



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

**2010 ANNOTATED JOINT
CONFERENCE COMMITTEE REPORT
ON THE CONTINUATION, EXPANSION
AND CAPITAL BUDGETS**

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

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FOREWORD

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

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

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

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General Assembly
Governor's Office
Insurance
Information Technology Services
Housing Finance Agency
Licensing Boards
Lieutenant Governor
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Correction
Crime Control & Public Safety
Judicial
Justice
Juvenile Justice & Delinquency Prevention

Health and Human Services

Natural and Economic Resources

Environment and Natural Resources
Agriculture
Commerce
Labor

Transportation/IT/Capital

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

Education

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

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State of North Carolina
Full-time Equivalent Position Counts by GAAP Fund Type
(December 2009)

	General Fund (1)		Highway Fund		Enterprise Fund	Institutional Fund	Internal Service Fund	Special Fund (5)	Trust Fund	Total by Sector
	Appropriated	Receipt	Appropriated	Receipt (2)						
Government Sector										
State Government										
UNC System(3)	34,684.91	1,784.63	-	-	-	17,509.72	-	-	7,525.36	61,504.62
Justice and Public Safety	30,257.35	652.03	2,293.50	-	-	-	397.00	492.96	-	34,092.84
Health & Human Services	8,661.91	9,593.59	10.00	-	-	-	5.00	834.24	27.00	19,131.75
Transportation	-	-	7,785.00	6,087.00	-	-	-	-	30.00	13,902.00
Natural & Economic Resources	3,839.21	1,395.05	-	147.00	662.68	-	-	2,666.00	198.94	8,908.88
General Government	4,262.32	828.11	16.00	87.00	29.00	-	794.98	343.00	3.48	6,363.89
Education (State Administration)	653.57	357.88	-	-	-	-	-	49.00	10.05	1,070.50
Sub-total	82,359.26	14,611.30	10,104.50	6,321.00	691.68	17,509.72	1,196.98	4,385.20	7,794.83	144,974.48
Local Education										
Public Schools(3)(4)	153,197.34	-	57.07	-	-	-	-	-	-	153,254.41
Community Colleges(3)	18,730.10	-	-	-	-	-	-	-	-	18,730.10
Sub-total	171,927.44	-	57.07	-	-	-	-	-	-	171,984.51
Total by GAAP Fund Type	254,286.70	14,611.30	10,161.57	6,321.00	691.68	17,509.72	1,196.98	4,385.20	7,794.83	316,958.99

Notes:

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

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

General Fund Availability Statement

	FY 2010-2011
1 Unappropriated Balance Remaining from Previous Year	3,702,182
2 Adjustment from Estimated to Actual FY 2009-10 Beginning Unreserved Fund Balance	270,080
3 Beginning Unreserved Fund Balance	3,972,262
4 Revenues Based on Existing Tax Structure	18,199,339,016
5 Non-tax Revenues	
6 Investment Income	57,500,000
7 Judicial Fees	239,100,000
8 Disproportionate Share	100,000,000
9 Insurance	67,000,000
10 Other Non-Tax Revenues	182,700,000
11 Highway Trust Fund/Use Tax Reimbursement Transfer	72,800,000
12 Highway Fund Transfer	17,600,000
13 Subtotal Non-tax Revenues	736,700,000
14 Total General Fund Availability	18,940,011,278
15 Adjustments to Availability: Senate Bill 897	
16 Internal Revenue Code Conformity	(7,700,000)
17 Unemployment Insurance Refundable Tax Credit	(34,100,000)
18 Increase Sales Tax Prepayment Threshold	(7,000,000)
19 Relieve Annual Report Compliance Burden on Small Businesses	(400,000)
20 Fair Tax Penalties	0
21 Extend Sunsets on Various Tax Incentives	(3,500,000)
22 Improve Tax and Debt Collection Process	3,000,000
23 Modernize Sales Tax on Accommodations	1,700,000
24 Modernize Admissions Tax and Restore Amenities Exclusion	(700,000)
25 Reserve for Pending Finance Legislation (Balance Remaining)	(1,080,000)
26 Reduce Franchise Tax Burden on Construction Companies	(1,500,000)
27 Department of Revenue Settlement Initiative	110,000,000
28 Disproportionate Share	35,000,000
29 Loss of Estate Tax Revenues for FY 2010-11	(85,000,000)
30 Increase Justice and Public Safety Fees	13,930,670
31 Transfer from the Health and Wellness Trust Fund	5,397,000
32 Transfer Aviation From Department of Commerce to Department of Transportation	(500,000)
33 Transfer from Wildlife Resources Commission	3,000,000
34 Divert Funds from Scrap Tire Disposal Account	2,500,000
35 Divert Funds from White Goods Fund	1,200,000
36 Transfer from Mercury Pollution Prevention Fund	2,250,000
37 Transfer from Bladen Lakes Special Fund	150,000
38 Transfer from DACS-N.C. State Fair	1,000,000
39 Transfer from ECU Magnetic Resonance Imaging Lease and Equipment Fund	1,000,000
40 Adjust Transfer from Insurance Regulatory Fund	(2,176,454)
41 Transfer from Motorfleet Internal Services Fund	14,000,000
42 Adjustments to Availability: Other Legislation	
43 Keeping North Carolina Competitive (S.L. 2010-91;Senate Bill 1171)	(8,850,000)
44 Renewable Energy Incentives (House Bill 1829)	(700,000)
45 Various Economic Incentives (S.L. 2010-147;House Bill 1973)	830,000
46 Economic Incentives and Alignment Changes (Senate Bill 1215)	0
47 Subtotal Adjustments to Availability	41,751,216
48 Revised General Fund Availability	18,981,762,494
49 Less General Fund Appropriations	18,958,994,212
50 Balance Remaining	22,768,282

SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

**2010-11
FISCAL YEAR**

**Summary of General Fund Appropriations
2010 Legislative Session: Fiscal Year 2010-11**

	FY 2010-11	Legislative Adjustments			Revised	
	Certified	Recurring	Nonrecurring	Net	FTE	Appropriation
	Budget	Adjustments	Adjustments	Changes	Changes	2010-11
<u>Education:</u>						
Community Colleges	1,012,467,778	57,268,183	(14,600,000)	42,668,183	-7.75	1,055,135,961
Public Education	7,360,833,223	(211,771,109)	(63,473,202)	(275,244,311)	-9.00	7,085,588,912
University System	2,656,552,008	1,550,221	8,832,977	10,383,198	382.10	2,666,935,206
Total Education	11,029,853,009	(152,952,705)	(69,240,225)	(222,192,930)	365.35	10,807,660,079
<u>Health and Human Services:</u>						
Central Management and Support	74,172,339	(4,462,834)	939,000	(3,523,834)	-24.00	70,648,505
Aging and Adult Services	37,282,029	100,000	0	100,000	0.00	37,382,029
Blind and Deaf / Hard of Hearing Services	8,649,731	(557,484)	(75,428)	(632,912)	-3.00	8,016,819
Child Development	269,183,962	(11,334,255)	(23,625,329)	(34,959,584)	-2.00	234,224,378
Education Services	36,844,718	(4,223,471)	130,211	(4,093,260)	-82.00	32,751,458
Health Service Regulation	17,914,125	(342,592)	(1,718,754)	(2,061,346)	-2.00	15,852,779
Medical Assistance	2,720,196,757	209,210,289	(561,041,217)	(351,830,928)	0.00	2,368,365,829
Mental Health, Dev. Disabilities and Sub. Abuse	664,695,955	7,511,466	33,269,193	40,780,659	-1.00	705,476,614
NC Health Choice	81,964,241	6,444,925	0	6,444,925	0.00	88,409,166
Public Health	160,515,329	(6,080,117)	2,147,000	(3,933,117)	-27.00	156,582,212
Social Services	208,589,483	(13,604,115)	(2,255,677)	(15,859,792)	-48.00	192,729,691
Vocational Rehabilitation	41,020,173	(252,067)	(1,288,915)	(1,540,982)	-5.00	39,479,191
Total Health and Human Services	4,321,028,842	182,409,745	(553,519,916)	(371,110,171)	-194.00	3,949,918,671
<u>Justice and Public Safety:</u>						
Correction	1,326,492,230	(14,504,334)	(26,734,913)	(41,239,247)	799.00	1,285,252,983
Crime Control & Public Safety	33,718,963	(856,592)	(800,000)	(1,656,592)	-2.69	32,062,371
Judicial Department	463,753,479	(7,518,061)	(5,916,294)	(13,434,355)	-57.75	450,319,124
Judicial - Indigent Defense	120,132,010	1,585,405	(6,017,031)	(4,431,626)	11.50	115,700,384
Justice	88,652,538	(1,679,760)	(1,325,000)	(3,004,760)	21.50	85,647,778
Juvenile Justice & Delinquency Prevention	147,183,945	(903,138)	0	(903,138)	30.50	146,280,807
Total Justice and Public Safety	2,179,933,165	(23,876,480)	(40,793,238)	(64,669,718)	802.06	2,115,263,447

