance Office - Field	672,680	672,680	-	-	-	-	672,680	672,680	-
1111	Inspector General - Field	-	-	-	-	-	-	-	-	-
1112	State Road Maintenance - Field	6,623,093	6,623,093	-	-	-	-	6,623,093	6,623,093	-
1136	State Road Maintenance - Field	1,847,198	1,847,198	-	-	-	-	1,847,198	1,847,198	-
1255	Performance Metrics Management	175,264	175,264	-	-	-	-	175,264	175,264	-
1258	Program Development - Field	9,050,749	9,050,749	-	-	-	-	9,050,749	9,050,749	-
7200	01 Field	62,729,829	62,729,829	-	-	-	-	62,729,829	62,729,829	-
7235	02 Field	66,745,541	66,745,541	-	-	-	-	66,745,541	66,745,541	-
7265	03 Field	106,820,091	106,820,091	-	-	-	-	106,820,091	106,820,091	-

**Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Transportation										
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7295	04 Field	67,274,000	67,274,000	-	-	-	-	67,274,000	67,274,000	-
7325	05 Field	93,102,008	93,102,008	-	-	-	-	93,102,008	93,102,008	-
7355	06 Field	74,468,457	74,468,457	-	-	-	-	74,468,457	74,468,457	-
7385	07 Field	95,941,616	95,941,616	-	-	-	-	95,941,616	95,941,616	-
7415	08 Field	73,995,420	73,995,420	-	-	-	-	73,995,420	73,995,420	-
7445	09 Field	128,469,813	128,469,813	-	-	-	-	128,469,813	128,469,813	-
7470	10 Field	124,994,869	124,994,869	-	-	-	-	124,994,869	124,994,869	-
7500	11 Field	103,246,606	103,246,606	-	-	-	-	103,246,606	103,246,606	-
7530	12 Field	79,712,234	79,712,234	-	-	-	-	79,712,234	79,712,234	-
7555	13 Field	72,147,258	72,147,258	-	-	-	-	72,147,258	72,147,258	-
7580	14 Field	75,729,519	75,729,519	-	-	-	-	75,729,519	75,729,519	-
7610	IT - Field	43,838,553	43,838,553	-	-	-	-	43,838,553	43,838,553	-
7615	Ferry	52,415,641	52,415,641	-	2,249,170	2,249,170	-	54,664,811	54,664,811	-
7620	Facilities Management and Operations Support	17,087,736	17,087,736	-	-	-	-	17,087,736	17,087,736	-
7625	Preconstruction Design - Field	55,894,338	55,894,338	-	-	-	-	55,894,338	55,894,338	-
7626	Technical Services - Field	98,542,690	98,542,690	-	-	-	-	98,542,690	98,542,690	-
7627	Structure Management - Field	41,420,694	41,420,694	-	-	-	-	41,420,694	41,420,694	-
7665	Construction Materials - Field	1,665,268	1,665,268	-	-	-	-	1,665,268	1,665,268	-
7671	Traffic Mobility and Safety	40,701,592	40,701,592	-	-	-	-	40,701,592	40,701,592	-
7675	Right of Way - Field	22,513,596	22,513,596	-	-	-	-	22,513,596	22,513,596	-
7685	Transportation Planning Program - Field	27,746,288	27,746,288	-	-	-	-	27,746,288	27,746,288	-
7690	IT Group	26,288,315	26,288,315	-	-	-	-	26,288,315	26,288,315	-
7695	Project Development and Environmental Analysis - Field	67,153,485	67,153,485	-	-	-	-	67,153,485	67,153,485	-
7700	Construction and Maintenance - Field	1,686,802,651	1,686,802,651	-	-	-	-	1,686,802,651	1,686,802,651	-
7705	Grants - Field	339,572,512	339,572,512	-	-	-	-	339,572,512	339,572,512	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	Corridor Development Unit	-	-	-	730,968	730,968	-	730,968	730,968	-
	FIELD OPERATIONS	4,078,514,002	4,078,514,002	-	2,980,138	2,980,138	-	4,081,494,140	4,081,494,140	-
Department-wide Items										
	Vacant Positions	-	-	-	(10,500,000)	(10,500,000)	-	(10,500,000)	(10,500,000)	-
	DEPARTMENT-WIDE ITEMS	-	-	-	(10,500,000)	(10,500,000)	-	(10,500,000)	(10,500,000)	-
Total		\$ 7,245,197,068	\$ 5,236,376,809	\$ 2,008,820,259	\$ 176,490,978	\$ (5,652,533)	\$ 182,143,511	\$ 7,421,688,046	\$ 5,230,724,276	\$ 2,190,963,770
Total (excluding duplicate receipt-supported fund codes)		\$ 3,166,683,066	\$ 1,157,862,807	\$ 2,008,820,259	\$ 173,510,840	\$ (8,632,671)	\$ 182,143,511	\$ 3,340,193,906	\$ 1,149,230,136	\$ 2,190,963,770

**Summary of Highway Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Transportation										
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0001	Board of Transportation	79,834	-	79,834	-	-	-	79,834	-	79,834
0002	Communications	1,792,975	-	1,792,975	-	-	-	1,792,975	-	1,792,975
0006	Legal - Attorney General Staff	1,425,655	-	1,425,655	-	-	-	1,425,655	-	1,425,655
0007	Administration - Secretary	3,081,458	139,700	2,941,758	-	-	-	3,081,458	139,700	2,941,758
0177	Computer Systems	386,728	386,728	-	-	-	-	386,728	386,728	-
1096	Strategic Prioritization - Office of Transportation - Administration	179,446	-	179,446	-	-	-	179,446	-	179,446
1104	Governance Office - Admin	645,574	-	645,574	-	-	-	645,574	-	645,574
7011	Inspector General	2,539,045	697,922	1,841,123	-	-	-	2,539,045	697,922	1,841,123
7015	Human Resources	4,527,752	-	4,527,752	-	-	-	4,527,752	-	4,527,752
7020	Financial	9,794,920	4,226,752	5,568,168	3,880,500	80,500	3,800,000	13,675,420	4,307,252	9,368,168
7025	Information Technology	58,414,111	6,569,209	51,844,902	-	-	-	58,414,111	6,569,209	51,844,902
7030	Administrative Support Services	12,718,196	-	12,718,196	-	-	-	12,718,196	-	12,718,196
7031	Facilities Management	8,328,625	1,323,598	7,005,027	-	-	-	8,328,625	1,323,598	7,005,027
	ADMINISTRATION- DOT	103,914,319	13,343,909	90,570,410	3,880,500	80,500	3,800,000	107,794,819	13,424,409	94,370,410
0055	Chief Engineer	823,334	-	823,334	-	-	-	823,334	-	823,334
0056	Deputy Chief Engineer of Operations	847,085	-	847,085	-	-	-	847,085	-	847,085
0064	Director of Preconstruction	-	-	-	-	-	-	-	-	-
0149	Transportation Mobility and Safety	5,476,639	5,476,639	-	-	-	-	5,476,639	5,476,639	-
0178	Project Development and Environmental Analysis	901,876	901,876	-	-	-	-	901,876	901,876	-
0179	PDE Engineer Trainee Program	-	-	-	-	-	-	-	-	-
1018	Chief Engineer DOH Special Projects	364,066	364,066	-	-	-	-	364,066	364,066	-
1065	Utilities Unit - Administration	307,055	307,055	-	-	-	-	307,055	307,055	-
1067	Materials and Tests Unit	1,074,979	1,074,979	-	-	-	-	1,074,979	1,074,979	-
1069	Roadside Environmental Unit	2,452,868	-	2,452,868	-	-	-	2,452,868	-	2,452,868
1070	Construction Unit	634,892	634,892	-	-	-	-	634,892	634,892	-
1078	Office of Civil Rights Admin	334,373	334,373	-	-	-	-	334,373	334,373	-
1129	Office of Civil Rights	378,698	378,698	-	-	-	-	378,698	378,698	-
1130	Office of Civil Rights	787,724	-	787,724	-	-	-	787,724	-	787,724
1186	Structure Management	335,069	335,069	-	-	-	-	335,069	335,069	-
1201	Division 1 - Right of Way Administration	49,286	49,286	-	-	-	-	49,286	49,286	-
1202	Division 2 - Right of Way Administration	50,137	50,137	-	-	-	-	50,137	50,137	-
1203	Division 3 - Right of Way Administration	60,685	60,685	-	-	-	-	60,685	60,685	-
1204	Division 4 - Right of Way Administration	51,774	51,774	-	-	-	-	51,774	51,774	-
1205	Division 5 - Right of Way Administration	62,781	62,781	-	-	-	-	62,781	62,781	-
1206	Division 6 - Right of Way Administration	52,884	52,884	-	-	-	-	52,884	52,884	-
1207	Division 7 - Right of Way Administration	-	-	-	-	-	-	-	-	-
1208	Division 8 - Right of Way Administration	47,596	47,596	-	-	-	-	47,596	47,596	-
1209	Division 9 - Right of Way Administration	109,227	109,227	-	-	-	-	109,227	109,227	-
1210	Division 10 - Right of Way Administration	46,765	46,765	-	-	-	-	46,765	46,765	-
1211	Division 11 - Right of Way Administration	52,593	52,593	-	-	-	-	52,593	52,593	-
1212	Division 12 - Right of Way Administration	41,667	41,667	-	-	-	-	41,667	41,667	-
1213	Division 13 - Right of Way Administration	45,491	45,491	-	-	-	-	45,491	45,491	-
1214	Division 14 - Right of Way Administration	52,133	52,133	-	-	-	-	52,133	52,133	-
1256	Program Development - Administration	1,561,390	1,561,390	-	-	-	-	1,561,390	1,561,390	-
1272	Program Development - HF Admin	69,715	-	69,715	-	-	-	69,715	-	69,715
7070	Transportation Planning Program	168,244	168,244	-	750,000	-	750,000	918,244	168,244	750,000

**Summary of Highway Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Transportation			Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210											
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
7080	Division 1	1,567,705	-	1,567,705	-	-	-	1,567,705	-	1,567,705	
7085	Division 2	1,709,170	-	1,709,170	-	-	-	1,709,170	-	1,709,170	
7090	Division 3	1,738,523	-	1,738,523	-	-	-	1,738,523	-	1,738,523	
7095	Division 4	1,643,843	-	1,643,843	-	-	-	1,643,843	-	1,643,843	
7100	Division 5	1,835,321	-	1,835,321	-	-	-	1,835,321	-	1,835,321	
7105	Division 6	1,720,353	-	1,720,353	-	-	-	1,720,353	-	1,720,353	
7110	Division 7	1,818,700	-	1,818,700	-	-	-	1,818,700	-	1,818,700	
7115	Division 8	1,533,563	-	1,533,563	-	-	-	1,533,563	-	1,533,563	
7120	Division 9	1,599,278	-	1,599,278	-	-	-	1,599,278	-	1,599,278	
7125	Division 10	2,130,501	-	2,130,501	-	-	-	2,130,501	-	2,130,501	
7130	Division 11	1,451,895	-	1,451,895	-	-	-	1,451,895	-	1,451,895	
7135	Division 12	1,450,420	-	1,450,420	-	-	-	1,450,420	-	1,450,420	
7140	Division 13	1,396,517	-	1,396,517	-	-	-	1,396,517	-	1,396,517	
7145	Division 14	1,753,918	-	1,753,918	-	-	-	1,753,918	-	1,753,918	
7150	Preconstruction Design Administration	1,560,490	1,560,490	-	-	-	-	1,560,490	1,560,490	-	
7152	OCR - On-the-Job Training Grant	-	-	-	-	-	-	-	-	-	
7153	Technical Services - Administration	5,227,881	4,830,782	397,099	-	-	-	5,227,881	4,830,782	397,099	
7175	Field Operations Support	1,059,855	-	1,059,855	-	-	-	1,059,855	-	1,059,855	
7176	State Asset Management	1,591,588	40,000	1,551,588	-	-	-	1,591,588	40,000	1,551,588	
7185	Safety	3,274,193	580,944	2,693,249	-	-	-	3,274,193	580,944	2,693,249	
7190	Right of Way - Administration	2,619,608	2,619,608	-	-	-	-	2,619,608	2,619,608	-	
	ADMINISTRATION- DOH	55,924,348	21,892,124	34,032,224	750,000	-	750,000	56,674,348	21,892,124	34,782,224	
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	4,036,171	-	4,036,171	(4,036,171)	-	(4,036,171)	-	-	-	
	Mobility/Economic Development/Small Construction	-	-	-	50,000,000	-	50,000,000	50,000,000	-	50,000,000	
	Planning Funds	-	-	-	2,150,000	-	2,150,000	2,150,000	-	2,150,000	
	Emergency Detour Route	-	-	-	-	-	-	-	-	-	
	CONSTRUCTION	44,359,878	-	44,359,878	43,890,122	-	43,890,122	88,250,000	-	88,250,000	
0934	Reserve - General Maintenance	463,365,911	-	463,365,911	(153,822,438)	-	(153,822,438)	309,543,473	-	309,543,473	
7821	Maintenance - Primary	-	-	-	-	-	-	-	-	-	
7822	Maintenance - Secondary	-	-	-	-	-	-	-	-	-	
7824	Contract Resurfacing	498,432,709	-	498,432,709	15,000,000	-	15,000,000	513,432,709	-	513,432,709	
7839	Bridge Program	242,578,738	-	242,578,738	38,580,000	-	38,580,000	281,158,738	-	281,158,738	
	Bridge Preservation	-	-	-	85,000,000	-	85,000,000	85,000,000	-	85,000,000	
	Roadside Environmental	-	-	-	104,000,000	-	104,000,000	104,000,000	-	104,000,000	
7841	Pavement Preservation	85,161,756	-	85,161,756	15,000,000	-	15,000,000	100,161,756	-	100,161,756	
	MAINTENANCE	1,289,539,114	-	1,289,539,114	103,757,562	-	103,757,562	1,393,296,676	-	1,393,296,676	
7827	FHWA Construction	883,056,800	883,056,800	-	-	-	-	883,056,800	883,056,800	-	
	PLANNING & RESEARCH	883,056,800	883,056,800	-	-	-	-	883,056,800	883,056,800	-	

**Summary of Highway Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Transportation Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
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
0035	Bicycle Program	724,032	-	724,032	-	-	-	724,032	-	724,032
0036	Public Transportation	434,523	-	434,523	-	-	-	434,523	-	434,523
7831	Public Transportation - Highway Fund	130,629,621	38,786,552	91,843,069	2,000,000	-	2,000,000	132,629,621	38,786,552	93,843,069
0037	Rail Division	621,357	-	621,357	-	-	-	621,357	-	621,357
7829	Railroad Program	36,797,805	-	36,797,805	1,597,200	-	1,597,200	38,395,005	-	38,395,005
	Rail Equipment Overhaul	-	-	-	4,834,000	-	4,834,000	4,834,000	-	4,834,000
0041	Aviation	2,299,073	203,717	2,095,356	-	-	-	2,299,073	203,717	2,095,356
7830	Airports Program	66,517,417	20,000,000	46,517,417	80,400,000	-	80,400,000	146,917,417	20,000,000	126,917,417
7040	Ferry Administration	1,302,269	-	1,302,269	-	-	-	1,302,269	-	1,302,269
7825	Ferry Operations	46,181,106	2,500,000	43,681,106	-	-	-	46,181,106	2,500,000	43,681,106
	INTERMODAL	285,507,203	61,490,269	224,016,934	88,831,200	-	88,831,200	374,338,403	61,490,269	312,848,134
0042	Governor's Highway Safety Program	510,734	255,367	255,367	-	-	-	510,734	255,367	255,367
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	14,010,734	13,755,367	255,367	-	-	-	14,010,734	13,755,367	255,367
0049	Driver Licensing	-	-	-	-	-	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	11,128,541	-	11,128,541	-	-	-	11,128,541	-	11,128,541
7050	DMV - Commissioner's Office	4,670,380	11,000	4,659,380	500,000	-	500,000	5,170,380	11,000	5,159,380
7055	DMV Field Services	97,575,917	18,216,647	79,359,270	5,329,936	-	5,329,936	102,905,853	18,216,647	84,689,206
7056	DMV Processing Services	18,028,848	8,187,019	9,841,829	1,999,897	-	1,999,897	20,028,745	8,187,019	11,841,726
7060	License and Theft Bureau	15,887,669	759,748	15,127,921	-	-	-	15,887,669	759,748	15,127,921
	Hearings Unit	-	-	-	3,734,657	3,734,657	-	3,734,657	3,734,657	-
	DIVISION OF MOTOR VEHICLES	147,291,355	27,174,414	120,116,941	11,564,490	3,734,657	7,829,833	158,855,845	30,909,071	127,946,774
0852	Department of Revenue - International Registration Plan	232,060	-	232,060	-	-	-	232,060	-	232,060
0862	Department of Agriculture - Gasoline Inspection Fee	5,351,999	-	5,351,999	-	-	-	5,351,999	-	5,351,999
0864	Department of Revenue - Gasoline Tax Collections	5,056,503	-	5,056,503	-	-	-	5,056,503	-	5,056,503
0865	DHHS - Chemical Testing	569,753	-	569,753	-	-	-	569,753	-	569,753
0889	Office of State Budget and Management -Civil Penalty	59,025,029	59,025,029	-	-	-	-	59,025,029	59,025,029	-
0893	Office of State Controller - Best Shared Services	505,399	-	505,399	-	-	-	505,399	-	505,399
1260	State Ethics Commission	56,816	-	56,816	-	-	-	56,816	-	56,816
7834	Motor Carrier Safety	2,123,200	-	2,123,200	-	-	-	2,123,200	-	2,123,200
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	158,000	-	158,000	158,000	-	158,000
	Cape Fear River Trail	-	-	-	-	-	-	-	-	-
	Department of Public Instruction	-	-	-	-	-	-	-	-	-
	OTHER STATE AGENCIES	72,920,759	59,025,029	13,895,730	158,000	-	158,000	73,078,759	59,025,029	14,053,730
0868	General Fund - Sales Tax Exemption	-	-	-	-	-	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-	-	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-	-	-	-	-	-

Summary of Highway Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation										
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0869	Reserve - Global TransPark	750,000	-	750,000	400,000	-	400,000	1,150,000	-	1,150,000
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	(34,600,000)	-	(34,600,000)	1,150,000	-	1,150,000
0871	Employer's Contribution - Retirement	266,525	-	266,525	6,374,299	-	6,374,299	6,640,824	-	6,640,824
0873	Legislative Salary Increases	1,327,923	-	1,327,923	7,826,238	-	7,826,238	9,154,161	-	9,154,161
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-	-	-	-	-	-
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0885	Reserve - State Employee Medical Plan	884,311	-	884,311	2,809,063	-	2,809,063	3,693,374	-	3,693,374
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0937	Reserve - Administration Reduction	(2,064,244)	-	(2,064,244)	-	-	-	(2,064,244)	-	(2,064,244)
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
	Classification & Compensation System	-	-	-	1,009,447	-	1,009,447	1,009,447	-	1,009,447
	OTHER RESERVES	8,850,589	400,000	8,450,589	18,019,047	-	18,019,047	26,869,636	400,000	26,469,636
0892	GARVEE Bond Redemption	70,445,000	70,445,000	-	-	-	-	70,445,000	70,445,000	-
	DEBT SERVICE	70,445,000	70,445,000	-	-	-	-	70,445,000	70,445,000	-
7826	Capital Improvements	-	-	-	10,216,707	-	10,216,707	10,216,707	-	10,216,707
	CAPITAL IMPROVEMENTS	-	-	-	10,216,707	-	10,216,707	10,216,707	-	10,216,707
0704	Legal - Field	8,236,182	8,236,182	-	-	-	-	8,236,182	8,236,182	-
0714	Engineer Trainee Program	4,138,739	4,138,739	-	-	-	-	4,138,739	4,138,739	-
0720	Governor's Highway Safety Program	21,424,686	21,424,686	-	-	-	-	21,424,686	21,424,686	-
1017	Director of Preconstruction - Field	-	-	-	-	-	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	4,292,549	4,292,549	-	-	-	-	4,292,549	4,292,549	-
1066	Utilities Unit - Field	63,661,088	63,661,088	-	-	-	-	63,661,088	63,661,088	-
1068	Materials and Tests - Field	28,672,182	28,672,182	-	-	-	-	28,672,182	28,672,182	-
1071	Construction Unit - Field	3,840,643	3,840,643	-	-	-	-	3,840,643	3,840,643	-
1080	Roadside Environmental Unit - SW Field	7,257,152	7,257,152	-	-	-	-	7,257,152	7,257,152	-
1081	Office of Civil Rights - Field	3,029,089	3,029,089	-	-	-	-	3,029,089	3,029,089	-
1087	Safe Routes to School - Field	2,322,449	2,322,449	-	-	-	-	2,322,449	2,322,449	-
1088	Public Information - Field	745,717	745,717	-	-	-	-	745,717	745,717	-
1097	Strategic Prioritization - Office of Transportation - Field	1,661,922	1,661,922	-	-	-	-	1,661,922	1,661,922	-
1098	HR Talent Management - Field	357,756	357,756	-	-	-	-	357,756	357,756	-
1099	Governance Office - Field	672,680	672,680	-	-	-	-	672,680	672,680	-
1111	Inspector General - Field	-	-	-	-	-	-	-	-	-
1112	State Road Maintenance - Field	6,623,093	6,623,093	-	-	-	-	6,623,093	6,623,093	-
1136	State Road Maintenance - Field	1,847,198	1,847,198	-	-	-	-	1,847,198	1,847,198	-
1255	Performance Metrics Management	175,264	175,264	-	-	-	-	175,264	175,264	-
1258	Program Development - Field	9,050,749	9,050,749	-	-	-	-	9,050,749	9,050,749	-
7200	01 Field	62,729,829	62,729,829	-	-	-	-	62,729,829	62,729,829	-
7235	02 Field	66,745,541	66,745,541	-	-	-	-	66,745,541	66,745,541	-
7265	03 Field	106,820,091	106,820,091	-	-	-	-	106,820,091	106,820,091	-

**Summary of Highway Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Transportation										
Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7295	04 Field	67,274,000	67,274,000	-	-	-	-	67,274,000	67,274,000	-
7325	05 Field	93,102,008	93,102,008	-	-	-	-	93,102,008	93,102,008	-
7355	06 Field	74,468,457	74,468,457	-	-	-	-	74,468,457	74,468,457	-
7385	07 Field	95,941,616	95,941,616	-	-	-	-	95,941,616	95,941,616	-
7415	08 Field	73,995,420	73,995,420	-	-	-	-	73,995,420	73,995,420	-
7445	09 Field	128,469,813	128,469,813	-	-	-	-	128,469,813	128,469,813	-
7470	10 Field	124,994,869	124,994,869	-	-	-	-	124,994,869	124,994,869	-
7500	11 Field	103,246,606	103,246,606	-	-	-	-	103,246,606	103,246,606	-
7530	12 Field	79,712,234	79,712,234	-	-	-	-	79,712,234	79,712,234	-
7555	13 Field	72,147,258	72,147,258	-	-	-	-	72,147,258	72,147,258	-
7580	14 Field	75,729,519	75,729,519	-	-	-	-	75,729,519	75,729,519	-
7610	IT - Field	43,838,553	43,838,553	-	-	-	-	43,838,553	43,838,553	-
7615	Ferry	52,415,641	52,415,641	-	2,249,170	2,249,170	-	54,664,811	54,664,811	-
7620	Facilities Management and Operations Support	17,087,736	17,087,736	-	-	-	-	17,087,736	17,087,736	-
7625	Preconstruction Design - Field	55,894,338	55,894,338	-	-	-	-	55,894,338	55,894,338	-
7626	Technical Services - Field	98,542,690	98,542,690	-	-	-	-	98,542,690	98,542,690	-
7627	Structure Management - Field	41,420,694	41,420,694	-	-	-	-	41,420,694	41,420,694	-
7665	Construction Materials - Field	1,665,268	1,665,268	-	-	-	-	1,665,268	1,665,268	-
7671	Traffic Mobility and Safety	40,701,592	40,701,592	-	-	-	-	40,701,592	40,701,592	-
7675	Right of Way - Field	22,513,596	22,513,596	-	-	-	-	22,513,596	22,513,596	-
7685	Transportation Planning Program - Field	27,746,288	27,746,288	-	-	-	-	27,746,288	27,746,288	-
7690	IT Group	26,288,315	26,288,315	-	-	-	-	26,288,315	26,288,315	-
7695	Project Development and Environmental Analysis - Field	67,153,485	67,153,485	-	-	-	-	67,153,485	67,153,485	-
7700	Construction and Maintenance - Field	1,686,802,651	1,686,802,651	-	-	-	-	1,686,802,651	1,686,802,651	-
7705	Grants - Field	339,572,512	339,572,512	-	-	-	-	339,572,512	339,572,512	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	Corridor Development Unit	-	-	-	730,968	730,968	-	730,968	730,968	-
	FIELD OPERATIONS	4,078,514,002	4,078,514,002	-	2,980,138	2,980,138	-	4,081,494,140	4,081,494,140	-
Department-wide Items										
	Vacant Positions	-	-	-	(10,500,000)	(10,500,000)	-	(10,500,000)	(10,500,000)	-
	DEPARTMENT-WIDE ITEMS	-	-	-	(10,500,000)	(10,500,000)	-	(10,500,000)	(10,500,000)	-
Total		\$ 7,237,942,131	\$ 5,229,096,914	\$ 2,008,845,217	\$ 238,947,766	\$ (3,704,705)	\$ 242,652,471	\$ 7,476,889,897	\$ 5,225,392,209	\$ 2,251,497,688
Total (excluding duplicate receipt-supported fund codes)		\$ 3,159,428,129	\$ 1,150,582,912	\$ 2,008,820,259	\$ 235,967,628	\$ (6,684,843)	\$ 242,652,471	\$ 3,395,395,757	\$ 1,143,898,069	\$ 2,251,497,688

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0001	Board of Transportation	-	-	-	-
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	17.00	-	-	17.00
0007	Administration - Secretary	24.00	-	-	24.00
0177	Computer Systems	3.00	-	-	3.00
1096	Strategic Prioritization - Office of Transportation - Administration	1.00	-	-	1.00
1104	Governance Office - Admin	6.00	-	-	6.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	55.00	-	-	55.00
7020	Financial	112.00	-	-	112.00
7025	Information Technology	123.00	-	-	123.00
7030	Administrative Support Services	20.00	-	-	20.00
7031	Facilities Management	28.00	-	-	28.00
	ADMINISTRATION- DOT	431.00	-	-	431.00
0055	Chief Engineer	7.00	-	-	7.00
0056	Deputy Chief Engineer of Operations	4.00	-	-	4.00
0064	Director of Preconstruction	-	-	-	-
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0179	PDE Engineer Trainee Program	-	-	-	-
1018	Chief Engineer DOH Special Projects	3.00	-	-	3.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1069	Roadside Environmental Unit	23.00	-	-	23.00
1070	Construction Unit	6.00	-	-	6.00
1078	Office of Civil Rights Admin	3.00	-	-	3.00
1129	Office of Civil Rights	4.00	-	-	4.00
1130	Office of Civil Rights	8.00	-	-	8.00
1186	Structure Management	3.00	-	-	3.00
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	-	-	-	-
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
1256	Program Development - Administration	16.00	-	-	16.00
1272	Program Development - HF Admin	1.00	-	-	1.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	17.00	-	-	17.00
7085	Division 2	18.00	-	-	18.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	18.00	-	-	18.00
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	15.00	-	-	15.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00
7150	Preconstruction Design Administration	14.00	-	-	14.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7152	OCR - On-the-Job Training Grant	-	-	-	-
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	17.00	-	-	17.00
7185	Safety	16.00	-	-	16.00
7190	Right of Way - Administration	27.00	-	-	27.00
	ADMINISTRATION- DOH	554.00	-	-	554.00
7812	Construction - Secondary	-	-	-	-
7814	Construction - Public Service Roads	-	-	-	-
7817	Spot Safety	-	-	-	-
7818	Construction - Contingency	-	-	-	-
7837	Division of Small Urban Construction	-	-	-	-
7838	Economic Development	-	-	-	-
	Mobility/Economic Development/Small Construction	-	-	-	-
	CONSTRUCTION	-	-	-	-
0934	Reserve - General Maintenance	-	-	-	-
7821	Maintenance - Primary	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-
7824	Contract Resurfacing	-	-	-	-
7839	Bridge Program	-	-	-	-
7841	Pavement Preservation	-	-	-	-
	Bridge Preservation	-	-	-	-
	Roadside Environmental	-	-	-	-
	MAINTENANCE	-	-	-	-
7827	FHWA Construction	-	-	-	-
	PLANNING & RESEARCH	-	-	-	-
7832	OSHA Program	-	-	-	-
	OSHA	-	-	-	-
7836	State Aid - Highway Fund for WBS	-	-	-	-
	STATE AID TO MUNICIPALITIES	-	-	-	-
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	4.00	-	-	4.00
7831	Public Transportation - Highway Fund	-	-	-	-
0037	Rail Division	7.00	-	-	7.00
7829	Railroad Program	-	-	-	-
	Rail Equipment Overhaul	-	-	-	-
0041	Aeronautics	16.00	-	-	16.00
7830	Airports Program	-	-	-	-
7040	Ferry Administration	13.00	-	-	13.00
7825	Ferry Operations	-	-	-	-
	INTERMODAL	43.00	-	-	43.00
0042	Governor's Highway Safety Program	5.00	-	-	5.00
7828	Governor's Highway Safety Program	-	-	-	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	5.00	-	-	5.00
0049	Driver Licensing	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	109.00	-	-	109.00
7050	DMV - Commissioner's Office	49.00	-	-	49.00
7055	DMV Field Services	951.00	16.00	-	967.00
7056	DMV Processing Services	274.00	6.00	-	280.00
7060	License and Theft Bureau	175.00	-	-	175.00
	Hearings Unit	-	-	-	-
	DIVISION OF MOTOR VEHICLES	1,558.00	22.00	-	1,580.00
0852	Department of Revenue - International Registration Plan	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0862	Department of Agriculture - Gasoline Inspection Fee	-	-	-	-
0864	Department of Revenue - Gasoline Tax Collections	-	-	-	-
0865	DHHS - Chemical Testing	-	-	-	-
0889	Office of State Budget and Management -Civil Penalty	-	-	-	-
0893	Office of State Controller - Best Shared Services	-	-	-	-
1260	State Ethics Commission	-	-	-	-
7834	Motor Carrier Safety	-	-	-	-
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	-
	OTHER STATE AGENCIES	-	-	-	-
0868	General Fund - Sales Tax Exemption	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-
0869	Reserve - Global TransPark	-	-	-	-
1288	North Carolina State Ports Authority	-	-	-	-
	TRANSFER TO AUTHORITIES	-	-	-	-
0871	Employer's Contribution - Retirement	-	-	-	-
0873	Legislative Salary Increases	-	-	-	-
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-
0877	Stormwater Management	-	-	-	-
0881	Consolidated Call Center	-	-	-	-
0882	Reserve - Visitor Center	-	-	-	-
0885	Reserve - State Employee Medical Plan	-	-	-	-
0933	Reserve - Minority Contractor Development	-	-	-	-
0937	Reserve - Administration Reduction	-	-	-	-
1289	Workers' Compensation Adjustment Reserve	-	-	-	-
	OTHER RESERVES	-	-	-	-
0892	GARVEE Bond Redemption	-	-	-	-
	DEBT SERVICE	-	-	-	-
7826	Capital Improvements	-	-	-	-
	CAPITAL IMPROVEMENTS	-	-	-	-
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	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1068	Materials and Tests - Field	180.00	-	-	180.00
1071	Construction Unit - Field	22.00	-	-	22.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Office of Civil Rights - Field	22.00	-	-	22.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1097	Strategic Prioritization - Office of Transportation - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	5.00	-	-	5.00
1111	Inspector General - Field	-	-	-	-
1112	State Road Maintenance - Field	16.00	-	-	16.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1255	Performance Metrics Management	2.00	-	-	2.00
1258	Program Development - Field	14.00	-	-	14.00
7200	01 Field	414.00	-	-	414.00
7235	02 Field	348.00	-	-	348.00
7265	03 Field	360.00	-	-	360.00
7295	04 Field	401.00	-	-	401.00
7325	05 Field	446.00	-	-	446.00
7355	06 Field	375.00	-	-	375.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7385	07 Field	340.00	-	-	340.00
7415	08 Field	383.00	-	-	383.00
7445	09 Field	309.00	-	-	309.00
7470	10 Field	358.00	-	-	358.00
7500	11 Field	456.00	-	-	456.00
7530	12 Field	333.00	-	-	333.00
7555	13 Field	385.00	-	-	385.00
7580	14 Field	431.00	-	-	431.00
7610	IT - Field	158.00	-	-	158.00
7615	Ferry	451.00	-	46.00	497.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	204.00	-	-	204.00
7626	Technical Services - Field	268.00	-	-	268.00
7627	Structure Management - Field	189.00	-	-	189.00
7665	Construction Materials - Field	-	-	-	-
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	61.00	-	-	61.00
7685	Transportation Planning Program - Field	109.00	-	-	109.00
7690	IT Group	119.00	-	-	119.00
7695	Project Development and Environmental Analysis - Field	97.00	-	-	97.00
7700	Construction and Maintenance - Field	1,103.00	-	-	1,103.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	936.00	-	-	936.00
	Corridor Development Unit	-	-	7.00	7.00
	FIELD OPERATIONS	9,725.00	-	53.00	9,778.00
Department-wide Items					
	Vacant Positions	-	-	(300.00)	(300.00)
	DEPARTMENT-WIDE ITEMS	-	-	(300.00)	(300.00)
Total FTE		12,316.00	22.00	(247.00)	12,091.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0001	Board of Transportation	-	-	-	-
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	17.00	-	-	17.00
0007	Administration - Secretary	24.00	-	-	24.00
0177	Computer Systems	3.00	-	-	3.00
1096	Strategic Prioritization - Office of Transportation - Administration	1.00	-	-	1.00
1104	Governance Office - Admin	6.00	-	-	6.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	55.00	-	-	55.00
7020	Financial	112.00	-	1.00	113.00
7025	Information Technology	123.00	-	-	123.00
7030	Administrative Support Services	20.00	-	-	20.00
7031	Facilities Management	28.00	-	-	28.00
	ADMINISTRATION- DOT	431.00	-	1.00	432.00
0055	Chief Engineer	7.00	-	-	7.00
0056	Deputy Chief Engineer of Operations	4.00	-	-	4.00
0064	Director of Preconstruction	-	-	-	-
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0179	PDE Engineer Trainee Program	-	-	-	-
1018	Chief Engineer DOH Special Projects	3.00	-	-	3.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1069	Roadside Environmental Unit	23.00	-	-	23.00
1070	Construction Unit	6.00	-	-	6.00
1078	Office of Civil Rights Admin	3.00	-	-	3.00
1129	Office of Civil Rights	4.00	-	-	4.00
1130	Office of Civil Rights	8.00	-	-	8.00
1186	Structure Management	3.00	-	-	3.00
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	-	-	-	-
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
1256	Program Development - Administration	16.00	-	-	16.00
1272	Program Development - HF Admin	1.00	-	-	1.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	17.00	-	-	17.00
7085	Division 2	18.00	-	-	18.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	18.00	-	-	18.00
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	15.00	-	-	15.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00
7150	Preconstruction Design Administration	14.00	-	-	14.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7152	OCR - On-the-Job Training Grant	-	-	-	-
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	17.00	-	-	17.00
7185	Safety	16.00	-	-	16.00
7190	Right of Way - Administration	27.00	-	-	27.00
	ADMINISTRATION- DOH	554.00	-	-	554.00
7812	Construction - Secondary	-	-	-	-
7814	Construction - Public Service Roads	-	-	-	-
7817	Spot Safety	-	-	-	-
7818	Construction - Contingency	-	-	-	-
7837	Division of Small Urban Construction	-	-	-	-
7838	Economic Development	-	-	-	-
	Mobility/Economic Development/Small Construction	-	-	-	-
	CONSTRUCTION	-	-	-	-
0934	Reserve - General Maintenance	-	-	-	-
7821	Maintenance - Primary	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-
7824	Contract Resurfacing	-	-	-	-
7839	Bridge Program	-	-	-	-
7841	Pavement Preservation	-	-	-	-
	Bridge Preservation	-	-	-	-
	Roadside Environmental	-	-	-	-
	MAINTENANCE	-	-	-	-
7827	FHWA Construction	-	-	-	-
	PLANNING & RESEARCH	-	-	-	-
7832	OSHA Program	-	-	-	-
	OSHA	-	-	-	-
7836	State Aid - Highway Fund for WBS	-	-	-	-
	STATE AID TO MUNICIPALITIES	-	-	-	-
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	4.00	-	-	4.00
7831	Public Transportation - Highway Fund	-	-	-	-
0037	Rail Division	7.00	-	-	7.00
7829	Railroad Program	-	-	-	-
	Rail Equipment Overhaul	-	-	-	-
0041	Aeronautics	16.00	-	-	16.00
7830	Airports Program	-	-	-	-
7040	Ferry Administration	13.00	-	-	13.00
7825	Ferry Operations	-	-	-	-
	INTERMODAL	43.00	-	-	43.00
0042	Governor's Highway Safety Program	5.00	-	-	5.00
7828	Governor's Highway Safety Program	-	-	-	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	5.00	-	-	5.00
0049	Driver Licensing	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	109.00	-	-	109.00
7050	DMV - Commissioner's Office	49.00	-	-	49.00
7055	DMV Field Services	951.00	16.00	-	967.00
7056	DMV Processing Services	274.00	6.00	-	280.00
7060	License and Theft Bureau	175.00	-	-	175.00
	Hearings Unit	-	-	-	-
	DIVISION OF MOTOR VEHICLES	1,558.00	22.00	-	1,580.00
0852	Department of Revenue - International Registration Plan	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0862	Department of Agriculture - Gasoline Inspection Fee	-	-	-	-
0864	Department of Revenue - Gasoline Tax Collections	-	-	-	-
0865	DHHS - Chemical Testing	-	-	-	-
0889	Office of State Budget and Management -Civil Penalty	-	-	-	-
0893	Office of State Controller - Best Shared Services	-	-	-	-
1260	State Ethics Commission	-	-	-	-
7834	Motor Carrier Safety	-	-	-	-
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	-
	OTHER STATE AGENCIES	-	-	-	-
0868	General Fund - Sales Tax Exemption	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-
0869	Reserve - Global TransPark	-	-	-	-
1288	North Carolina State Ports Authority	-	-	-	-
	TRANSFER TO AUTHORITIES	-	-	-	-
0871	Employer's Contribution - Retirement	-	-	-	-
0873	Legislative Salary Increases	-	-	-	-
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-
0877	Stormwater Management	-	-	-	-
0881	Consolidated Call Center	-	-	-	-
0882	Reserve - Visitor Center	-	-	-	-
0885	Reserve - State Employee Medical Plan	-	-	-	-
0933	Reserve - Minority Contractor Development	-	-	-	-
0937	Reserve - Administration Reduction	-	-	-	-
1289	Workers' Compensation Adjustment Reserve	-	-	-	-
	OTHER RESERVES	-	-	-	-
0892	GARVEE Bond Redemption	-	-	-	-
	DEBT SERVICE	-	-	-	-
7826	Capital Improvements	-	-	-	-
	CAPITAL IMPROVEMENTS	-	-	-	-
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	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1068	Materials and Tests - Field	180.00	-	-	180.00
1071	Construction Unit - Field	22.00	-	-	22.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Office of Civil Rights - Field	22.00	-	-	22.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1097	Strategic Prioritization - Office of Transportation - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	5.00	-	-	5.00
1111	Inspector General - Field	-	-	-	-
1112	State Road Maintenance - Field	16.00	-	-	16.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1255	Performance Metrics Management	2.00	-	-	2.00
1258	Program Development - Field	14.00	-	-	14.00
7200	01 Field	414.00	-	-	414.00
7235	02 Field	348.00	-	-	348.00
7265	03 Field	360.00	-	-	360.00
7295	04 Field	401.00	-	-	401.00
7325	05 Field	446.00	-	-	446.00
7355	06 Field	375.00	-	-	375.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base	Legislative Changes		Revised
Budget Code 84210					
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7385	07 Field	340.00	-	-	340.00
7415	08 Field	383.00	-	-	383.00
7445	09 Field	309.00	-	-	309.00
7470	10 Field	358.00	-	-	358.00
7500	11 Field	456.00	-	-	456.00
7530	12 Field	333.00	-	-	333.00
7555	13 Field	385.00	-	-	385.00
7580	14 Field	431.00	-	-	431.00
7610	IT - Field	158.00	-	-	158.00
7615	Ferry	451.00	-	46.00	497.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	204.00	-	-	204.00
7626	Technical Services - Field	268.00	-	-	268.00
7627	Structure Management - Field	189.00	-	-	189.00
7665	Construction Materials - Field	-	-	-	-
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	61.00	-	-	61.00
7685	Transportation Planning Program - Field	109.00	-	-	109.00
7690	IT Group	119.00	-	-	119.00
7695	Project Development and Environmental Analysis - Field	97.00	-	-	97.00
7700	Construction and Maintenance - Field	1,103.00	-	-	1,103.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	936.00	-	-	936.00
	Corridor Development Unit	-	-	7.00	7.00
	FIELD OPERATIONS	9,725.00	-	53.00	9,778.00
Department-wide Items					
	Vacant Positions	-	-	(300.00)	(300.00)
	DEPARTMENT-WIDE ITEMS	-	-	(300.00)	(300.00)
Total FTE		12,316.00	22.00	(246.00)	12,092.00

2017 Annotated Conference Committee Report

Highway Fund

HIGHWAY FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	\$2,008,820,259		\$2,008,845,217	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve	\$7,826,238	R	\$7,826,238	R
Fund Code: 0873				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for Highway Fund supported salaries are \$302.8 million in FY 2017-18 and \$309.1 million in FY 2018-19. (S.L. 2017-57, Secs. 35.11 and 35.12)				
2 Classification and Compensation System	\$504,724	R	\$1,009,447	R
Fund Code: N/A				
Provides funding to be used to implement the new Classification and Compensation System for State employees. These funds are to increase salaries for any Highway Fund supported salary to the minimum of their salary range under the new System. (S.L. 2017-57, Sec. 35.13)				
3 State Retirement Contributions	\$2,416,796	R	\$6,374,299	R
Fund Code: 0871				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the Highway Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net Highway Fund appropriation for TSERS is \$51.7 million in FY 2017-18 and \$55.7 million in FY 2018-19. (S.L. 2017-57, Secs. 35.19A and 35.1B)				
4 State Health Plan Reserve	\$1,325,625	R	\$2,809,063	R
Fund Code: 0885				
Provides additional funding to continue health benefit coverage for enrolled active employees supported in each year of the biennium. The revised net appropriation for enrolled active employees is \$37.0 million in FY 2017-18 and \$38.5 million in FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

Adjustments to Availability**5 Division of Motor Vehicles (DMV) Hearing Fees****Fund Code:** N/A

Increases forecasted revenue by \$1,867,329 in FY 2017-18 and \$3,734,657 in FY 2018-19 based on the implementation of DMV hearing fees, effective January 1, 2018.
(S.L. 2017-57, Secs. 3.2 and 34.32)

6 Highway Use Tax Lease Proceeds**Fund Code:** N/A

Transfers recurring funds of \$10,000,000 from short-term vehicle lease proceeds to the Highway Fund for capital improvements at commercial airports.
(S.B. 351; S.L. 2017-57, Secs. 2.2 and 3.2)

Administration - Division of Highways**7 Matching Grant Funds**

\$750,000 R \$750,000 R

Fund Code: 7070

Provides funding to planning organizations for a portion of the 20% federal matching requirement for State Planning and Research funds. The revised net appropriation for the Transportation Planning Branch is \$750,000 in each year of the biennium.
(S.L. 2017-57, Sec. 34.8)

Administration - DOT**8 Financial - Toll Revenue Accountant Position****Fund Code:** 7020

Establishes a Highway Trust Fund-supported Accountant position (salary: \$59,342), effective July 1, 2018, to support additional requirements associated with the opening of the I-77 managed lane and Monroe Connector projects. Requirements and receipts total \$80,500 in FY 2018-19.

9 IT - Credit Card Replacement

\$2,070,914 NR

Fund Code: 7025

Provides funding for the purchase of 1,700 credit card readers to be used by DMV and License Plate Agency offices. The revised net appropriation for Information Technology is \$53,890,858 in FY 2017-18 and \$51,844,902 in FY 2018-19.
(S.L. 2017-57, Sec. 34.31)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Capital

10 Asset Management Long Range Facility Planning

Fund Code: 7826

\$250,000 NR

\$250,000 NR

Provides funding for long range site planning across the State at larger Department of Transportation (DOT) facilities. The revised net appropriation for capital expenditures is \$11,616,700 in FY 2017-18 and \$10,216,707 in FY 2018-19.
(S.L. 2017-57, Sec. 34.35)

11 Capital Projects

Fund Code: 7826

\$3,000,000 NR

\$3,000,000 NR

Provides funding for additional capital projects. The revised net appropriation for capital expenditures is \$11,616,700 in FY 2017-18 and \$10,216,707 in FY 2018-19.

12 Greenville State Highway Patrol (SHP) /Division Of Motor Vehicles (DMV) Office and Garage

Fund Code: 7826

\$2,000,000 NR

\$1,616,707 NR

Provides funding for the DMV portion of the design and construction of a 25,000 square foot SHP/DMV office building and 10,000 square foot SHP Garage. The revised net appropriation for capital expenditures is \$11,616,700 in FY 2017-18 and \$10,216,707 in FY 2018-19.
(S.L. 2017-57, Sec. 36.2)

(A related item also appears in the Capital section. See page M 5, item 21.)

13 QMS Lab/Resident Engineer's Office

Fund Code: 7826

\$1,254,000 NR

Provides funding for a 5,500 square foot Quality Management System lab and Resident Engineer's office in Guilford County. The revised net appropriation for capital expenditures is \$11,616,700 in FY 2017-18 and \$10,216,707 in FY 2018-19.

14 Repairs and Renovations

Fund Code: 7826

\$5,112,700 NR

\$5,350,000 NR

Provides funding for repairs and renovations. The revised net appropriation for capital expenditures is \$11,616,700 in FY 2017-18 and \$10,216,707 in FY 2018-19.
(S.L. 2017-57, Sec. 34.3)

Construction**15 Construction Fund Codes**

(\$8,259,878) R (\$8,259,878) R

Fund Code: N/A

Eliminates funding to the Access and Service Roads account (Fund Code 7814), the Small Urban Construction account (Fund Code 7837) and the Economic Development account (Fund Code 7838) and transfers funding to the new Mobility/Economic Development/Small Construction Fund. The revised net appropriation to each of the three accounts is \$0 in each year of the biennium.
(S.L. 2017-57, Sec. 34.7)

16 Emergency Detour Route

\$3,500,000 NR

Fund Code: N/A

Provides funding to widen the first segment of NC 208 from US 25/70 towards Hot Springs to the intersection of NC 212 at Belva. This road serves as a detour route when a rockslide or other emergency closes I-40 in Haywood County. The total net appropriation to this project is \$3,500,000 in FY 2017-18 and \$0 in FY 2018-19.

17 Mobility/Economic Development/Small Construction

\$50,000,000 R \$50,000,000 R

Fund Code: N/A

Establishes a new fund for immediate need construction projects. \$24,000,000 will be divided equally among the 14 Division Engineers for high impact construction projects, such as intersection and operational improvements. \$6,000,000 is provided to the Secretary of Transportation for economic development projects. \$20,000,000 is provided to implement the SPOT Mobility program for safety and mobility projects that reduce congestion. The revised net appropriation to the Mobility/Economic Development/Small Construction Fund is \$50,000,000 in each year of the biennium.
(S.L. 2017-57, Sec. 34.7)

18 Planning Funds**Fund Code:** N/A

\$2,150,000 NR

Provides planning funds to complete the Avoidance and Minimization stage of the National Environmental Policy Act process for a multi-state highway project that enhances the region's economic development. The revised net appropriation for planning funds is \$0 in FY 2017-18 and \$2,150,000 in FY 2018-19.

Department Wide**19 Vacant Positions****Fund Code:** N/A

Eliminates 300 receipt-supported vacant positions throughout DOT. Requirements and receipts total \$10,500,000 in each year of the biennium.

Division of Motor Vehicles (DMV)**20 Hearings Unit****Fund Code:** N/A

\$1,867,328 NR

Establishes a new Hearings Unit fund code. Hearing fees will be effective January 1, 2018. The total requirements of the Hearings Unit is \$3,734,657 in each year of the biennium. The unit is supported by receipts from the hearing fees totaling \$1,867,329 in FY 2017-18. The unit is fully receipt-supported at \$3,734,657 in FY 2018-19. The revised net appropriation for the Hearings Unit is \$1,867,328 in FY 2017-18 and \$0 in FY 2018-19. (S.B. 430/H.B. 537; S.L. 2017-57, Secs. 3.2 and 34.32)

21 License Plate Agency Compensation**Fund Code:** 7055

\$4,210,000 NR \$4,210,000 NR

Realigns funding for Branch Agent Compensation based on historical actuals. The revised net appropriation for Branch Agent Compensation is \$12,974,738 in each year of the biennium.

22 Medical Review Unit**Fund Code:** 7056

(\$467,471) R (\$817,103) R

6.00

6.00

Realigns funding provided in S.L. 2016-94 to convert 6 temporary positions to permanent positions, eliminate 5 temporary positions, and continue funding of 6 temporary positions, expiring June 30, 2018. Funding is used to convert 5 temporary Nurse Consultant positions (\$66,560 salary/\$90,062 with benefits) and 1 Administrative Assistant IV position (\$31,200 salary/\$45,223 with benefits) to permanent. Funding is continued to 4 temporary Nurse Consultant positions (\$69,984 with FICA and fees) and 2 temporary Administrative Assistant IV positions (\$34,848 with FICA and fees). Funding is eliminated to 5 temporary Nurse Consultant positions. The revised net appropriation for DMV Processing Services is \$12,191,358 in FY 2017-18 and \$11,841,726 in FY 2018-19.

2017 Annotated Conference Committee Report

23 New Driver's License Office in Charlotte

Fund Code: 7055

Provides funding for a new driver's license office in the Charlotte area. The cost to upfit the new driver's license office is \$318,320 in FY 2017-18 and operating and lease costs are \$173,977 in each year of the biennium. This driver's license office will be staffed by 15 Driver License Examiners (\$41,941 salary/\$58,843 with benefits) and 1 Senior Driver License Examiner (\$45,467 salary/\$63,314 with benefits). The total cost of the 16 new positions is \$945,959 in each year of the biennium. The revised net appropriation for DMV Field Services is \$85,007,526 in FY 2017-18 and \$84,689,206 in FY 2018-19.

FY 17-18

\$1,119,936 R
\$318,320 NR
16.00

FY 18-19

\$1,119,936 R
16.00

24 Online and Enhanced Services

Fund Code: 7050

Provides funding for a multi-channel public outreach campaign to promote DMV online and enhanced services. The revised net appropriation for advertising/marketing is \$560,554 in each year of the biennium.

\$500,000 NR

\$500,000 NR

25 Processing Services

Fund Code: 7056

Restores funding to the Ignition Interlock and Medical Services Units. Nonrecurring funding was provided in FY 2016-17 in S.L. 2015-241. The revised net appropriation for DMV Processing Services is \$12,191,358 in FY 2017-18 and \$11,841,726 in FY 2018-19.

\$2,817,000 R

\$2,817,000 R

Intermodal

26 Aviation - Cape Fear Regional Jetport

Fund Code: 7830

Provides funding for capital improvements at the Cape Fear Regional Jetport located in Oak Island. The revised net appropriation for the Airports Program is \$98,400,417 in FY 2017-18 and \$126,917,417 in FY 2018-19.

\$2,000,000 NR

27 Aviation - Commercial Airports

Fund Code: 7830

Increases funding for capital improvements at commercial airports. The revised net appropriation for the Airports Program is \$98,400,417 in FY 2017-18 and \$126,917,417 in FY 2018-19. (S.B. 351; S.L. 2017-57, Sec. 34.19)

\$40,000,000 R

\$75,000,000 R

2017 Annotated Conference Committee Report

28 Aviation Fuel Tax - Statutory Adjustment

Fund Code: 7830

Increases revenue to reflect the revised revenue estimate of the Aviation Fuel Tax for the Aviation Division per G.S. 105-164.44M. The revised net appropriation for the Airports Program is \$98,400,417 in FY 2017-18 and \$126,917,417 in FY 2018-19. (S.L. 2017-57, Sec. 34.21)

FY 17-18

\$5,700,000 R

FY 18-19

\$5,400,000 R

29 Aviation - Gastonia Municipal Airport

Fund Code: 7830

Provides funding for maintenance improvements at the Gastonia Municipal Airport. The revised net appropriation for the Airports Program is \$98,400,417 in FY 2017-18 and \$126,917,417 in FY 2018-19.

\$100,000 NR

30 Aviation - Pitt-Greenville Airport

Fund Code: 7830

Provides funding to repair damaged pavement at the Pitt-Greenville Airport. The revised net appropriation for the Airports Program is \$98,400,417 in FY 2017-18 and \$126,917,417 in FY 2018-19.

\$83,000 NR

31 Aviation - Raleigh Executive Jetport

Fund Code: 7830

Provides funding for capital improvements at the Raleigh Executive Jetport located in Sanford. The revised net appropriation for the Airports Program is \$98,400,417 in FY 2017-18 and \$126,917,417 in FY 2018-19.

\$4,000,000 NR

32 Ferry - Field Operations Staff**Fund Code:** 7615

Converts 46 temporary ferry field positions to permanent positions and eliminates 12 temporary ferry field positions, beginning in FY 2017-18. The total cost of the 46 receipt-supported positions is \$2,249,170. The revised net appropriation for Ferry Field Operations is \$0 in each year of the biennium.

Position Title - Number of Positions (Salary/Salary with benefits)

Administrative Assistant I – 1 (\$36,754 /\$58,980)
 Dredge Deckhand – 1 (\$25,484 /\$42,631)
 Dredge Deckhand – 1 (\$26,894 /\$44,675)
 Dredge Level Operator – 1 (\$39,707 /\$63,264)
 Ferry Chief Engineer – 1 (\$45,282 /\$71,352)
 Ferry Chief Engineer – 1 (\$44,034 /\$69,542)
 Ferry Chief Engineer – 1 (\$37,125 /\$59,519)
 Ferry Crew Member I – 3 (\$23,400 /\$39,607)
 Ferry Crew Member I – 2 (\$25,750 /\$43,016)
 Ferry Crew Member I – 1 (\$26,013 /\$43,397)
 Ferry Crew Member II – 1 (\$27,019 /\$44,857)
 Ferry Crew Member II – 2 (\$26,021 /\$43,409)
 Ferry Master – 1 (\$48,797 /\$76,452)
 Ferry Master – 2 (\$40,123 /\$63,868)
 Ferry Master – 1 (\$42,120 /\$66,764)
 Lead Worker III – 1 (\$33,987 /\$54,966)
 Marine Mechanic – 1 (\$34,861 /\$56,234)
 Marine Painter – 1 (\$33,190 /\$53,809)
 Marine Painter – 1 (\$33,197 /\$53,820)
 Processing Assistant III – 3 (\$24,381 /\$41,030)
 Processing Assistant III – 1 (\$24,378 /\$41,026)
 Seasonal Ferry Chief Engineer – 2 (\$37,125 /\$59,518)
 Seasonal Ferry Crew Member I – 1 (\$23,405 /\$39,613)
 Seasonal Ferry Crew Member II – 3 (\$26,013 /\$43,397)
 Seasonal Marine Mechanic – 1 (\$33,190 /\$53,809)
 Seasonal Security Guard – 1 (\$25,159 /\$42,158)
 Security Guard – 2 (\$24,861 /\$41,727)
 Security Guard – 8 (\$25,147 /\$42,141)

33 Ferry - Southport and Fort Fisher Ramps and Gantries Rehabilitation**Fund Code:** 7825

\$3,000,000 NR

Provides funding to replace the existing cantilevered weightlifting systems at Southport and Fort Fisher with hydraulic systems. The revised net appropriation for Ferry Operations is \$46,681,106 in FY 2017-18 and \$43,681,106 in FY 2018-19. (S.L. 2017-57, Sec. 34.28C)

2017 Annotated Conference Committee Report

34 Public Transportation - Regional Consolidation and Regional Coordination

Fund Code: 7831

Provides funding to incentivize regional consolidation and regional coordination of public transportation systems across the State. The revised net appropriation for Public Transportation is \$93,343,069 in FY 2017-18 and \$93,843,069 in FY 2018-19. (S.L. 2017-57, Sec. 34.18A)

FY 17-18

FY 18-19

\$1,500,000

R

\$2,000,000

R

35 Rail - Equipment Overhaul

Fund Code: N/A

Establishes a new Rail Equipment Overhaul Fund for the overhaul and improvement of rail equipment. The revised net appropriation for the Rail Equipment Overhaul Program is \$4,643,000 in FY 2017-18 and \$4,834,000 in FY 2018-19.