**Summary of General Fund Appropriations
2010 Legislative Session: Fiscal Year 2010-11**

	FY 2010-11	Legislative Adjustments			Revised	
	Certified	Recurring	Nonrecurring	Net	FTE	
	Budget	Adjustments	Adjustments	Changes	Changes	
					Appropriation	
					2010-11	
<u>Natural And Economic Resources:</u>						
Agriculture and Consumer Services	60,559,608	(405,556)	226,481	(179,075)	-31.68	60,380,533
Commerce	40,915,209	(2,706,028)	24,976,673	22,270,645	-9.00	63,185,854
Commerce - State Aid	15,388,725	16,780,564	3,800,000	20,580,564	0.00	35,969,289
Environment and Natural Resources	190,399,356	(6,839,026)	11,065,000	4,225,974	-30.03	194,625,330
DENR - Clean Water Mgmt. Trust Fund	50,000,000	0	0	0	0.00	50,000,000
Labor	17,400,863	(1,102,555)	0	(1,102,555)	-7.50	16,298,308
NC Biotechnology Center	14,501,900	5,000,000	0	5,000,000	0.00	19,501,900
Rural Economic Development Center	23,832,436	(1,191,622)	5,125,000	3,933,378	0.00	27,765,814
Total Natural and Economic Resources	412,998,097	9,535,777	45,193,154	54,728,931	-78.21	467,727,028
<u>General Government:</u>						
Administration	67,446,884	(570,992)	(174,134)	(745,126)	-9.10	66,701,758
Auditor	13,255,123	(337,033)	0	(337,033)	-1.00	12,918,090
Cultural Resources	73,249,990	(2,103,146)	850,000	(1,253,146)	-15.19	71,996,844
Cultural Resources - Roanoke Island	1,990,632	(115,926)	0	(115,926)	0.00	1,874,706
General Assembly	56,584,484	(2,914,926)	0	(2,914,926)	0.00	53,669,558
Governor	6,067,739	(353,359)	0	(353,359)	-3.00	5,714,380
Housing Finance Agency	14,608,417	(730,421)	(1,769,579)	(2,500,000)	0.00	12,108,417
Insurance	32,242,706	(1,180,254)	(996,200)	(2,176,454)	1.00	30,066,252
Insurance - Worker's Compensation Fund	1,561,846	0	0	0	0.00	1,561,846
Lieutenant Governor	931,703	(33,539)	0	(33,539)	-0.50	898,164
Office of Administrative Hearings	4,111,476	(30,000)	0	(30,000)	0.00	4,081,476
Revenue	87,790,970	(958,301)	757,118	(201,183)	-34.00	87,589,787
Secretary of State	11,451,488	(666,886)	0	(666,886)	-7.00	10,784,602
State Board of Elections	6,221,208	(243,278)	457,129	213,851	-1.00	6,435,059
State Budget and Management	6,407,809	(373,164)	0	(373,164)	-3.00	6,034,645
State Budget and Management -- Special	4,161,125	1,773,186	2,049,400	3,822,586	13.00	7,983,711
State Controller	23,188,207	8,060,088	(624,677)	7,435,411	27.50	30,623,618
Treasurer - Operations	17,565,400	(205,394)	2,685	(202,709)	3.00	17,362,691
Treasurer - Retirement / Benefits	10,804,671	0	0	0	0.00	10,804,671
Total General Government	439,641,878	(983,345)	551,742	(431,603)	-29.29	439,210,275

**Summary of General Fund Appropriations
2010 Legislative Session: Fiscal Year 2010-11**

	FY 2010-11	Legislative Adjustments			FTE	Revised
	Certified	Recurring	Nonrecurring	Net	Changes	Appropriation
	Budget	Adjustments	Adjustments	Changes	Changes	2010-11
<u>Statewide Reserves and Debt Service:</u>						
Debt Service:						
Interest / Redemption	707,573,496	(1,668,313)	0	(1,668,313)	0.00	705,905,183
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	709,189,876	(1,668,313)	0	(1,668,313)	0.00	707,521,563
Statewide Reserves:						
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
State Health Plan (S.L. 2009-16)	276,179,709	0	0	0	0.00	276,179,709
State Retirement System Contributions	160,000,000	0	0	0	0.00	160,000,000
Judicial Retirement System Contributions	1,300,000	0	0	0	0.00	1,300,000
Information Technology Funds	7,840,000	0	0	0	0.00	7,840,000
Statewide Administrative Support Reduction	(6,600,000)	0	0	0	0.00	(6,600,000)
Convert Contract Employees to State Employees	(4,000,000)	0	0	0	0.00	(4,000,000)
Job Development Investment Grants (JDIG)	27,400,000		(6,600,000)	(6,600,000)	0.00	20,800,000
Subtotal Statewide Reserves	467,119,709	0	(6,600,000)	(6,600,000)	0.00	460,519,709
Total Reserves and Debt Service	1,176,309,585	(1,668,313)	(6,600,000)	(8,268,313)	0.00	1,168,041,272
Total General Fund for Operations	19,559,764,576	12,464,679	(624,408,483)	(611,943,804)	865.91	18,947,820,772
Capital Improvements						
Water Resources Development Projects	0	0	9,130,000	9,130,000	0.00	9,130,000
Capital Improvements	0	0	2,043,440	2,043,440	0.00	2,043,440
Total Capital Improvements	0	0	11,173,440	11,173,440	0.00	11,173,440
Total General Fund Budget	19,559,764,576	12,464,679	(613,235,043)	(600,770,364)	865.91	18,958,994,212