\$1,200,000

R

\$1,200,000

R

\$3,443,000

NR

\$3,634,000

NR

36 Rail - Federal Match

Fund Code: 7829

Provides funding for matching federal Congestion Mitigation and Air Quality grants. The revised net appropriation for the Railroad Program is \$38,395,005 in each year of the biennium.

\$1,597,200

R

\$1,597,200

R

Maintenance

37 Bridge Preservation

Fund Code: N/A

Establishes a new Bridge Preservation Fund to employ cost effective solutions to maximize bridge life and lower lifetime cost. The revised net appropriation for the Bridge Preservation Program is \$80,000,000 in FY 2017-18 and \$85,000,000 in FY 2018-19.

\$80,000,000

R

\$85,000,000

R

38 Bridge Program

Fund Code: 7839

Provides \$30,000,000 to replace deficient bridges costing more than \$20,000,000 and provides \$8,000,000 to meet the 2015 legislative directive to reduce the total number of structurally deficient bridges to 10% of the bridge inventory by 2030. The revised net appropriation for the Bridge Program is \$281,158,738 in each year of the biennium. (S.L. 2017-57, Sec. 34.10)

\$38,000,000

R

\$38,000,000

R

2017 Annotated Conference Committee Report

39 Bridge Program - Statutory Adjustment

Fund Code: 7839

Adjusts funding for the Bridge Program based on the revised revenue forecast. This 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 \$281,158,738 in each year of the biennium.

FY 17-18

\$580,000

R

FY 18-19

\$580,000

R

40 Contract Resurfacing

Fund Code: 7824

Provides funding for contract resurfacing. The revised net appropriation for Contract Resurfacing is \$503,432,709 in FY 2017-18 and \$513,432,709 in FY 2018-19.

\$5,000,000

R

\$15,000,000

R

41 General Maintenance Reserve

Fund Code: 0934

Transfers funding for bridge preservation and roadside environmental activities to new fund codes. The revised net appropriation for the General Maintenance Reserve is \$284,796,990 in FY 2017-18 and \$309,543,473 in FY 2018-19.

(\$184,000,000)

R

(\$189,000,000)

R

42 General Maintenance Reserve

Fund Code: 0934

Increases funding for general maintenance activities to address critical maintenance needs. The revised net appropriation for the General Maintenance Reserve is \$284,796,990 in FY 2017-18 and \$309,543,473 in FY 2018-19.

\$5,431,079

R

\$35,177,562

R

43 Pavement Preservation

Fund Code: 7841

Increases funding for pavement preservation activities and authorizes the use of the funds for pavement markings and markers. The revised net appropriation for the Pavement Preservation Program is \$100,161,756 in each year of the biennium.
(S.L. 2017-57, Sec. 34.9)

\$15,000,000

R

\$15,000,000

R

44 Roadside Environmental

Fund Code: N/A

Establishes a new Roadside Environmental Fund, which provides dedicated funding for vegetation management, mowing, litter prevention and removal, beautification efforts, and rest areas. The revised net appropriation for the Roadside Environmental Program is \$104,000,000 in each year of the biennium.

\$104,000,000

R

\$104,000,000

R

Planning and Programming**45 Corridor Development Unit****Fund Code:** N/A

Establishes a new Corridor Development Unit in the Division of Planning and Programming to assist small Metropolitan Planning Organizations (MPO) and Rural Transportation Planning Organizations (RPO) in defining projects included in long-range planning documents. This unit will be staffed by 6 Engineers/Planners (\$64,273 salary/\$98,903 with benefits) and 1 Engineering Supervisor (\$90,912 salary/ \$137,550 with benefits) located in Raleigh. The total cost of the 7 new receipt-supported positions is \$730,968. The revised net appropriation for the Corridor Development Unit is \$0 in each year of the biennium. (S.L. 2017-57, Sec. 34.8)

46 Corridor Development Unit**Fund Code:** N/A

Directs DOT to convert 14 vacant receipt-supported positions to 14 Engineers/Planners, with a salary commensurate to the Division Planning Engineers. These positions, to be located in each Highway Division, will serve as the main DOT contact for small MPOs and RPOs for planning purposes. The revised net appropriation for the Corridor Development Unit is \$0 in each year of the biennium. (S.L. 2017-57, Sec. 34.8)

Transfers**47 Cape Fear River Trail****Fund Code:** N/A

\$1,000,000 NR

Provides funding to complete a connecting section of the Cape Fear River Trail in Fayetteville. The revised net appropriation for the Cape Fear River Trail is \$1,000,000 in FY 2017-18 and \$0 in FY 2018-19.

48 Data Analytics**Fund Code:** 7020

\$3,800,000 NR \$3,800,000 NR

Provides funding to continue and enhance DOT's existing contract for transportation analytics services. Funds shall be used to continue the development and optimization of cash flow models, to improve data management, and to support additional analytics services in order to improve the efficiency and operations of DOT. The revised net appropriation for data analytics is \$3,800,000 in each year of the biennium.

49 Department of Public Instruction (DPI)**Fund Code:** N/A

\$2,500,000 NR

Provides funding to DPI to administer a new charter school Transportation Grant Pilot Program to reimburse a portion of eligible student transportation costs.

(S.B. 662, H.B. 644; S.L. 2017-57, Sec. 7.35)

(This item also appears in the Education section. See page F 12, item 24.)

50 Fire Protection Grant Funds

\$158,000 R \$158,000 R

Fund Code: 0878

This item continues the transfer of funding for fire protection of DOT buildings across the State. These funds are allocated to local fire districts for fire protection of State government buildings. This continues the transfer of \$158,000 from DOT to the Office of the State Fire Marshal. The revised net appropriation for the Fire Protection Program is \$158,000 in each year of the biennium.

(This item also appears in the General Government section. See page J 35, item 32.)

51 Global TransPark**Fund Code:** 0869

\$400,000 NR \$400,000 NR

Provides funding for the development of a strategic plan, contracted marketing services, and operating support. The revised net appropriation for the Global TransPark is \$1,685,000 in FY 2017-18 and \$1,150,000 in FY 2018-19.

(S.B. 96, S.B. 97; S.L. 2017-57, Sec. 34.26)

52 Global TransPark - Relocate Highway Division 2 Division Office**Fund Code:** 0869

\$535,000 NR

Provides funding to move the Highway Division 2 Division Office to Building #5 at the Global TransPark. Renovations to Building #5 will include reconfiguring office space, addressing restroom accessibility issues, adding audio visual equipment and the DIT phone system. Moving expenses are included. The revised net appropriation for the Global TransPark is \$1,685,000 in FY 2017-18 and \$1,150,000 in FY 2018-19.

53 State Ports Authority

(\$35,000,000) R (\$35,000,000) R

Fund Code: N/A

Eliminates the Highway Fund appropriation to the North Carolina State Ports Authority and Fund Code 1288 and transfers remaining funds in the Highway Fund to the new State Ports Authority Fund established in the Highway Trust Fund.

(This item also appears within the Highway Trust Fund in the Transportation section. See page K 37, item 57.)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Total Legislative Changes	\$137,199,249	R	\$217,741,764	R
	\$44,944,262	NR	\$24,910,707	NR
Total Position Changes	22.00		22.00	
Revised Budget	\$2,190,963,770		\$2,251,497,688	

**Department of Transportation
Budget Code 84290**

Highway Trust Fund Budget

		<u>FY 2017-18</u>		<u>FY 2018-19</u>
Base Budget				
Requirements	\$	1,371,280,000	\$	1,371,280,000
Receipts	\$	-	\$	-
Net Appropriation	\$	1,371,280,000	\$	1,371,280,000
Legislative Changes				
Requirements	\$	175,848,291	\$	214,544,162
Receipts	\$	-	\$	-
Net Appropriation	\$	175,848,291	\$	214,544,162
Revised Budget				
Requirements	\$	1,547,128,291	\$	1,585,824,162
Receipts	\$	-	\$	-
Net Appropriation	\$	1,547,128,291	\$	1,585,824,162

Highway Trust Fund FTE

Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of Highway Trust Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84290										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,156,560	-	35,156,560	-	-	-	35,156,560	-	35,156,560
6005	Bond Redemption	51,785,964	-	51,785,964	(8,851,361)	-	(8,851,361)	42,934,603	-	42,934,603
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
9071	FHWA State Match - Highway Trust Fund	4,640,000	-	4,640,000	-	-	-	4,640,000	-	4,640,000
	North Carolina State Ports Authority	-	-	-	45,000,000	-	45,000,000	45,000,000	-	45,000,000
9075	Strategic Prioritization	1,221,071,211	-	1,221,071,211	139,699,652	-	139,699,652	1,360,770,863	-	1,360,770,863
Total		\$ 1,371,280,000		\$ 1,371,280,000	\$ 175,848,291	\$ -	\$ 175,848,291	\$ 1,547,128,291	\$ -	\$ 1,547,128,291

Summary of Highway Trust Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84290										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,156,560	-	35,156,560	-	-	-	35,156,560	-	35,156,560
6005	Bond Redemption	51,785,964	-	51,785,964	(10,975,777)		(10,975,777)	40,810,187	-	40,810,187
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
9071	FHWA State Match - Highway Trust Fund	4,640,000	-	4,640,000	-	-	-	4,640,000	-	4,640,000
	North Carolina State Ports Authority	-	-	-	45,000,000		45,000,000	45,000,000	-	45,000,000
9075	Strategic Prioritization	1,221,071,211		1,221,071,211	180,519,939	-	180,519,939	1,401,591,150	-	1,401,591,150
Total		\$ 1,371,280,000		\$ 1,371,280,000	\$ 214,544,162	\$ -	\$ 214,544,162	\$ 1,585,824,162	\$ -	\$ 1,585,824,162

2017 Annotated Conference Committee Report

Highway Trust Fund

HIGHWAY TRUST FUND

	FY 17-18	FY 18-19
Recommended Base Budget	\$1,371,280,000	\$1,371,280,000

Legislative Changes

Adjustment to Availability

54 Certificate of Title Fees

Fund Code: N/A

Restores the transfer of \$0.20 of the fee collected per certificate of title transaction to the Mercury Pollution Prevention Fund in the Department of Environmental Quality, decreasing Highway Trust Fund availability by \$486,538 in FY 2017-18 and \$496,154 in FY 2018-19.

(S.L. 2017-57, Secs. 4.2 and 34.37)

(This item also appears in the Department of Environmental Quality special fund in the Agriculture and Natural and Economic Resources section. See page H 42.)

Construction

55 Strategic Transportation Investments

Fund Code: 9075

\$139,699,652 R \$180,519,939 R

Modifies funding to the Strategic Transportation Investments (STI) Program. The revised net appropriation for STI is \$1,360,770,863 in FY 2017-18 and \$1,401,591,150 in FY 2018-19.

Debt Service

56 Adjustment for Debt Service Payment

Fund Code: 6005

(\$8,851,361) R (\$10,975,777) R

Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule. The revised net appropriation for debt redemption is \$42,934,603 in FY 2017-18 and \$40,810,187 in FY 2018-19.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Transfers**57 State Ports Authority**

\$45,000,000

R

\$45,000,000

R

Fund Code: N/A

Establishes a new State Ports Authority Fund and provides funds for modernization initiatives. The revised net appropriation for the State Ports Authority is \$45,000,000 in each year of the biennium. (S.L. 2017-57, Secs. 34.27 and 34.28)

(This item also appears in the Highway Fund in the Transportation section. See page K 31, item 53.)

Total Legislative Changes**\$175,848,291**

R

\$214,544,162

R

Total Position Changes**Revised Budget****\$1,547,128,291****\$1,585,824,162**

Turnpike Authority

Budget Code: 64208

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$107,913,848	\$107,913,848
Receipts	\$107,913,848	\$107,913,848
Positions	13.00	13.00

Legislative Changes**Requirements:**

Adjustment to Debt Service	\$3,452,000	R	\$7,375,000	R
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	\$0	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	\$3,452,000	R	\$7,375,000	R
	\$0	NR	\$0	NR
	0.00		0.00	

Receipts:

Debt Service Adjustment	\$3,452,000	R	\$7,375,000	R
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	\$0	NR	\$0	NR
Subtotal Legislative Changes	\$3,452,000	R	\$7,375,000	R
	\$0	NR	\$0	NR

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Revised Total Requirements	\$111,365,848	\$115,288,848
Revised Total Receipts	\$111,365,848	\$115,288,848
Change in Fund Balance	\$0	\$0
Total Positions	13.00	13.00
Unappropriated Balance Remaining	\$0	\$0

Special Provisions

2017 Session: SB 257

Department: Transportation

Section: 34.1

Title: **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS**

Summary Sets forth the amount of estimated available cash for the next 4 fiscal years beginning in FY 2019-20 to allow the Department of Transportation (DOT) to contract for payments beyond the fiscal biennium. DOT, in collaboration with the Office of State Budget and Management, is directed to develop a 4-year revenue forecast beginning in FY 2023-24.
(S.B. 430/H.B. 537)

Section: 34.2

Title: **CONTINGENCY FUNDS**

Summary Allocates \$12 million to the Contingency Fund for small transportation-related improvements. This section requires DOT to report quarterly to the Joint Legislative Transportation Oversight Committee (JLTOC) and the Fiscal Research Division (FRD) on approved projects.
(S.B. 430/H.B. 537)

Section: 34.3

Title: **REPAIRS AND RENOVATIONS**

Summary Appropriates \$5.1 million in FY 2017-18 and \$5.4 million in FY 2018-19 for repair and renovation projects.

Section: 34.4

Title: **DOT/FUNDING FOR ANALYTICS SERVICES**

Summary Authorizes DOT to use up to \$2 million in FY 2017-18 to enhance DOT's contract for transportation analytics services.

Section: 34.4A

Title: **DOT/CONSULTATION ON TRANSPORTATION PROJECTS WITH AFFECTED UTILITY PROVIDERS**

Summary Amends G.S. 134-11.1 to require DOT to consult with utility providers prior to any action by the DOT Board of Transportation on a transportation project in which the utility provider is affected.

Section: 34.5

Title: **DOT PROPERTY ACQUISITIONS/APPRaisal WAIVER VALUATIONS**

Summary Amends Article 2 of Chapter 136 to add a new section G.S. 136-19.6 which authorizes DOT to prepare an appraisal waiver valuation rather than seek an appraisal on properties valued under \$40,000 and encourages the use of this process for all properties valued under \$10,000.

Subsection (b) makes conforming changes to G.S. 146-22.2 to exempt DOT from the requirement that appraisals must be made on properties anticipated to be over \$10,000.

Subsection (c) requires DOT to consult with the NC Appraisal Board, the NC Chapter of the Appraisal Institute, and the NC Association of Realtors to develop a process to perform the appraisal valuation process. DOT will submit a report on the process to JLTOC by December 31, 2017.

Section: 34.6

Title: **ESTABLISHMENT OF ADVANCE RIGHT-OF-WAY ACQUISITION ACCOUNT**

Summary Amends Article 14 of Chapter 136 to add a new section G.S. 136-186 which creates an advance right-of-way (ROW) acquisition account to purchase ROW for hardship situations or for protective purchases. The property must be located in a multi-stage project in which sections are included and other sections are excluded in the current State Transportation Improvement Program (STIP). Up to \$25 million may be transferred to the account from the Highway Trust Fund (HTF) credit reserve. The repayment of funds, plus interest, is due in the first year the project is programmed for ROW.

Subsection (b) amends G.S. 136-189.11 to exclude advanced funds and include repayment funds from the Strategic Transportation Investments law formulas.

Section: 34.6A

Title: **ROAD IMPROVEMENTS ADJACENT TO SCHOOLS**

Summary Amends G.S. 136-18 (29a) to require school districts to be reimbursed by DOT for State-maintained road improvements. Schools are authorized to hire an independent traffic engineer to evaluate and recommend changes to off-campus road improvements for new, relocated, or expanded schools.

Subsection (b) amends Article 15 of Chapter 160A to add a new section G.S. 160A-307.1 which requires cities to pay for city-maintained road improvements related to schools that are required for safe ingress and egress to a municipal street adjoining the school site. Cities are prohibited from requiring street improvements that are more stringent than DOT's requirements.

Subsection (c) requires DOT, in collaboration with the Department of Public Instruction (DPI), to report to JLTOC and the Joint Legislative Education Oversight Committee by February 1, 2018, on school road needs from the last 2 years and upcoming needs for the next 3 years. (S.B. 296)

(S.L. 2017-197, Sec. 7.1, Budget Technical Corrections, amends this section to change the date for reimbursement from October 1 to August 1.)

Section: 34.7

Title: **USE OF FUNDS IN MOBILITY/MODERNIZATION FUND**

Summary Establishes a SPOT Mobility Program for small projects that relieve congestion. Projects are selected through a prioritization process that includes preferential treatment to projects that improve school access.

Subsection (b) provides funds for economic development, small construction projects, and industrial access projects. Small construction projects are approved by the Secretary of Transportation.

Subsection (c) provides funds for high-impact and low-cost construction projects. Funds are evenly split between the 14 highway divisions.

Subsection (d) requires DOT to report to JLTOC by March 1, 2018, on the formulas developed for the SPOT Mobility Program and the high-impact and low-cost construction projects, the types of projects funded, and the amount allocated to each project.

Section: 34.7A

Title: **DOT/DISPOSITION OF SETTLEMENT FUNDS**

Summary Amends G.S. 114-2.4A(c) to authorize the disposition of funds previously expended by DOT that have been recovered by DOT through a legal settlement. (S.B. 430/H.B. 537)

Section: 34.8

Title: **RURAL PROJECT DEVELOPMENT**

Summary Amends Article 17 of Chapter 136 to add a new section G.S. 136-214 which provides matching grant funds to small Metropolitan Planning Organizations (MPO) and to Rural Transportation Planning Organizations (RPO) for assistance in developing performance-based planning documents. The State provides 75% of the local match to eligible MPOs and RPOs with at least 1 tier 1 county and 50% of the local match to eligible MPOs and RPOs with no tier 1 counties but at least 1 tier 2 county.

Subsection (b) establishes a new Corridor Development Unit to serve as the point of contact for planning organizations (PO) to help the POs develop transportation projects in rural areas.

Subsection (c) requires DOT to report to JLTOC by April 1, 2018, on the first report and by April 1, 2019, on the second report.

Section: 34.9

Title: **EXPAND USE OF PAVEMENT PRESERVATION PROGRAM FUNDS**

Summary Amends G.S. 136-44.17(b) to include pavement markers and pavement markings as eligible activities in the Pavement Preservation Program.

Section: 34.10

Title: **CODIFY BRIDGE PROGRAM LAW**

Summary Amends Article 5 of Chapter 136 to add a new section G.S. 136-76.2 to codify the existing Bridge Program and amends G.S. 119-18(b) to reference the new statute.

(S.L. 2017-197, Sec. 7.1, Budget Technical Corrections, amends this section to allow DOT to perform eligible culvert replacement in-house in cases of emergency.)

Section: 34.11

Title: **HIGHWAY MAINTENANCE IMPROVEMENT PROGRAM/REVISE PERIODS AND CONSOLIDATE WITH OTHER IMPROVEMENT PROGRAMS**

Summary Amends G.S. 136-44.3A in Subsection (a) to change the Highway Maintenance Improvement Program (HMIP) from a 3-year to a 5-year program.

Subsection (b) expands the program to include bridge maintenance and general maintenance activities. The HMIP will also include projected changes to the condition of the highway system.

Subsection (c) requires DOT to consolidate the reports by January 1, 2020.

Subsection (d) requires DOT to file the annual reports separately prior to April 1, 2010 and to file a combined report thereafter.

Section: 34.12

Title: **REVISE CONTENT OF TRANSPORTATION IMPROVEMENT PROGRAM SCHEDULE**

Summary Amends G.S. 143B-350(f)(4) to eliminate the requirement for a report on the funding sources for improvement projects included in the State Transportation Improvement Program (STIP) and a list of changes from the prior STIP.

Section: 34.12C

Title: **DOT/FUNDING FOR PRELIMINARY ENGINEERING**

Summary Amends G.S. 136-66.8 to authorize DOT to enter into a local government agreement that allows the local government to fund preliminary engineering for projects removed from the immediately preceding STIP. DOT is authorized to reimburse the local government when the project is funded. (H.B. 468)

Section: 34.13

Title: **DOT/OUTSOURCING AND PROJECT DELIVERY REPORTS**

Summary Amends Article 1 of Chapter 136 to add a new section G.S.136-12.3 which codifies outsourcing and project delivery reporting requirements.

Subsection (a) establishes a target of 60% of the total cost of preconstruction activities be outsourced in each of the 14 highway divisions.

Subsection (b) requires each highway division to report to JLTOC by September 1 and March 1 of each year on all payments made to private contractors for preconstruction activities.

Subsection (c) requires DOT to report on the status of project completions and delays to JLTOC by March 1 of each year.

Subsection (d) allows DOT to combine the March 1 reports required in Subsections (b) and (c).

Subsection (e) requires a consultation by the Division Engineer if 2 consecutive reports submitted under subsection (b) do not meet the targets. The Division Engineer is also required to consult if 3 or more projects are delayed by more than 1 year as shown in the report required in subsection (c). A request for consultation will be submitted by the Division Engineer to JLTOC if during the interim, or to the Chairs of the Appropriations Committees on Transportation if the legislature is in session.

Section: 34.14

Title: **BOARD OF TRANSPORTATION/STUDY FEE STRUCTURE FOR SERVICES PERFORMED BY THE HIGHWAY DIVISION**

Summary Requires DOT to study the utilization of highway fees, such as driveway permits or logo signs, to fully offset costs incurred by DOT and report its findings to JLTOC by January 1, 2018.

Section: 34.15

Title: **ALIGN DOT'S PROGRAM FOR PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND WOMEN-OWNED BUSINESSES WITH FEDERAL LAW**

Summary Amends G.S. 136-28.4 to require DOT to develop a plan to conform the State's disadvantaged minority-owned and women-owned business programs to the federal DOT program, which combines the minority-owned and women-owned program into 1 disadvantaged business program. The State program is extended through August 31, 2022. DOT will report its plan and any recommendations to JLTOC by February 1, 2018, and implement its plan by April 1, 2018. (S.B. 3/H.B. 110)

Section: 34.16

Title: **"DOT REPORT" PROGRAM REVISIONS**

Summary Amends G.S. 136-18.05 to change the reporting requirements for the "DOT Report" program to include a monthly report of citizen complaints. The report is sent to JLTOC, the FRD, and the Chairs of the Appropriations Committees on Transportation. This provision requires DOT to transmit the Base Unit Pricing report to JLTOC, the FRD, and the Chairs of the Appropriations Committees on Transportation 15 days following the end of a quarter. The report will explain why the unit pricing was outside of the 10% variance threshold.

Section: 34.16A

Title: **DOT/CLOSE STATE INFRASTRUCTURE BANK**

Summary Directs DOT to close the State Infrastructure Bank (SIB) and transfer funds remaining in the account after outstanding loans are repaid. This section also prohibits further loans or other financial assistance from being made from the SIB.

Section: 34.17

Title: **STATE AID TO MUNICIPALITIES/NO FUNDS IF MUNICIPALITY FAILS TO FILE STATEMENT AND STUDY HOW TO ACCOUNT FOR SEASONAL POPULATION SHIFTS**

Summary Amends G.S. 136-41.3 to prohibit the use of Powell Bill funds for the construction of a sidewalk with obstructions. G.S. 36-41.3(b1) is amended to prohibit municipalities from receiving funds until the required expenditure report is submitted.

Subsection (b) requires DOT to study how to adjust the allocation formula to account for seasonal shifts in municipal populations and report to JLTOC by December 1, 2017.

Section: 34.17A

Title: **DOT/DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY OF WILMINGTON FROM LIABILITY FOR MAP ACT CLAIMS**

Summary Amends G.S. 136-44.50(g) to authorize DOT to hold harmless the City of Wilmington against any claims, civil actions, and proceedings related to or arising out of the city's adoption, filing, or amendment of the Military Cutoff Road Extension corridor protection map.

Section: 34.18

Title: **EXTEND MORATORIUM ON ADOPTION OF NEW MAPS UNDER THE MAP ACT**

Summary Amends G.S. 136-44.50(h) to extend the moratorium that prohibits the filing of new transportation corridor maps by 1 year.

Section: 34.18A

Title: **DOT/INCREASE CONSOLIDATION AND COORDINATION OF PUBLIC TRANSPORTATION SYSTEMS**

Summary Amends G.S. 136-44.20 to authorize DOT to annually allocate funds to qualifying public transportation systems that submit plans to consolidate or coordinate with another system in order to maximize resources, gain efficiencies, and increase access to public transportation. Of the funds allocated, a public transportation system cannot receive more than \$200,000 annually.

DOT is required to establish the criteria for approving plans submitted by public transportation systems by September 1, 2017. Additionally, DOT will post the established criteria on its website.

DOT is required, beginning December 1, 2017, and annually thereafter, to report to JLTOC on: (i) each public transportation system provided funding, (ii) the amount of funds disbursed to each public transportation system, and (iii) the purpose(s) for how each public transportation system has used the funds.

Section: 34.19

Title: **FUNDING FOR AIRPORT IMPROVEMENTS AND DEBT SERVICE**

Summary Allocates \$40 million in FY 2017-18 and \$75 million in FY 2018-19 appropriations for capital improvements to the State's 10 commercial airports as follows:

Nonrecurring funds in FY 2017-18 are:

- Raleigh-Durham International Airport (\$21,282,131)
- Albert J. Ellis Airport (\$864,708)
- Asheville Regional Airport (\$2,026,331)
- Coastal Carolina Regional Airport (\$653,162)
- Concord Regional Airport (\$586,901)
- Fayetteville Regional Airport (\$1,139,670)
- Piedmont Triad International Airport (\$7,123,082)
- Pitt-Greenville Airport (\$377,070)
- Wilmington International Airport (\$5,946,945)

Nonrecurring funds in FY 2018-19 are:

- Albert J. Ellis Airport (\$864,708)
- Asheville Regional Airport (\$2,026,331)
- Coastal Carolina Regional Airport (\$653,162)
- Concord Regional Airport (\$586,901)
- Fayetteville Regional Airport (\$1,139,670)
- Piedmont Triad International Airport (\$7,123,082)
- Pitt-Greenville Airport (\$377,070)
- Wilmington International Airport (\$5,946,945)
- Charlotte Douglas International Airport (\$25,000,000)
- The Raleigh-Durham International Airport is allocated \$31,282,131 on a recurring basis

DOT is required to report to JLTOC on the use(s) by each airport of the funds allocated by March 1, 2019.

(S.B. 351)

Section: 34.20

Title: **REQUIRE USE OF OUTSIDE VENDOR TO SELL SIKORSKY HELICOPTER**

Summary Amends Section 34.10(a) of S.L. 2014-100, Appropriations Act of 2014, to direct the Division of Aviation (DoA) to contract with an outside vendor to sell the Sikorsky S-76C helicopter. DoA shall identify and contract with an outside vendor by August 1, 2017, and report on the details of the contract entered into to JLTOC by August 15, 2017.

Section: 34.21

Title: **REVISE USE OF TAXES COLLECTED ON AVIATION GASOLINE AND JET FUEL**

Summary Amends G.S. 105-164.44M to direct that the tax collected on aviation gasoline and jet fuel and transferred to the Highway Fund be used solely for time-sensitive aviation capital improvement projects for economic development purposes at general aviation airports.

Section: 34.21A

Title: **AVIATION/TECHNICAL CORRECTION**

Summary Amends G.S. 63-47 to replace references to the Civil Aeronautics Administration with Federal Aviation Administration.

Section: 34.21B

Title: **DIVISION OF AVIATION/ITRE FUNDS**

Summary Allows DoA to allocate up to \$1 million nonrecurring from available funds for FY 2017-18 to the Institute for Transportation Research and Education at North Carolina State University for Localized Unmanned Aircraft Systems Traffic Management Solutions.

Section: 34.22

Title: **ANNUAL REPORT/PROGRESS OF PROJECTS IDENTIFIED IN PLANS FUNDED FROM BICYCLE AND PEDESTRIAN PLANNING GRANT FUNDS**

Summary Amends Article 2 of Chapter 136 of the General Statutes to add a new section G.S. 136-41.5 which requires the Division of Bicycle and Pedestrian Transportation to submit an annual report by May 15th on the progress of projects identified in Bicycle and Pedestrian Planning Grants over the 10-year period prior to the report. The Division is required to submit the annual report to the Chairs of the Appropriations Committees on Transportation and the FRD.

Section: 34.23

Title: **RAIL DIVISION/FIVE-YEAR SPENDING PLAN FOR FRRCSI**

Summary Requires the Rail Division to develop a 5-year spending plan for the Freight Rail & Rail Crossing Safety Improvement Fund. The Rail Division is required to submit the spending plan to JLTOC by December 1, 2017.

Section: 34.24

Title: **RAIL DIVISION/REPORT REQUIRED PRIOR TO ENTERING INTO CERTAIN CONTRACTS**

Summary Requires the Rail Division to report to JLTOC prior to entering into a contract with a duration of more than 5 years and a cost to the State equal to or greater than \$1.5 million. The Rail Division's report shall identify: (1) total cost of the proposed contract, (2) duration of the proposed contract, (3) other party or parties to the proposed contract, and (4) other terms of the proposed contract deemed relevant by the Rail Division. The reporting requirement expires June 30, 2022.

Section: 34.26

Title: **GLOBAL TRANSPARK/STRATEGIC PLAN AND MARKETING**

Summary Requires the Global TransPark to develop a strategic plan by January 1, 2018 and report its plan to JLTOC by January 15, 2018.

Subsection (b) requires the Global TransPark to contract with an outside vendor to provide marketing services by February 1, 2018 and report to JLTOC the details of the contract by February 15, 2018.

Subsection (c) directs the DOT Communications Office to manage the website for the Global TransPark.
(S.B. 96, S.B. 97)

(S.L. 2017-197, Sec. 7.2, Budget Technical Corrections, amends Section 34.26(a) to extend the reporting requirement for the Global TransPark's Strategic Plan to March 15, 2018.)

Section: 34.27

Title: **NORTH CAROLINA STATE PORTS AUTHORITY/FUNDS FOR DEBT SERVICE AND CAPITAL PROJECTS**

Summary Amends G.S. 136-176 to add the North Carolina State Ports Authority to the Highway Trust Fund, exempt the Authority from the Transportation Investment Strategy Formula, and authorize the Authority to use funds appropriated for debt service or other related financing costs and expenses, and capital projects.

Section: 34.28

Title: **STATE PORTS AUTHORITY/FUNDING FOR DREDGING**

Summary Authorizes the North Carolina State Ports Authority to spend up to \$15 million nonrecurring from available funds for the dredging of approaches to State ports facilities.

Section: 34.28A

Title: **DREDGING SERVICES COST-BENEFIT ANALYSIS**

Summary Requires DOT and the Department of Environmental Quality (DEQ) to jointly perform a cost-benefit analysis to determine whether the State or a private contractor(s) can most effectively and efficiently provide dredging services. The Departments are required to identify: (i) cost savings, (ii) time savings, (iii) if private dredging can support all dredging needs of the State, and (iv) how to structure a contract with a private contractor(s) to maximize benefits to the State. DOT and DEQ are required to report their findings to JLTOC and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by February 1, 2018.

(S.L. 2017-212, Sec. 6.1, Budget & Agency Technical Corrections, amends Section 34.28A(b) to extend the reporting requirement for the joint dredging study by DOT and DEQ to April 1, 2018.)

Section: 34.28B

Title: **FERRY VESSEL PRIORITY BOARDING/CLARIFICATION**

Summary Amends G.S. 136-82(f3) to clarify that the owner of an annual priority boarding pass may use the pass on all of the owner's vehicles.

Section: 34.28C

Title: **FERRY DIVISION/LIFE-CYCLE PLAN FOR TERMINAL STRUCTURE REPAIRS AND REPLACEMENTS**

Summary Requires the Ferry Division to develop a detailed life-cycle plan for the repair and replacement of terminal structures, including ramp and gantries. The plan will also include a cost-benefit analysis of repair versus replacement of terminal structures. The Ferry Division is required to submit the plan to JLTOC by November 1, 2017.

Section: 34.29

Title: **STUDY/USE OF DREDGE MANTEO**

Summary Requires DOT to study the use of the dredge vessel, Dredge Manteo, and report on the estimated annual cost to the State to operate and maintain the dredge vessel and a plan to allow use of the dredge by other State departments and agencies. DOT is required to report its findings to JLTOC by December 1, 2017.

(S.L. 2017-212, Sec. 6.2, Budget & Agency Technical Corrections, amends Section 34.29 to extend the reporting requirement for the Dredge Manteo study to April 1, 2018.)

Section: 34.30

Title: **DOT PERFORMANCE DASHBOARD/TRACK DMV PROGRESS**

Summary Requires DOT to expand the performance dashboard on its website by October 1, 2017 to track the following information regarding the Division of Motor Vehicles (DMV)'s number of:

1. Motor vehicles registrations issued per month and year-to-date,
2. Motor vehicle registrations renewed per month and year-to-date,
3. Driver's licenses issued per month and year-to-date,
4. Driver's licenses renewed per month and year-to-date,
5. Motor vehicle registrations renewed online per month and year-to-date,
6. Driver's licenses renewed online per month and year-to-date, and
7. Persons employed by DMV as of the first of each month.

Section: 34.31

Title: **DMV/PURCHASE CREDIT CARD PAYMENT PROCESSING DEVICES**

Summary Requires DMV to purchase, and not lease, credit payment processing devices. The purchase price of the devices must include the same terms and conditions for repair and/or replacement covered under a lease arrangement.

Section: 34.32

Title: **DMV/HEARING FEE IMPLEMENTATION REVISIONS**

Summary Amends Section 29.30A of S.L. 2015-241, 2015 Appropriations Act, to require DMV to implement a schedule of fees by January 1, 2018, to recover the costs incurred by the Hearings Unit. The proceeds of the fees will be deposited in a fund established for the Hearings Unit. Except as otherwise provided by an act of the General Assembly, the Hearings Unit is to be fully funded from the proceeds collected from the fees.
(S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 7.3, Budget Technical Corrections, amends this section to replace the word "individuals" with "any person".)

Section: 34.33

Title: **DMV/STUDY STREAMLINING IFTA AND IRP PROCESSES**

Summary Requires DMV, in consultation with the Department of Revenue, to study streamlining the process motor carriers must follow to comply with the International Fuel Tax Agreement and the International Registration Plan. The study will examine the feasibility of consolidating the processes within DMV. DMV must report its findings to JLTOC by March 1, 2018.

Section: 34.34

Title: **PILOT PROJECT/FUNDING FOR REST AREA IN RICHMOND COUNTY**

Summary Directs DOT to develop and implement a pilot project to provide funding for operating a rest area on U.S. Highway 220 in Richmond County. The rest area is provided \$100,000 nonrecurring in each year of the biennium from the Roadside Environmental Fund. DOT will report on the results of the pilot project to JLTOC by December 1, 2018. The report will include information on: (i) average daily number of visitors, (ii) average monthly number of visitors, (iii) the total number of visitors, and (iv) average annual costs to operate the rest area.

Section: 34.35

Title: **ASSET MANAGEMENT LONG RANGE FACILITY PLANNING/DMV NEW BERN AVENUE PROPERTY RELOCATION**

Summary Requires DOT to include in its Asset Management Long Range Facility Planning a plan for relocating the DMV property located on New Bern Avenue in the City of Raleigh. DOT is required to report this information to JLTOC by May 1, 2018.
(S.B. 430/H.B. 537)

Section: 34.36

Title: **STUDY/ELIMINATE USE OF NURSES IN MEDICAL REVIEW PROGRAM**

Summary Requires DMV to study the feasibility of eliminating the use of nurses in its Medical Review Program. The study will include an examination of the issues that may occur from using only the recommendation of the applicant's or licensee's examining health care provider. DMV will report its findings to JLTOC by December 1, 2017.

Section: 34.37

Title: **RESTORE MERCURY SWITCH REMOVAL FUNDING**

Summary Amends G.S. 20-85(a1) to restore the transfer of \$0.20 of the fee for vehicle titling transactions to the Mercury Pollution Prevention Fund in the DEQ.

Section: 34.39

Title: **DOT/TRAFFIC IMPACT ANALYSIS TIME FRAME**

Summary Amends G.S. 136-93.1A to provide a time frame in which DOT must make a decision on a Traffic Impact Analysis (TIA). This section requires DOT to communicate the scope of a TIA to an applicant within 10 business days from the day DOT receives the proposed scope and requires DOT to review and make a decision as to the completeness of a TIA within 20 business days from the day DOT receives the TIA. DOT is authorized to use up to \$100,000 in FY 2017-18 to pay for administrative costs.

Beginning October 1, and annually thereafter, DOT will report to JLTOC on the number of times DOT failed to meet the required time frames.
(H.B. 528)

Section: 34.40

Title: **EXCAVATION OR DEMOLITION NOTICE REQUIREMENTS/CLARIFY EXEMPTION**

Summary Amends G.S. 87-124 to clarify the exemptions granted for the notice requirements for excavation and demolition during routine maintenance of a ROW.

Section: 34.41

Title: **DMV/SALE OF UNCLAIMED VEHICLES PROCESS IMPROVEMENT**

Summary Amends G.S. 20-77(d) to require DMV to make all forms for the sale of unclaimed vehicles available on the DMV website and accept the electronic submission and signatures of required forms. DMV must meet the requirements of this section by October 1, 2017.
(S.B. 412)

Section: 34.42

Title: **SALE OF LINWOOD SPRINGS GOLF COURSE/RIGHT OF FIRST REFUSAL FOR CITY OF GASTONIA**

Summary Requires DOT to first offer to sell the Linwood Springs Golf Course property to the City of Gastonia for fair market value if it chooses to sell the land. Any mitigation credits must be transferred along with the property before the land is sold.

Section: 34.43

Title: **STATE PARK ROADS/INCREASE ALLOWABLE MAINTENANCE COSTS**

Summary Requires DOT to use \$750,000 from the General Maintenance Reserve for road improvements located within a State park. DOT and the Division of Parks and Recreation of the Department of Natural and Cultural Resources are directed to compile a 5-year capital needs plan to address road maintenance needs and costs and report to JLTOC and the Joint Legislative Oversight Committee on ANER by February 15, 2018.

Special Provisions

2017 Session: HB 528

Department: Transportation

Section: 7.1

Title: **TECHNICAL CHANGE: CULVERT REPLACEMENTS**

Summary Amends S.L. 2017-57, Sec. 34.10, Appropriations Act of 2017, to allow DOT to replace culverts in-house in cases of emergency.

Section: 7.2

Title: **TECHNICAL CHANGE: GLOBAL TRANSPARK STRATEGIC PLAN**

Summary Amends S.L. 2017-57, Sec. 34.26, Appropriations Act of 2017, to extend the reporting date for the Global TransPark's Strategic Plan from January 1, 2018 to March 1, 2018.

Section: 7.3

Title: **TECHNICAL CHANGE: DMV/HEARING FEE IMPLEMENTATION**

Summary Amends S.L. 2017-57, Sec.34.32, Appropriations Act of 2017, to replace the word "individuals" with "any person".

Section: 7.4

Title: **BUDGET CHANGE: FAIR BLUFF AND TABOR CITY VISITOR CENTERS**

Summary Amends S.L. 2017-57, Appropriations Act of 2017, by adding a new Section 34.44 to require DOT to continue to provide funding under G.S. 20-79.7(c)(2) to the visitor center in the Town of Fair Bluff upon reopening, and to the visitor center in the Town of Tabor City so long as the center remains open and operational.

Section: 7.5

Title: **TECHNICAL CHANGE: ROAD IMPROVEMENTS FOR SCHOOLS**

Summary Amends S.L. 2017-57, Sec. 34.6(A), Appropriations Act of 2017, to change the effective date requiring DOT to reimburse school districts for road improvements on State-maintained roads adjacent to schools from October 1, 2017 to August 1, 2017.

Special Provisions

2017 Session: SB 582

Department: Transportation

Section: 6.1

Title: **TECHNICAL CHANGE: DOT AND DEQ JOINT DREDGING STUDY**

Summary Amends S.L. 2017-57, Sec. 34.28A(b), Appropriations Act of 2017, to extend the reporting date for the joint dredging study by DOT and DEQ from February 1, 2018 to April 1, 2018.

Section: 6.2

Title: **TECHNICAL CHANGE: DREDGE MANTEO STUDY**

Summary Amends S.L. 2017-57, Sec. 34.29, Appropriations Act of 2017, to extend the reporting date for the Dredge Manteo study from December 1, 2017 to April 1, 2018.

**Reserves,
Debt Service,
and
Other Adjustments
Section L**

**Statewide Reserves
Budget Code Multiple**

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$728,872,213	\$728,872,213
Receipts	\$18,653,595	\$18,653,595
Net Appropriation	\$710,218,618	\$710,218,618
Legislative Changes		
Requirements	\$203,873,707	\$270,301,305
Receipts	\$0	\$0
Net Appropriation	\$203,873,707	\$270,301,305
Revised Budget		
Requirements	\$932,745,920	\$999,173,518
Receipts	\$18,653,595	\$18,653,595
Net Appropriation	\$914,092,325	\$980,519,923

General Fund FTE

Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Statewide Reserves		Base Budget			Legislative Changes			Revised Budget		
Budget Code Multiple										
Budget Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19001	Contingency and Emergency Fund	5,000,000	-	5,000,000	(5,000,000)	-	(5,000,000)	-	-	-
19004	Salary Adjustment Fund	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
19048	Workers' Compensation Settlement Reserve	-	-	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
19068	General Fund Reserve- Pending Legislation	500,000	-	500,000	99,650,000	-	99,650,000	100,150,000	-	100,150,000
19082	Film and Entertainment Grant Fund Reserve	-	-	-	15,000,000	-	15,000,000	15,000,000	-	15,000,000
19420	General Debt Service	721,755,833	18,653,595	703,102,238	24,064,101	-	24,064,101	745,819,934	18,653,595	727,166,339
19425	Federal Reimbursement - Debt Service	1,616,380	-	1,616,380	-	-	-	1,616,380	-	1,616,380
Undesignated Items										
N/A	Classification and Compensation System	-	-	-	3,900,000	-	3,900,000	3,900,000	-	3,900,000
N/A	Enterprise Resource Planning Project	-	-	-	3,000,000	-	3,000,000	3,000,000	-	3,000,000
N/A	NC Promise Tuition Plan Reserve	-	-	-	-	-	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	9,688,494	-	9,688,494	9,688,494	-	9,688,494
N/A	Public Schools ADM Reserve	-	-	-	-	-	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	46,571,112	-	46,571,112	46,571,112	-	46,571,112
Total		\$728,872,213	\$18,653,595	\$710,218,618	\$203,873,707	\$0	\$203,873,707	\$932,745,920	\$18,653,595	\$914,092,325

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Statewide Reserves										
Budget Code Multiple		Base Budget			Legislative Changes			Revised Budget		
Budget Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19001	Contingency and Emergency Fund	5,000,000	-	5,000,000	(5,000,000)	-	(5,000,000)	-	-	-
19004	Salary Adjustment Fund	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
19048	Workers' Compensation Settlement Reserve	-	-	-	-	-	-	-	-	-
19068	General Fund Reserve- Pending Legislation	500,000	-	500,000	-	-	-	500,000	-	500,000
19082	Film and Entertainment Grant Fund Reserve	-	-	-	31,000,000	-	31,000,000	31,000,000	-	31,000,000
19420	General Debt Service	721,755,833	18,653,595	703,102,238	67,356,498	-	67,356,498	789,112,331	18,653,595	770,458,736
19425	Federal Reimbursement - Debt Service	1,616,380	-	1,616,380	-	-	-	1,616,380	-	1,616,380
Undesignated Items										
N/A	Classification and Compensation System	-	-	-	7,800,000	-	7,800,000	7,800,000	-	7,800,000
N/A	Enterprise Resource Planning Project	-	-	-	10,000,000	-	10,000,000	10,000,000	-	10,000,000
N/A	NC Promise Tuition Plan Reserve	-	-	-	11,000,000	-	11,000,000	11,000,000	-	11,000,000
N/A	Pay Plan Reserve	-	-	-	-	-	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	48,410,289	-	48,410,289	48,410,289	-	48,410,289
N/A	UNC System Growth Reserve	-	-	-	94,734,518	-	94,734,518	94,734,518	-	94,734,518
Total		\$728,872,213	\$18,653,595	\$710,218,618	\$270,301,305	\$0	\$270,301,305	\$999,173,518	\$18,653,595	\$980,519,923

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Statewide Reserves					
Budget Code Multiple		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Budget Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
19001	Contingency and Emergency Fund	-	-	-	-
19004	Salary Adjustment Fund	-	-	-	-
19048	Workers' Compensation Settlement Reserve	-	-	-	-
19068	General Fund Reserve- Pending Legislation	-	-	-	-
19082	Film and Entertainment Grant Fund Reserve	-	-	-	-
19420	General Debt Service	-	-	-	-
19425	Federal Reimbursement - Debt Service	-	-	-	-
N/A	Classification and Compensation System	-	-	-	-
N/A	Enterprise Resource Planning Project	-	-	-	-
N/A	NC Promise Tuition Plan Reserve	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	-
					-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Statewide Reserves					
Budget Code Multiple		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Budget Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
19001	Contingency and Emergency Fund	-	-	-	-
19004	Salary Adjustment Fund	-	-	-	-
19048	Workers' Compensation Settlement Reserve	-	-	-	-
19068	General Fund Reserve- Pending Legislation	-	-	-	-
19082	Film and Entertainment Grant Fund Reserve	-	-	-	-
19420	General Debt Service	-	-	-	-
19425	Federal Reimbursement - Debt Service	-	-	-	-
N/A	Classification and Compensation System	-	-	-	-
N/A	Enterprise Resource Planning Project	-	-	-	-
N/A	NC Promise Tuition Plan Reserve	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	-
Total FTE		-	-	-	-

Statewide Reserves

		GENERAL FUND	
		FY 17-18	FY 18-19
Recommended Base Budget		\$710,218,618	\$710,218,618
Legislative Changes			
A. Salaries and Benefits			
1 Classification and Compensation System	\$3,900,000	R	\$7,800,000 R
Budget Code: N/A			
Provides funding to be used to implement the new Classification and Compensation System for State employees. These funds are to increase salaries for any net appropriation supported salary to the minimum of their salary range under the new System. (S.L. 2017-57, Sec. 35.13)			
2 Pay Plan Reserve	\$9,688,494	NR	
Budget Code: N/A			
Creates a new Reserve to fill any shortfall in salary and benefits appropriations for positions compensated pursuant to an eligible pay plan. The revised net appropriation to the Reserve in FY 2017-18 is \$9.7 million. (S.L. 2017-57, Sec. 35.17)			
3 Workers' Compensation Settlement Reserve	\$2,000,000	NR	
Budget Code: 19048			
Provides nonrecurring funding to the Office of State Human Resources to close existing workers' compensation claims. (S.B. 430/H.B. 537)			
4 Salary Adjustment Fund	\$5,000,000	R	\$5,000,000 R
Budget Code: 19004			
Provides \$5 million in recurring funds to provide additional compensation to positions that are difficult to recruit or retain.			
Total revised net appropriations for State and local employee salaries are \$12.0 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 35.14)			

B. Debt Service**5 Debt Service Adjustment**

\$24,064,101 R \$67,356,498 R

Budget Code: 19420

Increases the General Fund debt service funding to pay increased costs anticipated for the Connect NC Bond. The revised net appropriation for debt service in FY 2017-18 is \$727,166,339. The revised net appropriation for debt service in FY 2018-19 is \$770,458,736.
(S.B. 430/H.B. 537)

C. Other Reserves**6 Pending Legislation (Supplemental Disaster Recovery Funds)**

\$100,000,000 NR

Budget Code: 19068

Provides funds for pending legislation that would address unmet needs related to disasters covered by the Disaster Recovery Act of 2016 (S.L. 2016-124). The revised net appropriation for the Pending Legislation Reserve (Reserve), net of all changes made in this section, is \$100,150,000 in FY 2017-18 and \$500,000 in FY 2018-19. The revised net appropriation for disaster recovery over a 2-year period is increased from \$210.9 million to \$310.9 million.
(S.B. 430/H.B. 537)

7 Pending Legislation (Base Budget)

(\$350,000) NR

Budget Code: 19068

Reduces funding for the Pending Legislation Reserve on a nonrecurring basis in FY 2017-18 only. The revised net appropriation for the Reserve, net of all changes made in this section, is \$100,150,000 in FY 2017-18 and \$500,000 in FY 2018-19.

8 Pending Legislation (Competitive Energy Solutions for NC)**Budget Code:** 19068

Reserves \$150,000 in FY 2017-18 only to support the requirements of H.B. 589, Competitive Energy Solutions for NC, from funds appropriated to the Pending Legislation Reserve. The revised net appropriation for the Reserve, net of all changes made in this section, is \$100,150,000 in FY 2017-18 and \$500,000 in FY 2018-19.
(H.B. 589)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

9 Film and Entertainment Grant Fund

\$15,000,000

R

\$31,000,000

R

Budget Code: 19082

Provides funds for the Film and Entertainment Grant Fund program established in G.S. 143B-437.02A to encourage the production of motion pictures, television shows, and commercials and to develop the filmmaking industry within the State. The revised net appropriation for the program is \$15.0 million in FY 2017-18 and \$31.0 million in FY 2018-19. Total funds available to the program in FY 2017-18 are \$33.6 million, including a projected unencumbered fund balance of \$18.6 million at the end of FY 2016-17. (S.B. 358/H.B 473; S.L. 2017-57, Sec. 15.25)

10 Contingency and Emergency Fund

(\$5,000,000)

R

(\$5,000,000)

R

Budget Code: 19001

Eliminates the recurring appropriation for the Contingency and Emergency Fund. A \$1.8 million balance remains in the Fund. (S.L. 2017-57, Sec. 6.1)

11 Public Schools Average Daily Membership (ADM)

\$48,410,289

R

Budget Code: N/A

Provides additional funds for projected increases in allotted ADM in FY 2018-19. There are projected to be an additional 8,239 students in FY 2018-19, as compared to FY 2017-18. Total allotted ADM for FY 2018-19 is 1,560,877. Funding for increased ADM in FY 2017-18 is provided in the Department of Public Instruction budget in the Education section of the Conference Committee Report.

(A related item also appears in the Education section. See page F 9, item 14.)

12 University of North Carolina System Growth Reserve

\$46,571,112

R

\$94,734,518

R

Budget Code: N/A

Provides funds for enrollment increases for the University of North Carolina system, to be held in a reserve under the control of the Office of State Budget and Management, and to be distributed to the campuses upon verification of actual enrollment changes.

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

13 NC Promise Tuition Plan

\$11,000,000 R

Budget Code: N/A

Establishes a reserve for NC Promise, which sets tuition at \$500 per semester for North Carolina residents and \$2,500 per semester for non-residents at three UNC institutions (G.S. 116-143.11). This reserve will be used to support increased enrollment at each institution. After this reserve is distributed in FY 2018-19, the revised net appropriation for NC Promise would be \$51.0 million.

14 Enterprise Resource Planning**Budget Code:** N/A

\$3,000,000 NR \$10,000,000 NR

Provides funds for the creation of an Enterprise Resource Planning (ERP) system. The revised net appropriation for the ERP system is \$3.0 million for FY 2017-18 and \$10.0 million for FY 2018-19. (S.B. 430/H.B. 537; S.L. 2017-57, Sec. 37.6)

Total Legislative Changes

\$89,535,213	R	\$260,301,305	R
\$114,338,494	NR	\$10,000,000	NR

Total Position Changes**Revised Budget**

\$914,092,325	\$980,519,923
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Special Provisions

2017 Session: SB 257

Department: Availability and Appropriations

Section: 1.1

Title: **TITLE OF ACT**

Summary: Sets forth the title of S.L. 2017-57, Appropriations Act of 2017, as the "Current Operations Appropriations Act of 2017."

Section: 1.2

Title: **INTRODUCTION**

Summary: Specifies that the amounts appropriated in the budget are for the maximum amounts necessary and that savings shall revert to the appropriate fund at the end of the fiscal year.

Section: 2.1

Title: **CURRENT OPERATIONS AND EXPANSION/GENERAL FUND**

Summary: Sets forth the net General Fund appropriations for State agencies, departments, and statewide reserves for the FY 2017-19 Biennium.

(S.L. 2017-197, Sec 1.1, Budget Technical Corrections, amends this section to correct various State agency net General Fund appropriations.)

Section: 2.2

Title: **GENERAL FUND AVAILABILITY STATEMENT**

Summary: Sets forth the General Fund availability for the FY 2017-19 Biennium. This section also mandates transfers and reserves from the General Fund as follows:

1. Savings Reserve Account - \$363,928,370
2. Repairs and Renovation Reserve - \$125,000,000
3. Medicaid Transformation Fund - \$75,000,000
4. Department of Transportation - \$10,000,000
5. Golden L.E.A.F. - \$7,500,000

Section: 3.1

Title: **CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND**

Summary: Sets forth the net appropriations of the Highway Fund budget for the FY 2017-19 Biennium.

Section: 3.2

Title: **HIGHWAY FUND AVAILABILITY STATEMENT**

Summary: Sets forth the revenue sources in the Highway Fund used in developing the Department of Transportation (DOT) FY 2017-19 biennial budget.

Section: 4.1

Title: **HIGHWAY TRUST FUND APPROPRIATIONS**

Summary: Sets forth the net appropriations for the Highway Trust Fund budget for the FY 2017-19 Biennium.

Section: 4.2

Availability and Appropriations

Title: **HIGHWAY TRUST FUND AVAILABILITY STATEMENT**

Summary: Sets forth the availability for appropriations from the Highway Trust Fund to support the operations of the DOT during the FY 2017-19 Biennium.

Section: 5.1

Title: **CASH BALANCES AND OTHER APPROPRIATIONS**

Summary: Appropriates, by reference to the Governor's Budget Support Document, all State agency cash balances and receipts, special revenue funds, and other funds for the FY 2017-19 Biennium as required by the North Carolina Constitution.

Section: 5.2

Title: **OTHER RECEIPTS FROM PENDING GRANT AWARDS**

Summary: Sets forth the requirements for conditional appropriations of agency grant awards not included in this Act. Grant awards for less than \$2.5 million are deemed appropriated and are available for expenditure after granted approval by the Director of the Budget. After consultation with the Joint Legislative Commission on Governmental Operations (JLCGO), agency grant awards in excess of \$2.5 million are deemed appropriated and are available for expenditure.

Section: 5.3

Title: **EDUCATION LOTTERY FUNDS/CHANGES TO REVENUE ALLOCATIONS/NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND**

Summary: Appropriates State Lottery funds for public school purposes and sets forth the allocation and conditions for use of those funds. This section also establishes the Needs-Based Public School Capital Fund, dedicating 16.9% of net Education Lottery proceeds for matching grants to assist local governments with qualifying public school capital projects.

This section amends G.S. 18C-163(b) to authorize the expenses of the Lottery Fund to include advertising. The section also amends G.S. 18C-164 to set the minimum balance of the Lottery Reserve at \$25.0 million and to set the parameters for transfers within the Lottery Fund.

Finally, this section requires the Superintendent of Public Instruction to report annually on or before May 1, beginning in 2018, to the House Appropriations Committee on Education, Senate Appropriations Committee on Education/Higher Education and the Fiscal Research Division (FRD).

(S.L. 2017-197, Sec. 1.2, Budget Technical Corrections, amends this section to add a new subsection (i) to direct the JLCGO to appoint a committee to study the newly created Needs-Based Public School Capital Fund. The committee is required to report to the JLCGO on or before February 1, 2018.)

Section: 5.4

Title: **CIVIL PENALTY AND FORFEITURE FUND**

Summary: Delineates appropriations for public school purposes from the Civil Penalty and Forfeiture Fund for the FY 2017-19 Biennium.

This section also amends G.S. 20.88.03(b) to clarify that the clear proceeds from the late fee established during the 2015 legislative session for motor vehicle registrations is dedicated to the State's public school drivers education program.

Section: 5.5

2017 Annotated Conference Committee Report

Title: **INDIAN GAMING EDUCATION REVENUE FUND**

Summary: Notwithstands G.S. 143C-9-7 to transfer \$6.0 million from the Indian Gaming Education Revenue Fund to the Department of Public Instruction's Textbooks and Digital Resources Allotment.

2017 Session: HB 528

Department: Availability and Appropriations

Section: 1.1

Title: **TECHNICAL CHANGE: AGENCY NET GENERAL FUND APPROPRIATIONS CORRECTIONS**

Summary: Amends S.L. 2017-57, Sec. 2.1, Appropriations Act of 2017, to correct the net General Fund appropriations for various State agencies.

Section: 1.2

Title: **BUDGET CHANGE: STUDY NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND PROGRAM**

Summary: Amends S.L. 2017-57, Sec. 5.3, Appropriations Act of 2017, to add a new subsection (i) to direct the Joint Legislative Commission on Governmental Operations (JLCGO) to appoint a committee to study the newly-created Needs-Based Public School Capital Fund. The committee is required to report to the JLCGO on or before February 1, 2018.

Special Provisions

2017 Session: SB 257

Department: General Provisions

Section: 6.1

Title: **CONTINGENCY AND EMERGENCY FUND LIMITATION AND TRANSFER**

Summary: Sets forth the allowable uses of the Contingency and Emergency Fund and transfers \$7.0 million from the Fund to General Fund availability.

Section: 6.2

Title: **ESTABLISHING OR INCREASING FEES**

Summary: Notwithstanding G.S. 12-3.1 to allow State agencies to proceed with fee adjustments authorized in this Act without prior consultation with the JLCGO.

Section: 6.3

Title: **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

Summary: Amends G.S.143C-4-8 to codify a longstanding restriction (included in previous appropriations acts) that funds appropriated into a reserve may only be spent for the purpose or purposes for which the reserve was established.

Section: 6.4

Title: **CAP STATE-FUNDED PORTION OF NONPROFIT SALARIES**

Summary: Continues a cap of \$120,000 in State funds for the annual salary of an individual employed by a nonprofit organization.

Section: 6.5

Title: **MSA FUND/INCREASE APPROPRIATION TO GOLDEN L.E.A.F.**

Summary: Increases the statutory appropriation to the Golden Long-Term Economic Advancement Foundation (L.E.A.F.) from \$10 million to \$17.5 million on a recurring basis.

Section: 6.6

Title: **CLARIFY BASE BUDGET DEFINITION**

Summary: Amends G.S. 143C-1-1(d) to clarify the definition of base budget and to update the State Budget Act to reflect the current practice of appropriating capital funds in the annual appropriations act rather than in a separate capital act of the General Assembly.

Section: 6.7

Title: **USE OF STATE FUNDS FOR EMPLOYMENT OF OUTSIDE COUNSEL/GENERAL ASSEMBLY RIGHT TO INTERVENE**

Summary: Amends various State laws to set the parameters under which State agencies may hire or use outside legal counsel. This section also clarifies the standing of the Speaker of the House of Representatives, Senate President Pro Tempore, and Governor in legal matters impacting the State.

2017 Annotated Conference Committee Report

Section: 6.8

Title: **PENDING LITIGATION**

Summary: Clarifies that references to either the State Board of Elections or the State Ethics Commission in either S.L. 2017-57, Appropriations Act of 2017, or the Conference Committee Report described in Section 39.2 of S.L. 2017-57 do not constitute a waiver by the General Assembly regarding the validity and constitutionality of S.L. 2017-6, Bipartisan Bd of Elections and Ethics Enforce.

Section: 6.12

Title: **REPORT ON LAPSED SALARY FUNDS**

Summary: Requires the Office of State Budget and Management (OSBM) in conjunction with State agencies to report on the expenditure of unused employee salary funds. OSBM must report to the Joint Legislative Oversight Committees on Agriculture and Natural and Economic Resources, Education, General Government, Information Technology, and Transportation on the uses of lapsed salary FUNDS as follows:

1. For FY 2016-17 report by October 1, 2017
2. For FY 2017-18 reports on January 31, May 1 and September 1, 2018

Section: 6.13

Title: **NON-STATE ENTITIES/REPORT AND REVERSION REQUIREMENTS**

Summary: Requires non-State entities receiving grant funds in FY 2017-18 to report to OSBM on the use of those funds no later than June 30, 2018, unless the non-State entity is required to report under a different State law.

This section also extends the date for the reversion of grant funds subject to this section to June 30, 2017.

Section: 39.1

Title: **STATE BUDGET ACT APPLIES**

Summary: Reenacts and incorporates by reference G.S. 143C, the State Budget Act, into S.L. 2017-57, Appropriations Act of 2017.

Section: 39.2

Title: **COMMITTEE REPORT**

Summary: Sets forth the parameters and legal standing of the Conference Committee Report as follows:

Subsection (a) sets forth how the Conference Committee Report is to be used in conjunction with the S.L. 2017-57, Appropriations Act of 2017, and directs that the Committee Report be used to construe S.L. 2017-57 as directed in the G.S. 143C, State Budget Act.

Subsection (b) provides that the appropriations in S.L 2017-57 are for all State funds as defined in the State Budget Act.

Subsection (c) provides that in the event of a conflict between S.L. 2017-57 and the Conference Committee Report, S.L. 2017-57 prevails.

Subsection (d) clarifies that tables included as part of Conference Committee Report summary pages are for reference only.

Section: 39.3

General Provisions

2017 Annotated Conference Committee Report

Title: **REPORT BY FISCAL RESEARCH DIVISION**

Summary: Directs FRD to issue a revised Conference Committee Report that includes all modifications to the FY 2017-19 biennial budget made prior to adjournment of the 2017 Regular Session. This section also directs FRD to send a copy of 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 2017-2019 FISCAL BIENNIUM**

Summary: Provides that provisions of S.L. 2017-57, Appropriations Act of 2017, apply to the 2017-19 Fiscal Biennium only, unless otherwise stipulated.

Section: 39.5

Title: **EFFECT OF HEADINGS**

Summary: Provides that the headings throughout S.L. 2017-57, Appropriations Act of 2017, have no legal purpose and are for the reader's reference and convenience only.

Section: 39.6

Title: **SEVERABILITY CLAUSE**

Summary: Provides that a judicial ruling declaring a section or provision of S.L. 2017-57, Appropriations Act of 2017, unconstitutional or invalid does not render the whole or any other part of S.L. 2017-57 invalid or unconstitutional.

Section: 39.7

Title: **EFFECTIVE DATE**

Summary: Sets July 1, 2017 as the effective date of S.L. 2017-57, Appropriations Act of 2017, except as otherwise stipulated in S.L. 2017-57.

Special Provisions

2017 Session: HB 7

Department: Other Legislation

Section: N/A

Title: LRC/Strengthen Savings Reserve

Summary: S.L. 2017-5, LRC/Strengthen Savings Reserve, amends G.S. 143C-4-2 to change the purposes for and the mechanism by which the State's Savings Reserve (Reserve), otherwise known as the Rainy Day Fund, is funded.

This section delineates the parameters for use of the Reserve, including the following:

1. Upon a majority vote of each chamber in the General Assembly and in an amount totaling no more than 7.5% of the State's prior year operating budget, the Reserve may be used to address revenue declines; operating budget shortfalls; costs imposed by a court and, for addressing an emergency as defined in G.S. 166A-19.3.
2. Upon 2/3s vote of each chamber in the General Assembly, the amount of funds drawn from the Reserve may exceed the 7.5% cap and be used for the purposes enumerated above.
3. Upon 2/3s vote of each chamber of the General Assembly, the Reserve may be used in an amount determined by and for purposes deemed appropriate at the discretion of the General Assembly.

In addition to changing the parameters for use, this section requires, effective October 1, 2017, each Current Operations Appropriations Act to include the transfer into the Reserve of at least 15% of each fiscal year's estimated growth in General Fund net State tax revenues.

Finally, this section establishes a goal to maintain a sufficient amount of funds in the Reserve to cover 2 years of need based on certain criteria, including historical revenue declines and, directs FRD and OSBM to jointly develop and produce a methodology to determine the balance needed to meet that goal.

Capital Section M

**General Fund Supported Capital Improvements
Budget Code 19600**

As Amended by S.L. 2017-197, Budget Technical Corrections

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Enacted Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Net Appropriation	\$0	\$0
Legislative Changes		
Requirements	\$73,349,000	\$1,917,993
Receipts	\$23,641,000	\$0
Net Appropriation	\$49,708,000	\$1,917,993
Revised Budget		
Requirements	\$73,349,000	\$1,917,993
Receipts	\$23,641,000	\$0
Net Appropriation	\$49,708,000	\$1,917,993

General Fund FTE

Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

General Fund Supported Capital Improvements										
Budget Code 19600		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Environmental Quality									
19600	Water Resources Development Projects	-	-	-	39,289,000	23,641,000	15,648,000	39,289,000	23,641,000	15,648,000
	Department of Natural and Cultural Resources									
19600	Fort Fischer	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
	Department of Public Safety									
19600	Greenville Office Building and Garage	-	-	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
19600	Joint Forces HQ Helipad	-	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
19600	Youth Development Center	-			13,200,000		13,200,000	13,200,000		13,200,000
19600	DuPont Forest Training Center	-	-	-	100,000	-	100,000	100,000	-	100,000
19600	Stonewall Jackson Center Fence	-	-	-	200,000	-	200,000	200,000	-	200,000
	Community College System									
19600	Cleveland Community College	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
19600	Brunswick Community College	-	-	-	60,000	-	60,000	60,000	-	60,000
19600	Stanly Community College	-	-	-	500,000	-	500,000	500,000	-	500,000
	Department of Agriculture and Consumer Services									
19600	Emergency Programs Warehouse	-	-	-	500,000	-	500,000	500,000	-	500,000
	University of North Carolina									
19600	Fayetteville State University	-	-	-	5,500,000	-	5,500,000	5,500,000	-	5,500,000
19600	Chapel Hill	-	-	-	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Total		\$0	\$0	\$0	\$73,349,000	\$23,641,000	\$49,708,000	\$73,349,000	\$23,641,000	\$49,708,000

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session
(As amended by S.L. 2017-197, Budget Technical Corrections)

General Fund Supported Capital Improvements		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 19600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Public Safety									
19600	Greenville Office Building and Garage	-	-	-	1,917,993	-	1,917,993	1,917,993	-	1,917,993
Total		\$0	\$0	\$0	\$1,917,993	\$0	\$1,917,993	\$1,917,993	\$0	\$1,917,993

2017 Annotated Conference Committee Report

Capital

GENERAL FUND		
	FY 17-18	FY 18-19
Recommended Base Budget	\$0	\$0
Legislative Changes		
Community College System		
15 Cleveland Community College Center for Advanced Manufacturing		
Fund Code: 19600	\$5,000,000	NR
Provides \$5,000,000 for the Cleveland Community College Center for Advanced Manufacturing to be used for capital. The revised net appropriation for the Center is \$5,000,000 in FY 2017-18. (S.L. 2017-57, Sec. 36.2)		
16 Brunswick Community College		
Fund Code: 19600	\$60,000	NR
Provides \$60,000 to Brunswick Community College for gym renovations. The revised net appropriation for this project is \$60,000 in FY 2017-18. (S.L. 2017-57, Sec. 36.2)		
17 Stanly Community College		
Fund Code: 19600	\$500,000	NR
Provides \$500,000 to Stanly Community College to design and construct a facility for the culinary arts program. The revised net appropriation for this project is \$500,000 in FY 2017-18. (S.L. 2017-57, Sec. 36.2)		
Department of Agriculture and Consumer Services		
18 Emergency Programs Warehouse		
Fund Code: 19600	\$500,000	NR
Provides \$500,000 to construct a warehouse to store foam sprayers used by the Department of Agriculture to respond to potential avian influenza outbreaks. The revised net appropriation for this project is \$500,000 in FY 2017-18. (S.L. 2017-57, Sec. 36.2)		

Department of Environmental Quality**19 Water Resources Development Projects****Fund Code:** 19600

\$15,648,000 NR

Provides the State's share of Water Resources Development Projects. State funds will match \$14.1 million in federal funds and \$8.4 million in local funds. The Department will also utilize \$1.1 million in carry-forward funds. The revised net appropriation for Water Resources Development Projects is \$15.6 million in FY 2017-18.

(S.B. 430/H.B. 537; S.L. 2017-57, Secs. 36.2 and 36.3)

Department of Natural and Cultural Resources**20 Fort Fisher New Museum and Visitor Center****Fund Code:** 19600

\$5,000,000 NR

Provides \$5,000,000 to Fort Fisher to construct a new museum and visitor center. The revised net appropriation for this project is \$5,000,000 in FY 2017-18.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 36.2)

Department of Public Safety**21 Greenville Office Building and Garage****Fund Code:** 19600

\$2,000,000 NR

\$1,917,993 NR

Provides the General Fund portion of the State Highway Patrol (SHP)/Division of Motor Vehicles office building and SHP garage. The General Fund portion is \$2,000,000 in FY 2017-18 and \$1,917,993 in FY 2018-19. The revised net General Fund appropriation for this project is \$3,917,993 in FY 2017-19.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 36.2)

(This item also appears in the Transportation section. See page K 22, item #12.)

22 Helipad Site Construction**Fund Code:** 19600

\$1,000,000 NR

Provides \$1,000,000 to the North Carolina National Guard to construct a helipad at the Joint Forces Headquarters in Raleigh. These funds will match \$1,000,000 in federal funds. The revised net appropriation for this project is \$1,000,000 in FY 2017-18.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 36.2)

23 DuPont Forest Training Center**Fund Code:** 19600

\$100,000 NR

Provides \$100,000 to the North Carolina National Guard for the Joint Use Training Center in DuPont Forest. The site is a collaboration with the Department of Agriculture and Consumer Services. The revised net appropriation for this project is \$100,000 in FY 2017-18.

(S.L. 2017-57, Sec. 36.2)

24 Stonewall Jackson Youth Development Center Fence**Fund Code:** 19600

\$200,000 NR

Provides \$200,000 to the Department of Public Safety to build a fence around Stonewall Jackson Youth Development Center. The revised net appropriation for this project is \$200,000 in FY 2017-18.

(S.L. 2017-57, Sec. 36.2)

(S.L. 2017-197, Sec. 9.4, Budget Technical Corrections, amends this item to clarify which buildings will be fenced.)

25 Youth Development Center**Fund Code:** 19600

\$13,200,000 NR

Provides \$13,200,000 to the Department of Public Safety to construct a new youth development center in Rockingham County in response to Raise the Age. The revised net appropriation for the new facility is \$13,200,000 in FY 2017-18.

(S.B. 430/H.B. 537; S.L. 2017-57, Sec. 36.2)

Fayetteville State University**26 Health and Wellness Facility****Fund Code:** 19600

\$5,500,000 NR

Provides \$5,500,000 to Fayetteville State University to construct a new health and wellness facility. The revised net appropriation for this project is \$5,500,000 in FY 2017-18.

(S.L. 2017-57, Sec. 36.2)

University of North Carolina - Chapel Hill**27 New Business School Building****Fund Code:** 19600

\$1,000,000 NR

Provides \$1,000,000 for the advanced planning of a new business school building at the University of North Carolina - Chapel Hill. The revised net appropriation for the advanced planning is \$1,000,000 in 2017-18.

(S.L. 2017-57, Sec. 36.2)

Total Legislative Changes

\$49,708,000	NR	\$1,917,993	NR
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Total Position Changes**Revised Budget**

\$49,708,000		\$1,917,993	
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Receipt-Supported Capital Improvements
Budget Code N/A

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Enacted Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Net Appropriation	\$0	\$0
Legislative Changes		
Requirements	\$22,115,300	\$5,200,000
Receipts	\$22,115,300	\$5,200,000
Net Appropriation	\$0	\$0
Revised Budget		
Requirements	\$22,115,300	\$5,200,000
Receipts	\$22,115,300	\$5,200,000
Net Appropriation	\$0	\$0

General Fund FTE

Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Receipt-Supported Capital Improvements		Base Budget			Legislative Changes			Revised Budget		
Budget Code N/A										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Natural and Cultural Resources									
N/A	Museum of Art	-	-	-	915,300	915,300	-	915,300	915,300	-
	Wildlife Resources Commission									
N/A	Land Acquisition	-	-	-	7,000,000	7,000,000	-	7,000,000	7,000,000	-
N/A	Infrastructure Repair/Renovation	-	-	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-
N/A	Setzer Hatchery Building Replacement	-	-	-	750,000	750,000	-	750,000	750,000	-
N/A	Boating Access	-	-	-	900,000	900,000	-	900,000	900,000	-
N/A	Setzer Hatchery Raceways Replacement	-	-	-	4,500,000	4,500,000	-	4,500,000	4,500,000	-
N/A	Burnsville Depot	-	-	-	500,000	500,000	-	500,000	500,000	-
N/A	Butner Lab & Storage Building	-	-	-	500,000	500,000	-	500,000	500,000	-
N/A	Bolivia Depot	-	-	-	750,000	750,000	-	750,000	750,000	-
N/A	New Shooting Ranges	-	-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
	Department of Public Safety									
N/A	Nash Correctional Field Ministry	-	-	-	3,800,000	3,800,000	-	3,800,000	3,800,000	-
Total		\$0	\$0	\$0	\$22,115,300	\$22,115,300	\$0	\$22,115,300	\$22,115,300	\$0

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Receipt-Supported Capital Improvements										
Budget Code N/A		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Wildlife Resources Commission									
N/A	Land Acquisition		-	-	3,000,000	3,000,000	-	3,000,000	3,000,000	-
N/A	Boating Access		-	-	900,000	900,000	-	900,000	900,000	-
N/A	Outer Banks Education Center Air Handlers		-	-	300,000	300,000	-	300,000	300,000	-
N/A	New Shooting Ranges		-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
Total		\$0	\$0	\$0	\$5,200,000	\$5,200,000	\$0	\$5,200,000	\$5,200,000	\$0

Special Provisions

2017 Session: SB 257

Department: Capital

Section: 36.1

Title: **GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION**

Summary: Directs the uses of appropriations for capital improvements.
(S.B. 430/H.B. 537)

Section: 36.2

Title: **CAPITAL APPROPRIATIONS/GENERAL FUND**

Summary: Appropriates \$49.7 million from the General Fund for capital improvement projects.
(S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 9.5, Budget Technical Corrections, amends this section to remove a project.)

(Note: Detailed project-by-project information for each State agency/department may be found in the Capital Section. See pages M 4 through M 6 of the Conference Committee Report.)

Section: 36.3

Title: **WATER RESOURCES DEVELOPMENT PROJECTS**

Summary: Allocates the \$15.6 million appropriated in S.L. 2017-54, Sec. 36.2 and specifies the guidelines, and reporting requirements for Water Resources Development Projects. This section changes the grant and payment procedures of the Environmental Quality Incentives Program (EQIP). The Department of Environmental Quality (DEQ) shall submit semiannual reports on the use of these funds to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division (FRD), and the Office of State Budget and Management (OSBM) on or before March 1 and September 1 beginning in 2018.
(S.B. 430/H.B. 537)

(S.L. 2017-212, Sec. 4.10, Budget & Agency Technical Corrections, amends this section to include funds appropriated in the FY 2015-17 Biennium in the funds DEQ shall pay the original grant award amount and requires DEQ to make payments directly to the co-applicant of the grants if requested.)

Section: 36.4

Title: **NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS**

Summary: Authorizes \$22.1 million in FY 2017-18 and \$5.2 million in FY 2018-19 for State agency projects that are funded entirely with non-General Fund sources.
(S.B. 430/H.B. 537)

Section: 36.5

Title: **REPAIRS AND RENOVATIONS RESERVE ALLOCATION**

Summary: Allocates funding from the Repairs and Renovations Reserve, maintaining the distribution of funds at 50% for State agencies and 50% for the University of North Carolina System. This section also earmarks repairs and renovations funds for certain projects.

(S.B. 430/H.B. 537)

(S.L. 2017-197, Sec. 9.1, Budget Technical Corrections, amends this section to notwithstanding G.S. 143C-3-3 in FY 2017-18 to allow Western Carolina University to plan a project.)

Section: 36.6

Title: **PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS**

Summary: Directs disbursement procedures for the funds appropriated for capital projects.

(S.B. 430/H.B. 537)

Section: 36.7

Title: **REPORTING ON CAPITAL PROJECTS**

Summary: Requires that agencies with capital projects report on the status of those projects by October 1, 2017 and every 6 months following to the Joint Legislative Commission on Governmental Operations. In addition, Agencies shall report quarterly beginning October 1, 2017 to FRD and OSBM. The State Construction Office shall report every 6 months beginning October 1, 2017 on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The State Construction Office shall also report quarterly beginning October 1 on the status of plan review, approval, and permitting of capital projects.

(S.B. 430/H.B. 537)

Section: 36.8

Title: **ZOO STATE CONSTRUCTION EXEMPTIONS**

Summary: Amends G. S. 143-341 to exempt capital projects undertaken by the North Carolina Zoo from some oversight by the State Construction Office if the project funding is less than \$2 million.

Section: 36.9

Title: **REALIGNMENT OF DHHS CAPITAL PROJECTS**

Summary: Amends S. L. 2006-66 to realign excess debt capacity remaining from several completed Department of Health and Human Services projects to the Eastern Regional Psychiatric Hospital and the Western Regional Psychiatric Hospital projects.

(S.B. 430/H.B. 537)

Section: 36.10

Title: **DPS EXISTING FACILITIES MAXIMIZATION**

Summary: Requires the Department of Public Safety to demonstrate that the use of existing facilities has been maximized before requesting funding for new facilities.

(S.L. 2017-197, Sec. 9.2, Budget Technical Corrections, amends this section to remove a reference to H.B. 280, Juvenile Justice Reinvestment Act and replace it with S.L. 2017-57, Sec. 16D.4.)

Section: 36.12

Title: **PAY-AS-YOU-GO CAPITAL AND INFRASTRUCTURE FUND ESTABLISHED JULY 1, 2019**

Summary: Repeals G.S. 143C-4-3 and amends Article 4 of the chapter to add G.S. 143C-4-3.1 to create a new fund to pay for capital projects and debt service. The source of funds shall consist of 4% of net State tax revenues that are deposited in the General Fund, 1/4 of any unreserved fund balance, and other funds as directed by the General Assembly. The first use of the fund will be to pay the State's debt service and any remaining funds will be used to pay for repairs and renovations or new capital projects for State agencies or the University of North Carolina system. This Section is effective July 1, 2019.
(H.B. 583)

2017 Session: HB 528

Department: Capital

Section: 9.1

Title: **TECHNICAL CHANGE: WESTERN CAROLINA UNIVERSITY**

Summary: Amends S.L. 2017-57, Sec. 36.5(e), Appropriations Act of 2017, to notwithstanding G.S. 143C-4-3 for FY 2017-18 and instructs Western Carolina University to create a plan for the replacement project of the energy production facility.

Section: 9.2

Title: **TECHNICAL CHANGE: JUVENILE JUSTICE REINVESTMENT ACT**

Summary: Amends S.L. 2017-57, Sec. 36.10, Appropriations Act of 2017, to remove a reference to H.B. 280 Juvenile Justice Reinvestment Act and replace it with S.L. 2017-57, Sec. 16D.4.

Section: 9.3

Title: **TECHNICAL CHANGE: UNIVERSITY OF NORTH CAROLINA AT PEMBROKE FUNDS**

Summary: Amends S.L. 2016-94, Sec. 37.9, 2016 Appropriations Act, to change the date by which the university must raise money to use for the business school capital project from December 31, 2017 to December 31, 2018.

Section: 9.4

Title: **TECHNICAL CHANGE: STONEWALL JACKSON YOUTH DEVELOPMENT CENTER FENCE**

Summary: Amends S.L. 2017-57, Sec. 39.2, Appropriations Act of 2017, to clarify that the funds shall be used to construct fencing around dilapidated buildings.

Section: 9.5

Title: **BUDGET CHANGE: FAYETTEVILLE CIVIL WAR MUSEUM**

Summary: Amends S.L. 2017-57, Sec. 36.2, Appropriations Act of 2017, to remove the Fayetteville Civil War Museum project.

2017 Session: SB 582

Department: Capital

Section: 4.10

Title: **Budget Change: Environmental Quality Incentive Program Grant Payments**

Summary: Amends S.L. 2016-94, Sec. 37.2(e), 2016 Appropriations Act, as amended by S.L. 2017-57, Sec. 36.3(g), Appropriations Act of 2017, to include funds appropriated in the FY 2015-17 Biennium in the funds DEQ shall pay at the original grant award and requires DEQ to pay the grant to the co-applicant if requested.

2017 Session: HB 620

Department: Capital

Section:

Title: **UNC CAPITAL PROJECTS**

Summary: Authorizes the acquisition or construction and financing, without appropriations from the General Fund, of capital improvement projects at certain constituent institutions of the University of North Carolina system. The constituent institutions may use funds available from gifts, grants, receipts, self-liquidating indebtedness, and other specified funds but not including funds from tuition or appropriated from the General Fund. Section 3 notwithstanding the term and maturity limits for debt contained in G.S. 116D-26(c) for Elizabeth City State University to allow the campus to participate in the United States Department of Agriculture's Community Facilities Direct Loan Program or Loan Grant Program.

Information Technology Services Section N

Department of Information Technology
Budget Code 14660

General Fund Budget

	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Base Budget		
Requirements	\$51,279,650	\$51,279,650
Receipts	\$0	\$0
Net Appropriation	\$51,279,650	\$51,279,650
Legislative Changes		
Requirements	\$220,931	\$367,195
Receipts	\$0	\$0
Net Appropriation	\$220,931	\$367,195
Revised Budget		
Requirements	\$51,500,581	\$51,646,845
Receipts	\$0	\$0
Net Appropriation	\$51,500,581	\$51,646,845

General Fund FTE

Base Budget	99.75	99.75
Legislative Changes	(4.50)	(4.50)
Revised Budget	95.25	95.25

**Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session**

Department of Information Technology										
Budget Code 14660		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1245	Health Information Exchange Network	8,016,651	-	8,016,651	-	-	-	8,016,651	-	8,016,651
1705	Criminal Justice Information Network	191,268	-	191,268	-	-	-	191,268	-	191,268
1715	Center for Geographic Information and Analysis	502,348	-	502,348	-	-	-	502,348	-	502,348
1720	Enterprise Security and Risk Management Office	1,013,619	-	1,013,619	-	-	-	1,013,619	-	1,013,619
1725	Staffing and Strategic Projects	7,831,272	-	7,831,272	250,000	-	250,000	8,081,272	-	8,081,272
1735	FirstNet	136,935	-	136,935	50,000	-	50,000	186,935	-	186,935
1740	Enterprise Project Management Office	1,497,734	-	1,497,734	250,000	-	250,000	1,747,734	-	1,747,734
1750	IT Strategy and Standards	873,044	-	873,044	-	-	-	873,044	-	873,044
1760	State Portal	391,759	-	391,759	-	-	-	391,759	-	391,759
1775	Process Management	392,451	-	392,451	-	-	-	392,451	-	392,451
1795	Government Data Analytics Center	9,718,836	-	9,718,836	2,241,941	-	2,241,941	11,960,777	-	11,960,777
1990	IT Fund Reserves and Transfers	20,713,733	-	20,713,733	(2,082,979)	-	(2,082,979)	18,630,754	-	18,630,754
Undesignated Items										
N/A	Vacant Position Eliminations	-	-	-	(708,962)	-	(708,962)	(708,962)	-	(708,962)
N/A	Compensation Reserve	-	-	-	124,910	-	124,910	124,910	-	124,910
N/A	State Retirement Contributions	-	-	-	74,863	-	74,863	74,863	-	74,863
N/A	State Health Plan	-	-	-	21,158	-	21,158	21,158	-	21,158
Total		\$51,279,650	\$0	\$51,279,650	\$220,931	\$0	\$220,931	\$51,500,581	\$0	\$51,500,581

**Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session**

Department of Information Technology										
Budget Code 14660		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1245	Health Information Exchange Network	8,016,651	-	8,016,651	-	-	-	8,016,651	-	8,016,651
1705	Criminal Justice Information Network	191,268	-	191,268	-	-	-	191,268	-	191,268
1715	Center for Geographic Information and Analysis	502,348	-	502,348	-	-	-	502,348	-	502,348
1720	Enterprise Security and Risk Management Office	1,013,619	-	1,013,619	-	-	-	1,013,619	-	1,013,619
1725	Staffing and Strategic Projects	7,831,272	-	7,831,272	250,000	-	250,000	8,081,272	-	8,081,272
1735	FirstNet	136,935	-	136,935	300,000	-	300,000	436,935	-	436,935
1740	Enterprise Project Management Office	1,497,734	-	1,497,734	241,941	-	241,941	1,739,675	-	1,739,675
1750	IT Strategy and Standards	873,044	-	873,044	-	-	-	873,044	-	873,044
1760	State Portal	391,759	-	391,759	-	-	-	391,759	-	391,759
1775	Process Management	392,451	-	392,451	-	-	-	392,451	-	392,451
1795	Government Data Analytics Center	9,718,836	-	9,718,836	2,000,000	-	2,000,000	11,718,836	-	11,718,836
1990	IT Fund Reserves and Transfers	20,713,733	-	20,713,733	(2,082,979)	-	(2,082,979)	18,630,754	-	18,630,754
Undesignated Items										
N/A	Vacant Position Eliminations	-	-	-	(708,962)	-	(708,962)	(708,962)	-	(708,962)
N/A	Compensation Reserve	-	-	-	124,910	-	124,910	124,910	-	124,910
N/A	State Retirement Contributions	-	-	-	197,451	-	197,451	197,451	-	197,451
N/A	State Health Plan	-	-	-	44,834	-	44,834	44,834	-	44,834
Total		\$51,279,650	\$0	\$51,279,650	\$367,195	\$0	\$367,195	\$51,646,845	\$0	\$51,646,845

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Information Technology					
Budget Code 14660		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1245	Health Information Exchange Network	8.00	-	-	8.00
1705	Criminal Justice Information Network	2.00	-	-	2.00
1715	Center for Geographic Information and Analysis	3.75	-	-	3.75
1720	Enterprise Security and Risk Management Office	5.00	-	-	5.00
1725	Staffing and Strategic Projects	34.00	1.50	-	35.50
1735	FirstNet	-	-	-	-
1740	Enterprise Project Management Office	9.00	-	-	9.00
1750	IT Strategy and Standards	6.00	-	-	6.00
1760	State Portal	2.00	-	-	2.00
1775	Process Management	2.00	-	-	2.00
1795	Government Data Analytics Center	28.00	-	-	28.00
1990	IT Fund Reserves and Transfers	-	-	-	-
Undesignated Items					
N/A	Vacant Position Eliminations	-	(6.00)	-	(6.00)
Total FTE		99.75	(4.50)	-	95.25

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Information Technology					
Budget Code 14660		<u>Base</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1245	Health Information Exchange Network	8.00	-	-	8.00
1705	Criminal Justice Information Network	2.00	-	-	2.00
1715	Center for Geographic Information and Analysis	3.75	-	-	3.75
1720	Enterprise Security and Risk Management Office	5.00	-	-	5.00
1725	Staffing and Strategic Projects	34.00	1.50	-	35.50
1735	FirstNet	-	-	-	-
1740	Enterprise Project Management Office	9.00	-	-	9.00
1750	IT Strategy and Standards	6.00	-	-	6.00
1760	State Portal	2.00	-	-	2.00
1775	Process Management	2.00	-	-	2.00
1795	Government Data Analytics Center	28.00	-	-	28.00
1990	IT Fund Reserves and Transfers	-	-	-	-
Undesignated Items					
N/A	Vacant Position Eliminations	-	(6.00)	-	(6.00)
Total FTE		99.75	(4.50)	-	95.25

2017 Annotated Conference Committee Report

Information Technology

GENERAL FUND

	FY 17-18		FY 18-19	
	\$51,279,650		\$51,279,650	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve	\$124,910	R	\$124,910	R
Fund Code: N/A				
Provides funding for an across-the-board salary increase of \$1,000. Total revised net appropriations for State and local employee salaries are \$12 billion in FY 2017-18 and \$12.2 billion in FY 2018-19. (S.L. 2017-57, Secs. 35.1, 35.11, and 35.12)				
2 State Retirement Contributions	\$74,863	R	\$197,451	R
Fund Code: N/A				
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for the 2017-19 fiscal biennium to fund the actuarially determined contribution and increased retiree medical premiums, provide a 1.0% cost-of-living adjustment to retirees, and provide additional benefits to probation/parole officers. The revised net General Fund appropriation for TSERS statewide is \$1.7 billion in FY 2017-18 and \$1.9 billion in FY 2018-19, an increase of \$81.3 million for FY 2017-18 and \$214.3 million for FY 2018-19. (S.L. 2017-57, Secs. 35.19, 35.19A, and 35.19B)				
3 State Health Plan	\$21,158	R	\$44,834	R
Fund Code: N/A				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is \$1.5 billion in FY 2017-18 and FY 2018-19, an increase of \$52.2 million for FY 2017-18 and \$110.7 million for FY 2018-19. (S.L. 2017-57, Sec. 35.19)				

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

Department Wide

4 Vacant Positions

(\$708,962)	R	(\$708,962)	R
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Fund Code: N/A

-6.00

-6.00

Eliminates the following 6 positions that have been vacant for more than 260 days:

60090522 IT Executive I (1 FTE)
 65011709 Applications Systems Analyst (1 FTE)
 60087391 IT Enterprise Planning Analyst (1 FTE)
 65020673 IT Enterprise Planning Analyst (1 FTE)
 65025075 Privacy and Security Officer (1 FTE)
 65019452 IT Architect (1 FTE)

Enterprise Project Management Office

5 Operations and Maintenance

\$241,941	R	\$241,941	R
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Fund Code: 1740

\$8,059 NR

Provides funds for the ongoing operations and maintenance of the project management system Touchdown. The revised net appropriation for this fund is \$1,747,734 in FY 2017-18 and \$1,739,675 in FY 2018-19.

FirstNet

6 FirstNet Federal Grant Replacement

\$50,000	R	\$300,000	R
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Fund Code: 1735

Provides funds to replace the expiring federal grant for FirstNet. The funds will continue the work to provide a wireless broadband network for public safety officials. The revised net appropriation for this fund code is \$186,935 in FY 2017-18 and \$436,935 in FY 2018-19.
 (S.B. 430/H.B. 537)

Government Data Analytics Center

7 Enterprise Data Management

\$241,941	NR
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Fund Code: 1795

Provides support for additional consulting services for developing a comprehensive strategy and implementation plan for Enterprise Data Management (EDM) within the Government Data Analytics Center (GDAC). The revised net appropriation for GDAC is \$11,960,777 in FY 2017-18 and \$11,718,836 in FY 2018-19.

(This item also appears in the Information Technology Special Fund in the Information Technology section. See page N 10.)

2017 Annotated Conference Committee Report

FY 17-18

FY 18-19

8 Budget Transfer

\$2,000,000

R

\$2,000,000

R

Fund Code: 1795

Transfers \$2 million from fund code 1990 IT Fund Reserves and Transfers to fund code 1795 Government Data Analytics Center. The revised net appropriation for GDAC is \$11,960,777 in FY 2017-18 and \$11,718,836 in FY 2018-19.
(S.L. 2017-57, Sec. 37.1)

(This item also appears in the Information Technology Special Fund in the Information Technology section. See page N 11.)

Reserves and Transfers

9 Budget Transfer

(\$2,000,000)

R

(\$2,000,000)

R

Fund Code: 1990

Transfers \$2 million to fund code 1795 Government Data Analytics Center. The revised net appropriation for this fund code is \$18,630,754 in both years of the biennium.
(S.L. 2017-57, Sec. 37.1)

(This item also appears in the Information Technology Special Fund in the Information Technology section. See page N 11.)

10 Transfer Reduction

(\$82,979)

R

(\$82,979)

R

Fund Code: 1990

Reduces the amount transferred from fund 1990 to budget code 24667 Information Technology Reserve Fund by \$82,979. The revised net appropriation for this fund code is \$18,630,754 in both years of the biennium.

(This item also appears in the Information Technology Special Fund in the Information Technology section. See on page N 11.)

Staffing and Strategic Projects

11 Broadband Infrastructure Office

\$250,000

R

\$250,000

R

Fund Code: 1725

1.50

1.50

Provides funds to support the Broadband Infrastructure Office. The Department of Information Technology will use a portion of the funds to restore a 0.5 FTE IT Manager position to the office and hire 1 FTE as an Industrial Development Representative. The revised net appropriation for this fund code is \$8,081,272 in both years of the biennium.
(S.B. 430/H.B. 537)

Total Legislative Changes	(\$29,069)	R	\$367,195	R
	\$250,000	NR		
Total Position Changes	-4.50		-4.50	
Revised Budget	\$51,500,581		\$51,646,845	

Information Technology Reserve Fund

Budget Code: 24667

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	\$23,414,388	\$17,773,350
Recommended Budget		
Requirements	\$20,724,463	\$20,724,463
Receipts	\$20,724,463	\$20,724,463
Positions	25.50	25.50

Legislative Changes**Requirements:****Government Transparency Initiative**

Provides \$1,000,000 of the fund balance to support the full implementation of the government transparency initiative created by Section 7.17 of S.L. 2015-241.
(S.L. 2017-57, Sec. 37.2)

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

\$0 R
\$0 NR
0.00

Risk and Vulnerability Assessment

Provides \$2,000,000 of the fund balance to support the full implementation of the risk and vulnerability assessment.
(S.L. 2017-57, Sec. 37.9)

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

\$0 R
\$0 NR
0.00

Grant Management System

Provides \$100,000 to purchase a grant management system for the Department of Military and Veterans Affairs.

\$0 R
\$100,000 NR
0.00

\$0 R
\$0 NR
0.00

Background Checks

Provides \$200,000 to perform background checks on employees transitioned into DIT and other employees.

\$0 R
\$200,000 NR
0.00

\$0 R
\$0 NR
0.00

Consulting Services

Provides \$258,059 to fund additional consulting services for developing a comprehensive strategy and implementation plan for Enterprise Data Management (EDM) within GDAC.

\$0 R
\$258,059 NR
0.00

\$0 R
\$0 NR
0.00

(This item also appears in the Information Technology General Fund in the Information Technology section. See page N 7, item #7.)

2017 Annotated Conference Committee Report

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	\$0 R	\$0 R
	\$3,558,059 NR	\$0 NR
	0.00	0.00
<hr/>		
Receipts:		
Budget Transfer		
Adjusts receipts to accurately reflect changes made to fund code 1990 IT Fund Reserves and Transfers.	(\$2,082,979) R	(\$2,082,979) R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$2,082,979) R	(\$2,082,979) R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$24,282,522	\$20,724,463
Revised Total Receipts	\$18,641,484	\$18,641,484
Change in Fund Balance	(\$5,641,038)	(\$2,082,979)
Total Positions	25.50	25.50
<hr/>		
Ending Unreserved Fund Balance	\$17,773,350	\$15,690,371

Special Provisions

2017 Session: SB 257

Department: Information Technology

Section: 37.1

Title: **GOVERNMENT DATA ANALYTICS CENTER/INFRASTRUCTURE AND OPERATIONS**

Summary: Directs the Department of Information Technology (DIT) to use the increased funding for the Government Data Analytics Center (GDAC) to fund contract additions that support GDAC infrastructure, operations improvements, user services, data storage, data integration, and system maintenance.

Section: 37.2

Title: **GOVERNMENT BUDGETS TRANSPARENCY/ACCOUNTABILITY/REPORTING**

Summary: Requires the State Chief Information Officer, the State Controller, and the Office of Budget and Management (OSBM) to report by September 1, 2017, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division (FRD) on the status of the State budget transparency website. This section also details the requirements of the websites and directs DIT to use up to \$1 million of its fund balance to build the websites. OSBM and DIT shall submit quarterly reports to the Joint Legislative Oversight Committee on Information Technology and FRD on the progress of the websites.

Section: 37.3

Title: **DATA CENTER CONSOLIDATION**

Summary: Prohibits DIT from closing either of the State's primary data centers in Wake and Rutherford Counties without authorization from the General Assembly and requires State agencies to use the State data centers unless given an exemption. The State Chief Information Office shall report by December 1, 2017, to the Joint Legislative Oversight Committee on Information Technology and FRD on the progress of consolidating the remaining State data centers. The State Chief Information Officer shall report by May 1, 2018, to the Joint Legislative Oversight Committee on Information Technology and FRD on the savings as a result of data center consolidation. (S.B. 430/H.B. 537)

Section: 37.4

Title: **DEPARTMENT OF INFORMATION TECHNOLOGY TRANSFERS/COMPLETION BY JULY 1, 2018**

Summary: Requires DIT to complete the transfer of agency information technology functions to the Department by July 1, 2018 and requires the Department of Public Instruction (DPI) to work with DIT on its transition plan.

Amends G.S. 143B-1325 to update the transfer completion date.

Section: 37.5

Title: **INFORMATION TECHNOLOGY INTERNAL SERVICE FUND RATES**

Summary: Sets the maximum amount DIT is allowed to collect through its rates charged to agencies. DIT shall report on the development of new rates to the Joint Legislative Oversight Committee on Information Technology and FRD by December 1, 2017. DIT shall report on the rates and budget requirements for FY 2018-19 to the Joint Legislative Oversight Committee on Information Technology and FRD by October 1, 2018.
(S.B. 430/H.B. 537)

Section: 37.6

Title: **ENTERPRISE RESOURCE PLANNING**

Summary: Requires DIT, OSBM, and the Office of the State Controller (OSC) to collaborate on the development of the Enterprise Resource Planning (ERP) system. DIT shall report annually on January 1 to the Joint Legislative Oversight Committee on Information Technology and FRD on the progress of the system development.

Section: 37.7

Title: **COMMUNITY COLLEGE SYSTEM ENTERPRISE RESOURCE PLAN DESIGN AND IMPLEMENTATION REVISIONS**

Summary: Amends Sec. 7.10A of S.L. 2016-94, 2016 Appropriations Act, to require the Community College System to issue a Request for Proposal (RFP) for their ERP system by October 1, 2017. The Community College System shall issue a full report on the planning and design effort to the Joint Legislative Oversight Committee on Information Technology by October 1, 2017.

Section: 37.8

Title: **ESTABLISH ROTATIONAL DEVELOPMENT PROGRAM FOR STATE INFORMATION TECHNOLOGY**

Summary: Requires DIT to establish a program to rotate its staff through participating State agencies to supplement DIT resources and to enhance cross training and education.

Section: 37.9

Title: **RISK AND VULNERABILITY ASSESSMENT**

Summary: Directs DIT, in coordination with State agencies, to conduct a risk and vulnerability assessment of State agency information technology.

Section: 37.10

Title: **DIT ENCRYPTED DEVICE STUDY**

Summary: Requires DIT to study and report on the use of encrypted mobile information storage devices to the Joint Legislative Oversight Committee on Information Technology and FRD by January 15, 2018.

Section: 37.11

Title: **NETWORK SEGMENTATION AND AUTOMATION**

Summary: Requires DIT to include network segmentation and automation in its cybersecurity policies and to require participating State agencies to adopt solutions and security controls that isolate and segment sensitive information.

Section: 37.12

Title: **WIRELESS BROADBAND NETWORK FOR PUBLIC SAFETY/COMPETITIVE GRANTS PROGRAM**

Summary: Requires DIT to use a competitive request for proposal (RFP) process as necessary during the FY 2017-19 biennium to continue work on the FirstNet program. DIT shall report on the outcome of the RFP to the Joint Legislative Oversight Committee on Information Technology and FRD upon completion of the RFP process.

(S.L. 2017-197, Section 10.(a) Budget Technical Corrections, deleted this section.)

Salaries and Benefits

Section O

Statewide Reserves: Salaries

State-Funded Compensation and Salary Increases

The State provides funding for salaries of employees of State agencies, departments, institutions, universities, and a majority of the personnel employed by local public schools and community colleges. In FY 2016-17, salaries for these employees totaled approximately \$16.8 billion, of which \$11.4 billion was supported by net General Fund appropriations. The Appropriations Act of 2017 (Appropriations Act) provides approximately \$397.9 million in FY 2017-18 and \$658.9 million in FY 2018-19 in additional net General Fund appropriations to increase salaries for most State-funded employees.

Significant Legislative Budget Actions

S.L. 2017-57, Appropriations Act of 2017, appropriates additional funding to provide salary increases and payroll-associated benefits for employees paid from net General Fund appropriations as follows:

	FY 2017-18		FY 2018-19	
	Recurring	Nonrecurring	Recurring	Nonrecurring
General Fund	\$357,851,962	\$40,029,682	\$653,941,128	\$5,000,000
Highway Fund	\$8,330,962	\$0	\$8,835,685	\$0
Total	\$366,182,924	\$40,029,682	\$662,776,813	\$5,000,000

These salary increases include:

- \$1,000 annual salary increase for most State and State-funded local employees (excludes teachers, school based administrators, judges, and Council of State members). The following entities were provided flexibility in the Appropriations Act to provide salary increases in an alternate manner:
 - The State Board of Community Colleges for State-funded local employees at the State's 58 local community colleges, and,
 - The UNC Board of Governors for employees exempt from the North Carolina Human Resources Act.
- A 2% increase in FY 2017-18 and 7.1% increase in FY 2018-19 in the amount of funding the State appropriates for teacher salaries. Teachers and instructional support personnel employed in FY 2016-17 and who continue employment throughout the biennium will receive an estimated average State-funded salary increase of 3.3% in FY 2017-18 and 9.6% in FY 2018-19 when compared to FY 2016-17.
- Conversion of the pilot performance bonus programs for 3rd grade reading growth and Advanced Placement (AP)/International Baccalaureate (IB)/Career and Technical Education (CTE) exam scores to recurring programs.
- A new 4th through 8th grade math bonus program and a new 4th through 5th grade reading bonus program.
- A new principal salary schedule and bonus program. The average percent increase is difficult to project due to the new schedule. Based on Fiscal Research Division (FRD) modeling the State-funded average salary will increase by 8.6% and the new bonus program provides an additional 4% average increase in principal pay.
- A new assistant principal salary schedule. The amount the State appropriates for assistant principal salaries grows by approximately 6.6% in FY 2017-18 and 13.4% in FY 2018-19 compared to FY 2016-17.
- 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.
- Additional salary increase for Community College personnel totaling \$10 million.
- \$18.4 million to complete the third and final phase of the plan to differentiate pay for correctional officers based on the custody level of the facility.
- A \$5 million allocation to the Salary Adjustment Fund.

2017 Annotated Conference Committee Report

- \$3.9 million in FY 2017-18 and \$7.8 million in FY 2018-19 to bring all positions to their salary range minimum under the new Classification and Compensation System.

Special Provisions

Session Law 2017-57, Senate Bill 257

State Agency, University, and Community College Personnel

Section: 35.1

Title: **ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED LEGISLATIVE SALARY INCREASES/EFFECTIVE JULY 1, 2017**

Summary Provides a \$1,000 salary increase for most State and State-funded local employees employed on June 30, 2017. This section excludes teachers, school based administrators, judges, and Council of State members from receiving the salary increase provided under this section. Part-time employees receive a prorated increase.

Section: 35.2

Title: **GOVERNOR AND COUNCIL OF STATE**

Summary Sets the salaries of the Governor and members of the Council of State and requires these salaries to remain unchanged from the FY 2016-17 rates.

Section: 35.3

Title: **CERTAIN EXECUTIVE BRANCH OFFICIALS**

Summary Increases the salaries of the following executive branch officials by \$1,000 for FY 2017-18.

Executive Branch Officials	FY 2017-18
Chairman, Alcoholic Beverage Control Commission	\$114,546
State Controller	159,501
Commissioner of Banks	128,561
Chair, Board of Review, Division of Employment Security	126,104
Members, Board of Review, Division of Employment Security	124,563
Chairman, Parole Commission	126,104
Members of the Parole Commission	116,595
Chairman, Utilities Commission	142,947
Members of the Utilities Commission	128,561
Executive Director, North Carolina Agricultural Finance Authority	111,549

Section: 35.4

Title: **JUDICIAL BRANCH**

Summary Sets the annual salaries for certain judicial branch employees. Subsection (a) sets the annual salary of judges, certain administrative officers, district attorneys, and public defenders as shown below.

Judicial Personnel	FY 2017-18
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

2017 Annotated Conference Committee Report

Judge, Superior Court	132,584
Chief Judge, District Court	120,490
Judge, District Court	116,710
Chief Administrative Law Judge	117,710
District Attorney	128,215
Assistant Administrative Officer of the Courts	123,469
Public Defender	128,215
Director of Indigent Defense Services	132,145

The salaries of the Chief Administrative Law Judge, district attorneys, public defenders, and the Director of Indigent Defense Services are all increased by \$1,000 from the salaries for FY 2016-17. All of the other salaries remain unchanged from FY 2016-17.

Subsection (b) 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 \$77,073 and the minimum salary may not fall below \$41,366, reflecting a \$1,000 salary increase.

Subsection (c) specifies that the salary of the Chief Administrative Law Judge will be as provided in the table in subsection (a), rather than being equal to the salary of a district court judge.

Subsections (d) through (g) apply service as an administrative law judge toward the service used in calculating judicial longevity.

Section: 35.4A

Title: **CLERK OF SUPERIOR COURT**

Summary Sets the salaries for the clerks of superior court for FY 2017-18, reflecting a \$1,000 increase.

Clerks of Superior Court	FY 2017-18
<u>Population</u>	<u>Salary</u>
Less than 100,000	\$89,188
100,000 to 149,999	99,834
150,000 to 249,999	110,480
250,000 and above	121,131

Section: 35.4B

Title: **ASSISTANT AND DEPUTY CLERKS OF SUPERIOR COURT**

Summary Sets the salary ranges for assistant and deputy clerks of superior court for FY 2017-18, reflecting a \$1,000 increase to the minimum salaries and maximum salaries.

Assistant Clerks and Head Bookkeeper	FY 2017-18
Minimum	\$34,098
Maximum	59,963
 Deputy Clerks	
Minimum	29,646
Maximum	47,092

2017 Annotated Conference Committee Report

Section: 35.4C

Title: **MAGISTRATES**

Summary Establishes salary ranges for magistrates for FY 2017-18, reflecting a \$1,000 increase.

Magistrates	Minimum	Maximum
Entry Rate		\$37,862
Step 1	39,519	40,658
Step 2	42,448	43,673
Step 3	45,548	46,865
Step 4	49,263	50,690
Step 5	53,739	55,298
Step 6	58,754	60,461

Magistrates serving on June 30, 1994	Minimum	Maximum
Less than 1 year of service		\$30,099
1 or more but less than 3 years of service	30,288	31,333
3 or more but less than 5 years of service	32,773	33,818

Section: 35.5

Title: **LEGISLATIVE EMPLOYEES**

Summary Increases the salaries of non-elected legislative branch employees by \$1,000.

Note: S.L. 2015-241, Sec. 30.4(a), 2015 Appropriations Act, 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: 35.6

Title: **GENERAL ASSEMBLY PRINCIPAL CLERKS**

Summary Increases the salaries for the principal clerks to \$108,928, a \$1,000 increase.

Section: 35.7

Title: **SERGEANTS-AT-ARMS AND READING CLERKS**

Summary Increases the salaries for sergeants-at-arms and reading clerks to \$429 per week, corresponding to a \$1,000 annual increase.

Section: 35.8

Title: **COMMUNITY COLLEGES PERSONNEL**

Summary Subsection (a) authorizes community college boards to utilize the funds appropriated for salary increases 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 funding provided for salary increases is equivalent to the amount that would have been needed to provide a \$1,000 across-the-board increase, plus an additional \$10 million for salary increases. The State Board of Community Colleges must report on the use of these funds to the General Assembly no later than March 1, 2018.

Subsection (b) increases the minimum salaries for 9-month, full-time curriculum faculty by \$1,000 as follows:

2017 Annotated Conference Committee Report

Education Level	Minimum Salary
Vocational Diploma/Certificate or Less	\$36,844
Associate Degree or Equivalent	37,356
Bachelor's Degree	39,579
Masters Degree or Education Specialist	41,551
Doctoral Degree	44,394

This section also requires the State Board of Community Colleges to report on the use of these funds to the Fiscal Research Division (FRD) no later than March 1, 2018.

Section: 35.9

Title: **UNIVERSITY OF NORTH CAROLINA SYSTEM**

Summary Subsection (a) increases the annual salaries of University of North Carolina (UNC) employees subject to the North Carolina Human Resources Act (SHRA) by \$1,000.

Subsection (b) applies to employees of the UNC system who are exempt from the North Carolina Human Resources Act (EHRA) and authorizes the Board of Governors to provide increases 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 Board of Governors. The amount appropriated for UNC system employees is equivalent to the amount that would have been needed to provide a \$1,000 increase to all EHRA employees. The Board of Governors must report on the use of these funds to the General Assembly no later than March 1, 2018

Section: 35.10

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. 2017-57, Sec. 8.1, Appropriations Act of 2017.

Section: 35.11

Title: **ALL STATE-SUPPORTED PERSONNEL**

Summary Sets the parameters for paying salary increases for State-supported personnel.

Subsection (a) 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. 2017-57, Appropriations Act of 2017.

Subsection (b) prohibits increases to employees whose last day of service was prior to July 1, 2017.

Subsection (c) specifies that the section applies to all employees paid from State funds, whether SHRA or EHRA, including employees of public schools, community colleges, and the University of North Carolina.

Section: 35.12

Title: **MOST STATE EMPLOYEES**

Summary Specifies that the increases provided by S.L. 2017-57, Sec. 35.1, Appropriations Act of 2017, shall be provided to the following employees as long as they meet all other eligibility requirements:

2017 Annotated Conference Committee Report

1. Permanent full-time State officials and employees in SHRA positions;
2. Permanent full-time State officials and employees in EHRA positions
3. Permanent part-time State employees, and
4. Temporary and permanent hourly State employees.

Section: 35.13

Title: **IMPLEMENT NEW CLASSIFICATION AND COMPENSATION SYSTEM**

Summary Requires the Office of State Human Resources (OSHR) to implement the new Classification and Compensation System.

Section: 35.14

Title: **SALARY ADJUSTMENT FUND**

Summary Provides funding to support agency and university requests for salary increases due to reallocations, in-range adjustments for job change, labor market, or equity issues; career progression; salary range revisions; geographic site differential adjustments; and/or any other adjustment related to an increase in job duties or labor market changes.

Subsection (b) requires that \$73,000 of the amount appropriated to the Salary Adjustment Fund be used specifically for salary increases in the Office of the Lieutenant Governor.

Section: 35.15

Title: **USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED SALARY INCREASES**

Summary Sets the parameters for the use of funds appropriated for salary increases and employee benefits.

Subsection (a) requires the Office of State Budget and Management (OSBM) to ensure that funds appropriated for legislatively mandated salary increases and employee benefits are used only for the intended purposes.

Subsection (b) allows the Director of the Budget to reallocate funds between departments as needed to meet required salary and benefit increases.

Subsection (c) requires that any recurring funds remaining in these reserves be credited to the Pay Plan Reserve established in S.L. 2017-57, Sec. 35.17, Appropriations Act of 2017.

Subsection (d) requires OSBM to report to the Joint Legislative Commission on Governmental Operations by March 1, 2018, on the use and reallocation of these funds and the amount of funds expected to be credited to the Pay Plan Reserve.

Section: 35.16

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 S.L. 2002-126, Sec. 28.3A, Modify Appropriations Act of 2001-1; S.L. 2003-284, Sec. 30.12B(a), 2003 Budget Act; S.L. 2005-276, Sec. 29.14A, 2005 Appropriations Act; and S.L. 2014-100, Sec. 35.10A, Appropriations Act of 2014. These programs are authorized only for the biennium.

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 other parameters for this program. Agencies must collect information and report on the use of the program to FRD by September 1, 2019.

2017 Annotated Conference Committee Report

Section: 35.17

Title: **ESTABLISH PAY PLAN RESERVE/FUNDS**

Summary Amends Article 4 of G.S. 143C to create a reserve to be made available to certain agencies if their appropriations for salaries and benefits are insufficient to cover those expenses for employees who are paid on a statutory pay plan. These employees include highway patrol troopers, deputy and assistant clerks of court, magistrates, teachers, principals, and assistant principals. An agency may request an allocation after January 1 of each fiscal year and OSBM must certify the need for an allocation. OSBM shall report to FRD by April 1 of each year on any disbursements and need for recurring appropriations in the next year.

Section: 35.18

Title: **STATE HUMAN RESOURCES/HIRE FROM POOL OF MOST QUALIFIED PERSONS**

Summary Amends G.S. 126-14.2 to require State agencies to hire from the pool of most qualified candidates for a position, rather than requiring them to select the most qualified individual candidate.

Section: 35.18A

Title: **SPECIAL ANNUAL LEAVE BONUS**

Summary Provides 3 bonus annual leave days to full-time permanent employees of State agencies, community colleges, and local education agencies (LEAs) personnel employed on July 1, 2017 and eligible to earn leave. A pro rata share of the leave is given to part-time permanent employees. Bonus annual leave days remain available during the length of the employee's employment, but have no cash value and expire upon separation or retirement.

Section: 35.18B

Title: **STATE EMPLOYEES – AMEND SALARY CONTINUATION**

Summary Amends G.S. 143-166.14 to specify that salary continuation benefits shall cease or be equitably reduced upon the assignment of duties complying with the treating physician's restrictions, rather than just the person's regularly assigned duties.

Section: 35.18C

Title: **EXEMPT EMPLOYEES/UNC INFORMATION TECHNOLOGY PROFESSIONALS**

Summary Amends G.S. 126-5 to add information technology professionals to the list of University of North Carolina employees who are EHRA.

Section: 35.24

Title: **UNC BOARD OF GOVERNORS TO MONITOR CREATION OF NEW POSITIONS AND CERTAIN INCREASES/ CONSULTATION REQUIREMENT**

Summary Requires the UNC Board of Governors to establish a salary administration procedure that requires individual universities of the UNC system to report to the Board:

- Nonlegislative salary increases of 5% or more if the position has an annual salary of \$100,000 or more, and,
- New positions established with an annual salary of \$70,000 or more.

Salary increases and newly established positions that must meet this reporting requirement will not be effective until the reporting requirement is met.

2017 Annotated Conference Committee Report

Public School Employees

The following summaries describe salary increases and associated policies for public school employees in S.L. 2017-57, Appropriations Act of 2017. These summaries are also available in the Education section of the Annotated Conference Committee Report.

Section: 8.1

Title: **TEACHER SALARY SCHEDULE**

Summary Sets the monthly minimum salary schedule (salary schedule) for the 2017-18 fiscal year for certified personnel in North Carolina public schools.

Subsection (a) sets the salary schedule for the 2017-18 fiscal 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 6-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(i) of S.L. 2016-94, 2016 Appropriations Act, which contained an intended teacher salary schedule for FY 2018-19.

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

FY 2017-18 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" Teachers²	NBPTS "M" Certification
Step 0	\$3,500	N/A	\$3,850	N/A
Step 1	\$3,600	N/A	\$3,960	N/A
Step 2	\$3,630	N/A	\$3,993	N/A
Step 3	\$3,730	\$4,178	\$4,103	\$4,551
Step 4	\$3,730	\$4,178	\$4,103	\$4,551
Step 5	\$3,830	\$4,290	\$4,213	\$4,673
Step 6	\$3,830	\$4,290	\$4,213	\$4,673
Step 7	\$3,930	\$4,402	\$4,323	\$4,795
Step 8	\$3,930	\$4,402	\$4,323	\$4,795
Step 9	\$4,055	\$4,542	\$4,461	\$4,947
Step 10	\$4,055	\$4,542	\$4,461	\$4,947
Step 11	\$4,205	\$4,710	\$4,626	\$5,130
Step 12	\$4,205	\$4,710	\$4,626	\$5,130
Step 13	\$4,355	\$4,878	\$4,791	\$5,313
Step 14	\$4,355	\$4,878	\$4,791	\$5,313
Step 15	\$4,555	\$5,102	\$5,011	\$5,557
Step 16	\$4,630	\$5,186	\$5,093	\$5,649
Step 17	\$4,730	\$5,298	\$5,203	\$5,771
Step 18	\$4,730	\$5,298	\$5,203	\$5,771
Step 19	\$4,830	\$5,410	\$5,313	\$5,893
Step 20	\$4,830	\$5,410	\$5,313	\$5,893
Step 21	\$4,930	\$5,522	\$5,423	\$6,015
Step 22	\$4,930	\$5,522	\$5,423	\$6,015
Step 23	\$5,000	\$5,600	\$5,500	\$6,100
Step 24	\$5,000	\$5,600	\$5,500	\$6,100
Steps 25+ ³	\$5,130	\$5,746	\$5,643	\$6,259

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. A teacher must have 3 years of experience before becoming eligible for NBPTS certification. Monthly amounts for master's and NBPTS columns are rounded to the nearest dollar.

² Sec. 8.3(a) of S.L. 2014-100, Appropriations Act of 2014, prohibits teachers that have 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 1 course towards a master's degree prior to July 1, 2013.

³ Section 8.1(f) ensures that no educator is paid less in FY 2017-18 than in FY 2013-14.

2017 Annotated Conference Committee Report

Section: 8.2

Title: **SUPPORT HIGHLY QUALIFIED NC TEACHING GRADUATES**

Summary Provides teachers entering the profession with a salary supplement, in addition to the teacher salary schedule, who graduate from an approved educator preparation program in the State with:

- A grade point average of 3.75 or higher, and,
- A score of 48 or higher on the edTPA assessment, or equivalent score on another type of nationally normed teacher assessment.

The salary supplement is structured as an income-leveling adjustment that provides a teacher a salary equivalent to a certain step of the salary schedule. Once a teacher reaches the respective step on the salary schedule upon acquiring additional years of experience, the salary supplement is discontinued. The supplement is determined based on the following:

- An eligible teacher who accepts employment at a low performing school identified by the State Board of Education (SBE) pursuant to G.S. 115C-105.37 will receive a salary supplement equivalent to the difference between a teacher paid according to step 3 of the salary schedule and the current step of the teacher.
- An eligible teacher who is licensed in science, technology, engineering, mathematics, or special education will receive a salary supplement equivalent to the difference between a teacher paid according to step 2 of the salary schedule and the current step of the teacher.
- All other eligible teachers will receive a salary supplement equivalent to the difference between a teacher paid according to step 1 of the salary schedule and step 0.

(S.L. 2017-212, Sec. 2.3, Budget & Agency Technical Corrections, amends this section modify the edTPA score necessary for a new teacher to receive a Highly Qualified Teacher salary supplement.)

Section: 8.3

Title: **PRINCIPAL SALARY SCHEDULE**

Summary Establishes the minimum salary schedule and compensation policy for principals.

Subsection (a) sets the minimum annual salary schedule for the 2017-18 fiscal year for principals. The schedule is based on 2 criteria: 1) School size as measured by the school's average daily membership (ADM) and 2) The growth scores achieved by the principal in 2 of the most recent 3 school years under G.S. 115C-83.15(c).

Subsection (b) discontinues longevity payments to principals in addition to the principal salary schedule.

Subsection (c) provides that any principal who was paid according to the principal salary schedule in FY 2016-17, and who would receive a pay reduction under the new schedule, is held harmless in FY 2017-18 and will maintain their salary with all applicable salary supplements received in FY 2016-17.

Subsection (c1) states that the hold harmless provision contained in subsection (c) is only applicable in FY 2017-18.

Subsection (d) makes conforming changes to G.S. 115C-105.25(b)(5c) regarding the amount of funds that an LEA may transfer out of a principal or assistant principal position allotment based on changes made to both salary schedules.

FY 2017-18 Principal Salary Schedule

<u>Average Daily Membership</u>	<u>Base</u>	<u>Met Growth</u>	<u>Exceeded Growth</u>
0 – 400	\$61,751	\$67,926	\$74,101
401 – 700	\$64,839	\$71,322	\$77,806
701 - 1,000	\$67,926	\$74,719	\$81,511
1,001 - 1,300	\$71,014	\$78,115	\$85,216
1,301+	\$74,101	\$81,511	\$88,921

(S.L. 2017-212, Sec. 2.4, Budget & Agency Technical Corrections, amends this section to expand the hold harmless provision to principals paid on the teacher salary schedule in FY 2016-17.)

Section: 8.4

Title: **PRINCIPAL BONUSES**

Summary Creates 2 new school growth based bonus program for principals.

Subsection (a) provides principals who supervised a school with a growth ranking in the top-50% of the State with a bonus ranging from \$1,000 to \$5,000.

FY 2017-18 Principal Bonus Schedule

<u>Statewide Growth Percentage</u>	<u>Bonus</u>
Top 5%	\$5,000
Top 10%	\$4,000
Top 15%	\$3,000
Top 20%	\$2,000
Top 50%	\$1,000

In addition to the bonuses provided in subsection (a), subsection (b) provides principals who supervise a school that received a school growth score of “not meeting” or “met” expected growth in FY 2015-16, and subsequently receive a growth score of “exceeded” growth expectations in FY 2016-17, will receive an additional bonus of:

- \$10,000 for schools supervised in FY 2015-16 with a school performance grade of “D” or “F” as calculated by the SBE pursuant to G.S. 115C-83.15(d), or
- \$5,000 for all other schools.

Subsection (f) sets forth the General Assembly’s intent that the bonuses awarded under this section should be used to supplement principal compensation and not supplant local funds.

Subsection (g) directs the bonuses to be paid no later than October 31, 2017.

Section: 8.5

Title: **ASSISTANT PRINCIPAL SALARIES**

Summary Establishes the salary schedule for assistant principals for FY 2017-18.

Subsection (a) ties assistant principal pay to the teacher “A” salary schedule plus 17%.

Subsection (b) continues the advanced (\$126/month) and doctoral (\$253/month) degree salary supplements provided in addition to the salary schedule.

Subsection (d) discontinues longevity payments to assistant principals in addition to the salary schedule.

2017 Annotated Conference Committee Report

Subsection (e) provides that any assistant principal who was paid according to the assistant principal salary schedule in FY 2016-17, and who would receive a pay reduction under the new schedule, is held harmless in FY 2017-18 and will maintain his or her salary with all applicable salary supplements received in FY 2016-17.

Subsection (f) expresses General Assembly intent to further increase assistant principal pay in FY 2018-19 by tying assistant principal pay to the teacher "A" salary schedule plus 19%.

(S.L. 2017-212, Sec. 2.4, Budget & Agency Technical Corrections, amends this section to expand the hold harmless provision to assistant principals paid on the teacher salary schedule in FY 2016-17.)

Section: 8.6

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 2017-18. Salary ranges are \$1,000 higher than in FY 2016-17.

The following monthly salary ranges apply to public school assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2017-18 fiscal year, beginning July 1, 2017:

	<u>Minimum</u>	<u>Maximum</u>
School Administrator I	\$3,525	\$6,501
School Administrator II	\$3,729	\$6,888
School Administrator III	\$3,951	\$7,300
School Administrator IV	\$4,104	\$7,585
School Administrator V	\$4,265	\$7,887
School Administrator VI	\$4,517	\$8,356
School Administrator VII	\$4,693	\$8,688

The following monthly salary ranges apply to public school superintendents for the 2017-18 fiscal year, beginning July 1, 2017:

	<u>Minimum</u>	<u>Maximum</u>
Superintendent I (Up to 2,500 ADM)	\$4,974	\$9,209
Superintendent II (2,501-5,000 ADM)	\$5,273	\$9,758
Superintendent III (5,001-10,000 ADM)	\$5,586	\$10,344
Superintendent IV (10,001-25,000 ADM)	\$5,921	\$10,965
Superintendent V (> 25,000 ADM)	\$6,277	\$11,626

Subsection (e) prohibits the transfer of State funds from other funding categories for salaries for public school central office administrators.

Section: 8.7

Title: **NONCERTIFIED PERSONNEL SALARIES**

Summary Increases the salaries of noncertified public school employees by \$1,000 for FY 2017-18.

Subsection (b) directs that in lieu of the \$1,000 increase provided in subsection (a), \$16.9 million of the funds appropriated for noncertified personnel compensation increases shall be used by local boards of education to increase average pay rates for bus drivers on an equitable basis.

2017 Annotated Conference Committee Report

Section: 8.8

Title: **SCHOOL BOARDS CREATE MINIMUM SALARY SCHEDULE FOR OCCUPATIONAL THERAPISTS AND PHYSICAL THERAPISTS**

Summary Amends G.S. 115C-316 to add a new requirement that LEAs establish a minimum salary schedule for occupational and physical therapists that provides experience-based salary increases with experience intervals being no greater than 5 years in duration. The State-funded salaries under the minimum schedule must remain within the salary ranges adopted by the SBE.

Section: 8.8A

Title: **VETERAN TEACHER BONUSES**

Summary Provides a nonrecurring bonus of \$385 to teachers and instructional support personnel with 25 or more years of experience in FY 2017-18 and FY 2018-19.

Section: 8.8B

Title: **REVISE TEACHER BONUS PROGRAMS**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to revise 3 teacher bonus programs, including the Third Grade Read to Achieve Teacher Bonuses, Advanced Placement (AP)/ International Baccalaureate (IB)/ Cambridge AICE (Advanced Courses) Teacher Bonuses, and the CTE Teacher Bonuses.

Subsections (a)-(b) revise several requirements for the Advanced Courses and CTE Teacher Bonuses. First, the section removes the requirement that a teacher must be licensed to be eligible for the bonuses but requires that the teacher must remain teaching in the same school. The section also expands the bonuses to charter school teachers, and removes the requirement that the teacher must remain teaching an Advanced or CTE course the following school year to receive the bonus. The section also increases the maximum allowable bonus from \$2,000 per teacher to \$3,500.

Subsection (c) revises several requirements for the Third Grade Read to Achieve Teacher Bonuses. The section removes the requirement that a teacher must be licensed to be eligible for the bonuses and the requirement that the teacher must remain teaching third grade. However, the teacher must remain teaching in the same school to be eligible for the bonus.

(S.L. 2017-197, Sec. 2.10, Budget Technical Corrections, amends this section to clarify that AP/IB/Cambridge AICE and CTE bonus provisions include 2017-2018 and 2018-2019 performance.)

Section: 8.8C

Title: **THIRD GRADE READ TO ACHIEVE TEACHER BONUS PROGRAM FOR 2018-2019**

Summary Directs the Department of Public Instruction (DPI) to administer the Third Grade Read to Achieve Teacher Bonus Program (Program) to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student index score for 3rd grade reading from the previous school year.

An eligible teacher is 1 who meets one or both of the following:

- Is in the top-25% of teachers in the State according to the EVAAS student growth index score for 3rd grade reading from the previous school year, or,
- Is in the top-25% of teachers in the teacher's respective LEA according to the EVAAS student growth index score for 3rd grade reading from the previous school year.

A qualifying teacher is an eligible teacher who remains teaching in the same LEA at least from the time the data was collected until the bonus is paid.

2017 Annotated Conference Committee Report

Of the funds appropriated for the Program, \$5 million must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the State. These funds must be distributed equally among the qualifying teachers.

Of the funds appropriated for the Program, \$5 million must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the teacher's respective LEA.

A qualifying teacher may receive a bonus for being in the top 25% of the teachers in the State and being in the top 25% of teachers in the teacher's LEA, however neither bonus can exceed \$3,500 in any given school year and no teacher can receive more than \$7,000 in total bonus compensation for any given school year. The bonus (or bonuses) awarded to a qualifying teacher is in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

The SBE must study the effect of the bonuses awarded under this section and under the Third Grade Reading Teacher Performance Pilot Program on teacher performance and retention. The findings of the study, the distribution of statewide bonuses as among LEAs, and the distribution of bonuses within LEAs as among individual schools must be reported to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative the Joint Legislative Education Oversight Committee (JLEOC), and FRD by March 15 of each year, beginning in 2019.

This section is effective July 1, 2017 and applies to bonuses awarded in January 2019 and January 2020 based on data from the 2017-2018 and 2018-2019 school years, respectively.

(S.L. 2017-197, Sec. 2.10, Budget Technical Corrections, amends this section to harmonize S.L. 2017-57 8.8C with Sec. 8.8B and by expanding third grade bonuses to include 2018-2019 performance.)

Section: 8.8D

Title: **FOURTH AND FIFTH GRADE READING TEACHER BONUS PROGRAM FOR 2017-2018**

Summary Creates a new bonus program in FY 2017-18 to provide \$2,150 bonuses to 4th and 5th grade reading teachers who have an EVAAS growth score in the top 25% Statewide, or in the top 25% within his or her LEA. If a teacher's growth scores are in the top 25% Statewide and top 25% within his or her LEA, the teacher will receive both bonuses.

Growth scores are based on performance from FY 2016-17 and bonuses are payable in January 2018.

Subsection (c) instructs the SBE to study the effect of the bonuses awarded under this section on teacher performance and retention. The Board is directed to report its findings to JLEOC and FRD by March 15, 2018.

Section: 8.8E

Title: **FOURTH TO EIGHTH GRADE MATH TEACHER BONUS PROGRAM FOR 2017-2018**

Summary Creates a new bonus program in FY 2017-18 to provide \$2,150 bonuses to 4th through 8th grade math teachers who have an EVAAS growth score in the top 25% Statewide, or in the top 25% within his or her LEA. If a teacher's growth scores are in the top 25% Statewide and top 25% within his or her LEA, the teacher will receive both bonuses.

Growth scores are based on performance from FY 2016-17 and bonuses are payable in January 2018.

Subsection (c) instructs the SBE to study the effect of the bonuses awarded under this section on teacher performance and retention. The Board is directed to report its findings to JLEOC and FRD by March 15, 2018.

2017 Annotated Conference Committee Report

Section: 8.10

Title: **SCHOOL BUS DRIVER COMPENSATION AND EMPLOYMENT STUDY**

Summary Directs the DPI to study the compensation of bus drivers and the challenges of recruiting and retaining bus drivers. The Department shall report its findings to the JLEOC and FRD by April 1, 2018.

Session Law 2017-197, House Bill 528

Section: 2.10

Title: **TECHNICAL CHANGE: TEACHER BONUS PROGRAMS**

Summary Amends S.L. 2017-57, Sec. 8.8B, Appropriations Act of 2017, to clarify that AP/IB/Cambridge AICE and CTE bonus sections include 2017-2018 and 2018-19 performance. The section also amends S.L. 2017-57, Sec. 8.8C, to synchronize Section 8.8C with Section 8.8B by expanding third grade bonuses to include 2018-19 performance.

Session Law 2017-212, Senate Bill 582

Section: 2.3

Title: **TECHNICAL CHANGE: HIGHLY QUALIFIED TEACHING GRADUATES**

Summary Amends S.L. 2017-57, Sec. 8.2(b), Appropriations Act of 2017 to modify the edTPA score necessary for a new teacher to receive a Highly Qualified Teacher salary supplement. This section grandfathers the edTPA score requirement of 48 for teachers entering the profession between July 1, 2017 and October 8, 2017. For teachers entering the profession after October 8, 2017, this section adds a new Section 8.2A to S.L. 2017-57, Appropriations Act of 2017 that differentiates the edTPA score required to receive a Highly Qualified Teacher salary supplement based on curriculum.

After October 8, 2017, the following edTPA scores are required:

- World Languages and Classical Languages – 42
- Elementary Education – 57
- All Others – 48

Section: 2.4

Title: **TECHNICAL CHANGE: PRINCIPAL/ASSISTANT PRINCIPAL HOLD HARMLESS**

Summary Amends S.L. 2017-57, Secs. 8.3(c) and 8.5(e), Appropriations Act of 2017, to extend the hold harmless salary provision to principals and assistant principals paid based on the teacher salary schedule in FY 2016-17.

Historical Compensation Information

Three following tables 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.

Table 1: Estimated Cost for Each Across-the-Board 1% Salary 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
2017-18	141.48	3.75

a Additional historical data available upon request.

b No across-the-board salary increases were appropriated by the General Assembly for employees in FY 2002-03 except for the salary step increases appropriated for teachers and school-based administrators.

c No across-the-board salary increases were appropriated by the General Assembly for employees in FY 2003-2004 except for the salary step increases appropriated 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 appropriated 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 appropriated 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 appropriated 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 equivalent (FTE) Department of Information Technology positions. These FTE were transferred from a special fund to the General Fund and are supported by net appropriations.

Table 2: 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)

2017 Annotated Conference Committee Report

Year	State Employees	Teachers
2002-03	-0-	0% - 5.85% (1.8% average)
2003-04	\$550 one-time bonus	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)
2017-18 ^h	\$1,000 across-the-board increase	0.6% - 6.9% (3.3% average)

- a Salary increment program frozen
- b Conditional upon continuous employment for 1 year
- c Most teachers received between 4%-9%. Teachers receiving 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.
- h The State Board of Community Colleges and, for EHRA employees, the UNC Board of Governors were given flexibility in the use of compensation increase funds. Judges and members of the Council of State did not receive the \$1,000 increase. The increase shown for teachers is the increase in State funding for

2017 Annotated Conference Committee Report

a teacher who taught in FY 2016-17 and continues to teach in FY 2017-18, consistent with the prior years in the table. It does not include the \$385 bonus paid to veteran teachers or performance-related bonuses.

Table 3: 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
2016-17	46,054

- a The average salary reflected is for permanent SHRA employees at a point in time. The average salary fluctuates throughout the year due to a variety of factors (e.g. turnover, mid-year salary adjustments, etc.).

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, 2015, the most recent valuation date, TSERS had approximately 305,000 contributing members and paid retirement benefits of \$4.2 billion annually to 202,000 beneficiaries. As of December 31, 2015, the market value of assets totaled \$62.7 billion while the actuarially-recognized assets totaled approximately \$66.2 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 93% funded (i.e., 0.93 in assets for each 1.00 of liabilities) based upon the recognized assets as of December 31, 2015.

The following table reflects the Employer Contribution Rates to TSERS since FY 2009-10.

Fiscal Year	Employer Rate
2009-10	3.57%
2010-11	4.93%
2011-12	7.44%
2012-13	8.33%
2013-14	8.69%
2014-15	9.15%
2015-16	9.15%
2016-17	9.98%
2017-18	10.78%
2018-19	11.87%

Significant Legislative Budget Actions

For the 2017-19 Fiscal Biennium, 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 Conference 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. Sec. 35.15 of S.L. 2017-57, Appropriations Act of 2017, 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.

During the 2017 legislative 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 2017-18	FY 2018-19
General Fund for TSERS	\$81,259,051	\$191,974,509
Highway Fund for TSERS	2,416,796	5,709,680
General Fund for Consolidated Judicial Retirement System	1,193,731	2,852,941
General Fund for Legislative Retirement System	29,684	65,884
General Fund for Disability Income Plan	(27,230,539)	(27,230,539)
Highway Fund for Disability Income Plan	(725,039)	(725,039)
General Fund for Firefighters' and Rescue Squad Workers' Pension Fund	350,000	700,000
General Fund for National Guard Pension Fund	406,080	406,080
TOTAL	\$57,699,764	\$173,753,516

Salaries and Benefits

Significant Special Provisions
Session Law 2017-57, Senate Bill 257

Section: 35.19

Title: **SALARY-RELATED CONTRIBUTIONS**

Summary: Sets the contribution rates for the retirement systems for the 2017-19 Fiscal Biennium.

Subsection (b) sets the contribution rate to TSERS for FY 2017-18 at 17.13% of payroll. The contribution rate is made up of the following: 10.78% of payroll for retirement, 0.14% of payroll for the DIP, 0.16% of payroll for the Death Benefit, and 6.05% of payroll for retiree health benefits.

Subsection (c) sets the contribution rate to TSERS for FY 2018-19 at 18.44% of payroll. The contribution rate is made up of the following: 11.87% of payroll for retirement, 0.14% of payroll for the DIP, 0.16% of payroll for the Death Benefit, and 6.27% of payroll for retiree health benefits.

Section: 35.19A

Title: **PROVIDE COST-OF-LIVING ADJUSTMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM**

Summary: Amends G.S. 135-5 to provide a cost-of-living adjustment of 1.0% to retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) effective July 1, 2017. The cost-of-living adjustment is an increase in the retirees' ongoing monthly benefits.

Section: 35.19B

Title: **ENHANCE THE BENEFITS OF PROBATION/PAROLE OFFICERS WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**

Summary: Amends G.S. 135-1 to define a probation/parole officer for retirement benefit purposes and change the definition of law-enforcement officer in G.S. 135-1(11c) and (17a) to include probation/parole officers with respect to service rendered on or after July 1, 2017. Changing the definition of law-enforcement officer has the following impacts in other areas of the State law:

- G.S. 135-5(b19) states "A member who is a law enforcement officer" will be eligible for unreduced retirement at age 55 with 5 years of service as a law-enforcement officer or reduced retirement at age 50 with 15 years of service as a law-enforcement officer. Because G.S. 135-5 is in the same chapter as G.S. 135-1(11c), expanding the definition of law-enforcement officer extends those retirement age provisions to probation/parole officers.
- G.S. 143-166.41(a) states that the separation allowance is available to "every sworn law-enforcement officer as defined by G.S. 135-1(11c)..." By changing the definition in G.S. 135-1(11c), probation/parole officers will begin earning service toward the separation allowance. While only service on or after July 1, 2017 counts toward the requirement to have 5 years of law-enforcement service immediately prior to retirement, probation/parole officer service prior to July 1, 2017 will count toward the requirement that half of an employee's career be as a law-enforcement officer.
- G.S. 143-166.60 states that the Separate Insurance Benefit Plan (SIBP) is established for "all law enforcement officers, as defined in G.S. 135-1(11c)..." By changing the definition in G.S. 135-1(11c), probation/parole officers are eligible for the SIBP.

This section does not change the definition of law-enforcement officer in G.S. 143-166.30(a)(4), so does not extend the law-enforcement 401(k) benefits to probation/parole officers.

2017 Annotated Conference Committee Report

Because S.L. 2017-57, Sec. 35.19A, Appropriations Act of 2017, only changes the definition of law-enforcement officer with respect to service rendered on or after July 1, 2017, most probation/parole officers would have to work for at least 5 more years to be eligible to retire at a different age or receive the separation allowance.

Additional Legislation

S. L. 2017-98 (H.B. 159)

Title: **CHARTER SCHOOL TSERS ELECTION**

Summary Amends GS 135-5.3(b3) to allow a charter school seeking to become a participating employer in TSERS prior to the end of the second year of operation (was, initial year of operation) to be granted provisional entry for 1 year. The law further amends subsection (b4) to provide that a charter school seeking to become a participating employer in TSERS after the end of the initial year of operation but before the end of the second year of operation may (was shall) undergo an actuarial and financial review as required by the board of trustees prior to entry. The law also adds a new section to mandate that a charter school seeking to become a participating employer in TSERS after the end of the second year undergo an actuarial and financial review.

S.L. 2017-125 (H.B. 115)

Title: **RETIREMENT TECHNICAL CORRECTIONS ACT OF 2017- AB**

Summary Amends several different State statutes governing TSERS, the Local Governmental Employees' Retirement System (LGERS), and DIP as follows:

Section 1 changes the definition of average final compensation in TSERS and LGERS to clarify that the value of vacation leave payout be included only if it is received during the highest 4 consecutive years of compensation. This clarification aligns the statute with longstanding administrative practice.

Section 2 amends educational leave statutes in TSERS and LGERS to further clarify that a member on educational leave for which they receive a stipend, but not other forms of compensation, is eligible to purchase his or her service.

Section 3 amends G.S. 135-48.12 to require the Committee on Actuarial Valuation of Retired Employees' Health Benefits to adopt a funding policy. This requirement is related to new governmental accounting standards.

Section 5 amends statutes governing other Department of State Treasurer programs that are not retirement systems or pension funds and therefore not addressed here.

Section 6 adds DIP to the list of funds in G.S. 147-69.2 invested by the Treasurer, in conformance with DIP statutes.

Section 8 repeals G.S. 147-69.12(e), which requires the Treasurer to adopt rules by December 31, 2016 on investment programs reporting.

S. L. 2017-128 (H.B. 176)

Title: **PENSIONS INTEGRITY ACT OF 2017-AB**

Summary Amends several different State statutes governing TSERS, LGERS, the Sheriffs' Supplemental Pension Fund, and the State Health Plan as follows:

2017 Annotated Conference Committee Report

Section 1 extends the Retirement System Division's (RSD) access to an employing agency's persons and records when conducting a compliance investigation to detect errors and ensure accountability. RSD currently has access to these persons and records when conducting an investigation of fraud. This section also grants civil immunity to the medical board established in G.S. 128-28(l) and 135-6(k).

Section 2 extends the time period during which an employing agency may make payments under the Contribution Based Benefit Cap (Cap) provision in TSERS and LGERS. The Cap is intended to more accurately distribute the cost of "pension spiking", i.e. large increases in compensation during the 4 years used in calculating the benefit. With this change the employing agency could choose payment without interest between 3 and 15 months after the member's retirement or with interest between 3 and 27 months after retirement.

Section 3 prohibits the Department of State Treasurer from making arrangements to deduct amounts from a beneficiary's retirement benefit for providing health benefits. Arrangements made by local employers with the LGERS prior to January 1, 2017 would remain in effect until revoked by the beneficiary.

Section 4 requires employers who receive a report indicating they are likely to owe an additional contribution under the Cap to forward that report to certain governing bodies of the employer.

Section 5 provides that a sheriff may elect to have their accumulated sick leave no longer count as eligible service under LGERS and instead count as eligible service under the Sheriff's Supplemental Pension Fund.

Section 6 requires the N.C. Department of Revenue to provide copies of a member's State tax return upon request of the RSD for use in fraud and compliance investigations.

Section 7 provides that the State Health Plan Board of Trustees may not approve resolutions allowing local governments that were allowed to participate in the State Health Plan under uncodified local laws passed in 2004, 2005, and 2006 to enroll retirees in the Retiree Health Benefit Plan after January 1, 2017.

Section 8 sets a floor on the employer contribution rates for TSERS and LGERS equal to the employee contribution rate.

S.L. 2017-129 (H.B. 183)

Title: **RETIREMENT ADMIN. CHANGES ACT OF 2017-AB**

Summary Amends several State laws governing TSERS, LGERS, Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), and DIP as follows:

Section 1 amends statutes governing the FRSWPF, TSERS, and LGERS to improve the RSD's ability to collect repayment of overpaid benefits.

Section 2 amends various sections of G.S. 135 and G.S. 128 to codify the current funding policies of TSERS and LGERS. This section also modifies provisions related to funds for retiree health, disability income, and death benefits to incorporate trust language from the Governmental Accounting Standards Board (GASB).

Section 3 allows members of several Retirement Systems to elect beneficiaries on-line, rather than by paper form, regardless of the amount of service they have. Currently beneficiaries cannot be elected online if the member has 10 or more years of service.

Section 4 clarifies that TSERS is a multi-employer plan for reporting purposes under GASB.

2017 Annotated Conference Committee Report

Section 5 creates a fund under the control of the Boards of Trustees of TSERS and LGERS that can be used to pay for the cost of implementing any legislated benefit changes that will result in future reductions in contributions. The maximum amount that can be directed into the fund is 0.01% of compensation.

Section 6 affects Department of State Treasurer general operations unrelated to the Retirement Systems.

Section 7 allows public employers to make additional contributions to deferred compensation accounts of employees.

Section 8 affects Department of State Treasurer general operations unrelated to the Retirement Systems.

Section 9 standardizes employer reporting of sick leave for members of TSERS and LGERS.

Sections 10 and 11 affect Department of State Treasurer general operations unrelated to the Retirement Systems.

S. L. 2017-176 (S.B. 384)

Title: **CRIMINAL LAW CHANGES**

Part VI, Sheriffs' Supplemental Pension Fund Changes of S.L. 2017-176

Summary Amends Article 12H, Chapter 143, State Departments, Institutions, and Commissions, to require counties to contribute additional funds to the Sheriffs' Supplemental Pension Fund so that the benefit will be the lesser of: a) \$1,500 per month, b) the amount that, when combined with the LGERS benefit, would reach 75% of pre-retirement earnings, or c) the amount that, when combined with the LGERS benefit and the special separation allowance, would reach 100% of pre-retirement earnings. This Act removed language limiting the benefit to a sheriff's proportional share of the available assets, an amount that was often lower than the amounts above, thus this Act significantly increased the benefits of many retired sheriffs. Other sections of this Act do not affect retirement systems or pension funds.

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 2017, the SHP had 716,734 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 are projected to be \$3.5 billion for FY 2017-18.

Significant Legislative Budget Actions

In 2017, the General Assembly enacted the following recurring changes in General Fund and Highway Fund appropriations to the SHP on behalf of both active employees and retirees:

Changes in State Appropriations	FY 2017-18	FY 2018-19
General Fund	\$79,640,259	\$163,212,335
<u>Highway Fund</u>	<u>2,050,664</u>	<u>4,198,720</u>
TOTAL	\$81,690,923	\$167,411,055

The additional SHP appropriations, found in State agency budgets throughout the Conference Committee Report, are based on the estimated position count and payroll for each subset of the employee population. Additional appropriations for active employee premiums are shown under the label "State Health Plan" and contributions made to the Retiree Health Benefit Fund for retiree coverage are incorporated into the amount for "State Retirement Contributions" to align with typical State budgeting and accounting procedures.

Special Provisions

Session Law 2017-57, Senate Bill 257

Section: 35.19

Title: **SALARY-RELATED CONTRIBUTIONS**

Summary: Sets salary-related contributions including the maximum annual employer contributions for health benefit coverage for eligible employees and retired employees. These maximum contributions correspond to an increase of 4% in January 2018 and an additional 4% in January 2019.

Section: 35.21

Title: **STUDY STATE EMPLOYEE COMPENSATION AND BENEFITS/REDUCE LONG-TERM UNFUNDED HEALTH CARE POTENTIAL LIABILITIES (AS AMENDED BY S.L. 2017-197, BUDGET TECHNICAL CORRECTIONS)**

Summary: Amends Article 3B of Chapter 135 of the General Statutes to require that retirees earn contributory retirement service in a State retirement system prior to January 1, 2021, and do not

2017 Annotated Conference Committee Report

withdraw that service, among other requirements, in order to be eligible for coverage in the SHP as a retiree under the amended law.

This section also creates the State Employee Compensation and Benefits Committee to study compensation and benefits of State employees, how those impact recruiting and retention, how they compare to compensation and benefits provided by other employers, and the current financial condition of the State pension system. The committee is required to submit a report to the General Assembly by February 1, 2019.

Section: 35.22

Title: **STATE TREASURER AUTHORITY OVER STATE HEALTH PLAN EMPLOYEES**

Summary: Please refer to the General Government section of this report for a summary.

Additional Legislation

S.L. 2017-135 (H.B. 299)

Title: **STATE HEALTH PLAN ADMINISTRATIVE CHANGES.-AB**

Summary Amends statutes governing the SHP as follows:

Section 1 amends G.S. 135-48.44(a) to allow the SHP to terminate coverage when an individual knowingly and willfully provides false information during the enrollment process. Currently, the SHP can terminate coverage when an individual provides false information related to a claim.

Section 2 amends G.S. 135-48.40(c)(2) to clarify that the retiree's premium for one-half contributory coverage is half of the employer contribution established by the General Assembly plus the employee contribution.

Section 3 amends G.S. 135-48.42(a) to require members to enroll newborns they wish to cover within 30 days of birth. Previously, additional children born to a member who had elected employee-child or family coverage were automatically covered.

Section 4 provides limited civil immunity to members of the Board of Trustees.

Sections 5 through 7 grant SHP staff access to employing agency records and State tax returns when conducting a fraud or compliance investigation or an audit.

Section 8 specifies that retirees serving active sentences in the State prison system are not eligible for coverage in the SHP during the time of incarceration.

Section 9 allows the SHP to collect monies owed to it from State Retirement System checks of members that have defrauded 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. Effective 2018, the State Treasurer and Board have:

- Eliminated the Consumer Directed Health Plan (CDHP),
- Implemented a \$25 employee premium in the Traditional 70/30 Plan and a \$50 employee premium in the Enhanced 80/20 Plan for employee-only coverage,
- Frozen total employee contributions for family coverage, and
- Reduced the number of wellness activities to only tobacco attestation.

The following page shows the 2017 employee/retiree premium rate structure.

Salaries and Benefits

**State Health Plan
Calendar Year 2017 Employee/Retiree Monthly Premium Structure**

Active Employees and Non-Medicare Retirees (if Fully Subsidized)

	Employee/Retiree Share	
	Employer Share	Complete All Wellness Activities * Complete No Wellness Activities
Traditional 70/30 Plan	\$479.48	\$0.00
Enhanced 80/20 Plan	\$479.48	\$15.04
Consumer-Directed Health Plan (85/15)	\$479.48	\$80.00

* Members receive credits for each activity. We have shown all or none for simplicity.

Medicare Retirees (if Fully Subsidized)

Medicare Advantage Plans

MA-PDP Base Plan
MA-PDP Enhanced Plan

Employer Share	Employee/Retiree Share
\$372.56	\$0.00
\$372.56	\$64.00

Alternate Plan

Traditional 70/30 Plan

Employer Share	Employee/Retiree Share
\$372.56	\$0.00

Dependents (paid by employee/retiree in addition to premiums above)

	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Traditional 70/30	Enhanced 80/20	CDHP 85/15	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Children	\$218.14	\$290.14	\$196.32	\$124.80	\$188.80	\$155.20
Employee/Retiree + Spouse	\$562.10	\$668.48	\$505.90	\$124.80	\$188.80	\$408.08
Employee/Retiree + Family	\$598.70	\$708.72	\$538.82	\$249.60	\$377.60	\$444.66

Finance

Section P

Special Provisions

2017 Session: SB 257

Section: 38.1

Title: **LOWER PERSONAL INCOME TAX RATE**

Summary: Amends G.S. 105-153.7(a) to reduce the Personal Income tax rate from 5.499% to 5.25% effective for taxable years beginning on or after January 1, 2019.

Section: 38.2

Title: **INCREASE STANDARD DEDUCTION**

Summary: Amends G.S. 105-153.5(a)(1) to increase the standard deduction for Personal Income taxes. Effective for taxable years beginning on or after January 1, 2019, the deduction is increased from \$17,500 to \$20,000 for taxpayers who file Married, Filing Jointly; from \$14,000 to \$15,000 for taxpayers who file Head of Household; and from \$8,750 to \$10,000 for taxpayers who file Single or Married, Filing Separately.
(S.B. 325)

Section: 38.4

Title: **CONVERT CHILD TAX CREDIT TO A DEDUCTION**

Summary: Amends G.S. 105-153.5 to convert the child income tax credit from a tax credit into a tax deduction, effective for taxable years beginning on or after January 1, 2018.
(S.B. 325)

Section: 38.5

Title: **LOWER CORPORATE INCOME TAX RATE**

Summary: Amends G.S. 105-130.3 to reduce the Corporate Income tax rate from 3% to 2.5%, effective for taxable years beginning on or after January 1, 2019.

Section: 38.6

Title: **LOWER FRANCHISE TAX FOR S CORPORATIONS**

Summary: Amends G.S. 105-122 to reduce the franchise tax rate for S Corporations by applying a flat \$200 tax on the first \$1 million of the tax base. This reduction applies to franchise tax calculations for corporate income tax returns filed for tax years beginning on or after January 1, 2018.

Section: 38.8

Title: **EXEMPT MILL MACHINERY FROM TAX AND STUDY**

Summary: Repeals G.S. 105-Article 5F, G.S. 105-164.13(5a), and G.S. 105-164.13(57a) to eliminate the privilege tax on mill machinery, levied at a rate of 1% of the purchase price of eligible machinery, parts, or accessories purchased, with a maximum tax of \$80.

Subsections (b) - (c) amend G.S. 105-164.4I(b) and G.S. 105-164.13 to exempt from sales tax both mill machinery and repair and replacement parts for ready-mix concrete mills.

Subsection (d) creates G.S. 105-164.3.(37g) to define "secondary metals recycler", a term used in subsection (c).

Subsection (e) directs the Revenue Laws Study Committee to study ways to clarify the scope of the sales and use tax exemption for mill machinery and allows the Committee to report its finding and any recommended legislation to the 2018 Regular Session of the 2017 General Assembly upon its convening.
(H.B. 847)

(S.L. 2017-212, Sec. 7.2, Budget & Agency Technical Corrections, amends this section to correct a statutory reference in subsection (a).)

Section: 38.9

Title: **SALES TAX EXEMPTION FOR FULFILLMENT FACILITIES**

Summary: Amends G.S. 105-164.3 to add a new subdivision (16f), which exempts from sales tax specified items sold to a large fulfillment facility, effective July 1, 2017. Items eligible for the sales tax exemption include distribution equipment and accessories and repair parts for distribution equipment.

Section: 38.9A

Title: **SALES TAX REFUND FOR TRANSFORMATIVE PROJECTS**

Summary: Amends G.S. 105-164.14A(a) to add a new subdivision (8), which provides a sales tax exemption for certain expenses associated with transformative investment opportunities, which require a business to invest at least \$4 billion and create at least 5,000 jobs.

Section: 38.13

Title: **RENEWABLE ENERGY TAX CREDIT EXTENSION**

Summary: Amends G.S. 105-129.16A to allow certain biomass-resource-related projects to claim the renewable energy tax credit. To be eligible, projects must have achieved a certain minimum level of completion prior to January 1, 2016, and must have been placed in service prior to May 5, 2017.

Special Provisions

2017 Session: SB 582

Section: 7.2

Title: **TECHNICAL CHANGE: MILL MACHINERY**

Summary: Amends S.L. 2017-57, Sec. 38.8(a), Appropriations Act of 2017, to correct the reference to G.S. 105-164.13(57a).

Other Finance Legislation

2017 Session: **SB 628**

Section: 1.3

Title: **CLARIFY POLICY CONCERNING USE OF RENEWABLE ENERGY CREDITS TO OFFSET INSURANCE COMPANY TAXES**

Summary: Amends G.S. 105-122 to clarify that the additional tax rate of 0.74% applicable to insurance contracts for property coverage is not part of the gross premiums tax and that renewable energy credits cannot be used to offset liability for these payments for taxable years beginning on or after January 1, 2017. This section allows taxpayers to apply tax credits to these payments for tax years prior to 2017. The revenue impact is approximately -\$8 million for FY 2017-18.

Appendices

State of North Carolina
Full-time Equivalent Position Counts by GAAP Fund Type
(December 2016)

	General Fund (1)		Highway Fund		Enterprise	Institutional	Internal	Special	Trust	Total by
	Appropriated	Receipt	Appropriated	Receipt (2)	Fund	Fund	Service	Fund (5)	Fund	Sector
Government Sector										
State Government										
UNC System ⁽³⁾	32,728.48	2,294.81	-	-	75.54	19,268.17	-	-	8,977.97	63,344.98
Justice and Public Safety	31,438.10	771.82	-	-	65.00	-	365.00	571.16	-	33,211.08
Health & Human Services	6,159.67	10,934.38	-	9.61	-	-	3.00	863.00	-	17,969.66
General Government	3,478.91	1,126.70	-	70.85	-	-	736.65	297.66	5.87	5,716.63
Natural & Economic Resources	3,979.97	2,002.85	-	117.27	697.20	-	-	1,901.50	211.52	8,910.30
Education (State Administration)	972.39	362.26	-	-	-	-	-	-	9.05	1,343.70
Transportation	-	-	6,312.50	6,264.50	-	-	-	-	-	12,577.00
Sub-total	78,757.53	17,492.82	6,312.50	6,462.23	837.74	19,268.17	1,104.65	3,633.32	9,204.40	143,073.35
Local Education										
Public Schools ⁽³⁾⁽⁴⁾	152,091.07	-	-	-	-	-	-	-	-	152,091.07
Community Colleges ⁽³⁾	17,822.10	-	-	-	-	-	-	-	-	17,822.10
Sub-total	169,913.17	-	-	-	-	-	-	-	-	169,913.17
Total by GAAP Fund Type	248,670.70	17,492.82	6,312.50	6,462.23	837.74	19,268.17	1,104.65	3,633.32	9,204.40	312,986.52

Notes:

- 1) Includes 105.8 positions and \$4.0 million in salaries budgeted in Reserve budget codes.
- 2) Includes receipt supported positions (849 positions, \$44.4 million total salary) and work order positions (5,609 positions, \$253.1 million total salary) in Highway Fund Budget Codes.
- 3) Includes FTE growth due to projected enrollment growth for the 2017-18 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 2017-19 Base Budget while this table is based on a survey of budgeted positions completed in December 2016. 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, December 2016

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

			Less: Adjustments to Total Authorizations						
			Capital Improvements						
% Change			Earmarking		Savings Reserve		Total		
Fiscal	Total	vs. Prior	Direct	of Unreserved	Direct		Total	Total	% Change
Year	Authorizations ¹	Year	Appropriations	Fund Balance	Appropriations	Other	Adjustments	Current	vs. Prior
								Operations	Year
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	22,522,837,590 Z	2.92%	26,072,500	81,400,000	0	0	107,472,500	22,415,365,090 Z	3.21%

¹Includes Local Government Hold Harmless Revenue; additional information is available from the Department of Revenue at <http://www.dor.state.nc.us/publications>.

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

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.
- 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. 2013-184.
- 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.
- Z Total net General Fund Authorizations were increased by \$100 million from the Unappropriated Balance pursuant to S.L. 2016-124, Disaster Recovery Act of 2016. S.L. 2016-124 also appropriated an additional \$100.9 million from the Savings Reserve, increasing agency receipts by \$100.9 million.

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations			Education						Health & Human Services		All Other		
				Public Schools		Community Colleges		University		as 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%	
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% AP 4	

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

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%	
2016-17	Authorization	22,415,365,090	P	8,777,100,557	39.2%	1,101,634,822	4.91%	2,863,688,973	12.78%	56.85%	5,025,567,739	22.42%	4,647,372,999	20.73%
	Expenditure	22,058,725,238		8,623,281,672	39.1%	1,097,702,331	4.98%	2,858,903,446	12.96%	57.03%	4,918,365,841	22.30%	4,560,471,948	20.67%
	Reversion	356,639,852		153,818,885	43.1%	3,932,491	1.10%	4,785,527	1.34%	45.57%	107,201,898	30.06%	86,901,051	24.37%
	% Unexpended	1.6%		1.8%		0.4%		0.2%			2.1%		1.9%	

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.
- P Total net General Fund appropriations were increased by \$100 million from the Unappropriated Balance pursuant to S.L. 2016-124, Disaster Recovery Act of 2016. S.L. 2016-124 also appropriated an additional \$100.9 million from the Savings Reserve, increasing agency receipts by \$100.9 million.

Earmarking of the Year-end Fund Balance by Fiscal Year

(Includes Earmarkings, Transfers, and Appropriations directly from Year-end Fund Balance)

Fiscal Year	Unreserved Fund Balance on June 30 Fiscal Year End*	Statutory Earmarkings, Transfers, and Appropriations of Year-end Fund Balance							Unreserved Fund Balance for Subsequent Fiscal Year on July 1
		Savings Reserve Account	Repairs & Renovations Reserve	Clean Water Management Trust Fund**	Tax Relief/ Tax Refunds	Other Earmarkings	Appropriation of Reversions	Total	
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
2016-17	960,379,669	263,000,000	125,000,000	-	-	100,928,370 HH	-	488,928,370	471,451,299 II

* 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
- 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).

Earmarking of the Year-end Fund Balance by Fiscal Year

(Includes Earmarkings, Transfers, and Appropriations directly from Year-end Fund Balance)

- 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)).
- HH S.L. 2016-2 appropriated \$100,928,370 from the Savings Reserve and \$100 million from the Unappropriated Balance for the Disaster Relief Act of 2016; as per S.L. 2017-57, Appropriations Act of 2017, funds from the Unreserved Fund Balance were used to replenish the Savings Reserve.
- II The estimated Unreserved Fund Balance recognized by the General Assembly prior to and after earmarkings was \$471,279,046 (S.L. 2017-57, Sec. 2.2(a)).

Savings Reserve at Fiscal Year Ending June 30th

Fiscal Year	Statutory Goal:					
	Prior Fiscal Year Current Operations Appropriation*	8% of Prior Fiscal Year Operations Appropriation**	Unreserved Fund Balance at Fiscal Year End June 30th	Current Year Earmarking / Appropriation to Savings Reserve	Withdrawals and Adjustments	Savings Reserve Account Balance
1990-91				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	1,015,599,914 ***	183,650,000	(38,008,589) X	295,641,411
2011-12	18,974,565,403	1,517,965,232	694,038,532 ***	123,170,924	0	418,812,335
2012-13	19,720,747,946	1,577,659,836	1,041,616,538 ***	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	1,135,111,433 BB	473,616,801	0	1,575,212,272
2016-17	21,717,958,405	1,737,436,672	960,379,669	372,928,370 CC	(109,928,370) CC	1,838,212,272
2017-18	22,415,365,090 DD	1,793,229,207				

* 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. **However, the passage of S.L. 2017-5, Strengthen Savings Reserve, instituted a new Savings Reserve goal for the State, removing the 8% objective and including in its place a savings target, "...sufficient to cover 2 years of need for 9 out of 10 scenarios involving a decline in General Fund revenue from one fiscal year to the next fiscal year." This goal becomes effective October 1, 2017.**

Savings Reserve at Fiscal Year Ending June 30th

*** Revised to remove mid-year appropriations of unreserved fund balance made after June 30 for Medicaid budget shortfalls.

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.

Savings Reserve at Fiscal Year Ending June 30th

- 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.
- BB Unreserved Fund balance as per the OSC and OSBM. The estimated Unreserved Fund Balance recognized by the General Assembly prior to earmarkings was \$926.5 million.
- CC S.L. 2016-124, Disaster Recovery Act of 2016, appropriated \$100.9 million from the Savings Reserve in response to hurricane recovery efforts. However, S.L. 2017-57, Appropriations Act of 2017, transferred an equivalent amount back into the Savings Reserve, as part of a \$363.9 million total transfer prior to the close of FY 2016-17.
- DD S.L. 2016-124, Disaster Recovery Act of 2016, increased the FY 2016-17 budget by \$100 million in net General Fund appropriations in response to hurricane recovery efforts.

Actual Tax Revenues Collected by Major Schedules

Fiscal Year	Individual Income	Corporate Income	Total Income Tax	Sales & Use	Franchise	Inheritance	Alcohol	Insurance	Cigarette/ Tobacco	Soft Drinks	Other	Total Tax Revenue
1970-71	301,755,720	111,841,025	413,596,745	285,893,056	61,924,665	18,808,807	56,382,987	32,368,226	16,361,491	18,550,517	17,558,198	921,444,692
1971-72	361,816,480	122,034,298	483,850,778	324,824,018	71,073,722	22,164,706	60,583,412	35,927,677	18,891,365	19,192,153	15,391,871	1,051,899,702
1972-73	431,222,164	135,086,285	566,308,449	368,746,184	80,622,288	34,030,814	63,957,863	40,802,936	20,228,597	19,724,564	19,575,349	1,213,997,044
1973-74	504,319,052	148,748,753	653,067,805	409,393,909	91,658,623	29,196,269	67,751,142	44,764,328	20,531,733	20,200,510	21,621,149	1,358,185,468
1974-75	549,927,432	165,473,944	715,401,376	423,006,813	111,742,188	26,202,077	70,042,026	47,999,930	20,753,314	18,110,432	17,925,944	1,451,184,100
1975-76	604,792,720	155,685,814	760,478,534	464,756,311	130,193,042	28,280,942	73,323,247	54,809,184	21,473,062	19,765,341	18,765,791	1,571,845,454
1976-77	782,092,041	203,397,684	985,489,725	510,295,335	146,139,025	31,038,176	75,216,249	56,609,311	20,307,632	20,119,909	24,751,396	1,869,966,758
1977-78	848,247,311	228,693,809	1,076,941,120	578,960,737	162,348,177	35,122,343	79,809,085	63,957,032	19,415,339	22,071,726	21,856,189	2,060,481,748
1978-79	996,226,723	252,704,464	1,248,931,187	646,729,888	181,454,337	37,709,225	85,115,511	71,109,177	18,826,236	23,047,831	24,294,753	2,337,218,145
1979-80	1,180,507,067	290,632,136	1,471,139,203	691,902,227	200,814,972	40,077,397	90,461,024	80,258,938	18,031,230	21,970,740	24,558,259	2,639,213,990
1980-81	1,303,517,221	279,803,897	1,583,321,118	737,098,123	235,280,325	43,433,565	95,389,760	86,188,075	18,247,220	22,278,966	24,716,296	2,845,953,448
1981-82	1,449,370,198	277,447,978	1,726,818,176	777,449,131	269,764,189	43,480,619	99,640,685	92,817,199	18,277,757	21,882,630	27,582,451	3,077,712,837
1982-83	1,550,107,336	306,517,039	1,856,624,375	823,400,004	298,560,505	44,071,761	100,343,420	98,116,843	15,618,474	21,829,242	20,460,219	3,279,024,843
1983-84	1,784,986,813	367,823,717	2,152,810,530	998,987,392	326,787,458	66,412,027	101,192,377	106,523,346	14,970,694	23,667,499	23,026,280	3,814,377,603
1984-85	2,023,463,495	489,955,619	2,513,419,114	1,155,845,141	310,142,987	71,203,186	105,075,395	116,107,705	14,907,150	24,607,217	25,414,359	4,336,722,254
1985-86	2,206,749,074	510,675,054	2,717,424,128	1,380,409,070	197,594,803	82,020,611	108,981,903	134,814,850	14,895,376	25,712,882	32,667,227	4,694,520,850
1986-87	2,565,878,217	563,528,678	3,129,406,895	1,451,612,941	206,523,263	73,540,356	112,514,998	139,229,389	11,616,044	24,828,396	31,289,835	5,180,562,117
1987-88	2,686,832,223	625,972,626	3,312,804,849	1,555,266,971	234,779,520	60,728,032	122,479,873	186,461,390	8,484,073	27,365,786	42,918,379	5,551,288,873
1988-89	3,002,323,870	549,432,007	3,551,755,877	1,681,724,768	236,296,779	67,154,138	127,614,668	187,071,844	7,952,400	27,912,071	41,059,561	5,928,542,106
1989-90	3,390,389,817	557,763,530	3,948,153,347	1,762,717,987	262,760,974	72,871,272	145,690,616	176,714,976	15,315,186	28,987,047	148,211,757	6,561,423,162
1990-91	3,534,474,150	493,213,262	4,027,687,412	1,682,340,881	372,888,415	76,790,835	153,753,340	193,240,504	15,190,478	29,752,060	140,861,252	6,692,505,177
1991-92	3,583,017,675	606,195,418	4,189,213,093	2,161,362,545	406,952,650	87,676,257	158,075,821	203,829,955	40,362,907	32,417,808	158,554,573	7,438,445,609
1992-93	3,992,016,392	429,848,526	4,421,864,918	2,344,073,330	419,986,494	89,618,065	159,142,463	198,811,590	42,880,901	34,461,373	172,177,426	7,883,016,560
1993-94	4,254,506,549	487,796,660	4,742,303,209	2,578,846,239	439,287,031	106,533,229	161,133,617	219,439,488	37,925,056	36,538,688	194,749,199	8,516,755,756
1994-95	4,665,474,733	649,389,838	5,314,864,571	2,781,683,390	458,058,989	109,865,448	163,188,783	236,215,989	44,635,750	37,958,080	219,345,056	9,365,816,056
1995-96	4,800,034,948	673,837,774	5,473,872,722	2,958,132,813	355,918,036	112,912,290	145,517,853	242,652,553	46,697,736	39,805,998	83,245,228	9,458,755,229
1996-97	5,329,990,261	717,750,574	6,047,740,835	3,127,673,443	387,811,674	132,068,325	150,208,567	258,503,720	46,677,349	31,347,645	57,115,919	10,239,147,477
1997-98	6,028,870,217	696,338,557	6,725,208,774	3,255,372,048	407,256,555	138,124,663	153,723,510	283,763,234	47,177,218	23,078,645	58,741,873	11,092,446,520
1998-99	6,606,500,278	848,509,669	7,455,009,947	3,376,206,664	409,558,340	169,935,220	158,026,529	291,230,879	44,852,542	12,349,253	48,094,529	11,965,263,904
1999-00	7,080,106,177	903,241,974	7,983,348,151	3,354,897,708	306,979,197	163,327,319	166,372,353	273,367,118	43,663,205	1,285,949	97,737,509	12,390,978,509
2000-01	7,391,342,524	460,315,086	7,851,657,610	3,435,558,577	580,431,850	123,165,443	172,698,910	305,791,331	42,025,877	51,202	61,678,611	12,573,059,411
2001-02	7,134,629,832	409,322,539	7,543,952,371	3,705,769,832	446,270,680	104,750,885	174,644,725	340,785,358	41,531,347	1,855	86,953,961	12,444,661,014
2002-03	7,088,526,873	840,499,824	7,929,026,697	3,922,821,877	429,128,005	112,504,407	170,896,551	408,873,354	41,998,713	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	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	-	149,121,275	20,432,406,719
2015-16	11,905,157,743	1,058,215,438	12,963,373,181	6,559,483,149	524,368,294	4,358,180	340,096,582	485,088,157	257,433,563	-	159,059,715	21,293,260,821
2016-17	11,969,650,952	752,173,350	12,721,824,302	7,003,963,702	748,077,119	709,623	353,603,883	492,097,801	261,751,586	-	155,136,600	21,737,164,616