EDUCATION

Public Education

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$7,360,833,223

Budget Changes

A. Technical Adjustments

1 Average Daily Membership (\$4,980,046) R

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

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

2 Average Teacher Salary (\$44,950,676) R

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

3 Education Lottery Receipts (\$121,243,793) R

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

4 Exceptional Children Headcount (\$12,077,255) R

Adjusts funding previously budgeted for the Children With Disabilities allotment to reflect actual student headcount and does not reduce funding per student. The continuation budget includes anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2010 headcount.

5 Small County Supplemental Funding (\$2,400,000) R

Reduces funding to adjust for the expiration of Currituck County's funding eligibility in FY 2009-10 as well as a surplus of funding needed to fully fund the other eligible counties. The remaining \$44.1 million is sufficient to fully fund the 28 eligible counties.

6 Learn and Earn Early College High Schools (\$306,200) R

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

B. Other Public School Funding Adjustments

7 ADM and BRAC Contingency Reserve (\$2,618,501) R

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

8 More at Four (\$30,559,012) NR

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

9 Instructional Supplies (\$3,289,447) R

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

10 Central Office Administration (\$2,400,000) R

Reduces the dollar allotment to LEAs for the salaries and benefits of central office staff by 2.2%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$107.5 million will remain to support these local staff.

- 11 Mentoring** (\$9,214,190) NR
 Eliminates all State funding for LEA mentoring programs on a nonrecurring basis in FY 2010-11 only.
- 12 Limited English Proficiency** (\$4,000,000) R
 Reduces funding for this allotment by 5.0%. \$76.5 million will remain available for this allotment.
- 13 Transportation** (\$10,000,000) R
 Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses, by approximately 2.4%. \$403 million will remain available for this allotment.
- 14 Child and Family Support Teams** (\$2,500,000) R
 Reduces this allotment by 21.4%. This allotment provides funding for a dedicated social worker and school nurse in 100 schools. \$9.2 million will remain available for this allotment. The State Board of Education shall allocate this reduction by eliminating funding to those schools it deems to be implementing the program ineffectively.
- 15 School Bus Replacement** (\$11,900,000) NR
 Eliminates funding for the purchase of new replacement school buses in FY 2010-11. \$44 million will remain available to support the extended financing payments required for buses purchased in FYs 2007-10, and an additional \$1 million will be available for emergency bus replacement purchases.
- 16 North Carolina Virtual Public Schools** (\$5,574,784) R
 Eliminates the direct appropriation for the North Carolina Virtual Public Schools (NCVPS). Instead of being funded through a direct appropriation, NCVPS will be funded via a new funding formula. The new funding formula reduces LEA allotments based on projected LEA enrollment in NCVPS courses, in order to recognize the extent to which "enrollment in e-learning courses affects funding required for other allotments that are based on ADM," as directed by S.L. 2006-66, Section 7.16. NCVPS courses will continue to be available at no cost to all high school students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs. (S.L. 2010-31, Sec. 7.4)

17 Tarheel Challenge	(\$460,631)	R
<p>Adjusts State support for this program to reflect new Federal matching requirements. The required State funding share for this activity has been adjusted from 40% to 25%. \$348,527 of the unneeded State match funding will be reinvested into the National Guard Tuition Assistance Program, which is transferred into the UNC budget in the item "National Guard Tuition Assistance Program Transfer".</p>		
18 Eliminate Geometry End of Grade Test	(\$585,459)	R
<p>Eliminates funding associated with the discontinued State-required Geometry End of Grade Test.</p>		
19 HMCUC Funds Transfer	\$290,683	R
<p>Transfers some funds from the Historically Minority Colleges and Universities Consortium Closing the Achievement Gap project in the UNC system into the Department of Public Instruction to expand funding of the Dropout Prevention Grant initiative.</p>		
20 Connectivity	(\$1,000,000)	R
<p>Reduces funding for the School Connectivity Initiative (SCI) as it is deployed in all LEAs and is in the operations and maintenance phase. This adjustment also includes a \$3 million nonrecurring reduction of the cash balance. The recurring cut of \$1 million represents a reduction to recurring appropriations of approximately 4.5%, and leaves recurring appropriations at \$21.0 million per year. The nonrecurring cut of \$3 million reduces initiative funding projected to be unexpended in FY 2009-10.</p>		
21 Education Value Added Assessment System (EVAAS)	\$1,000,000	R
<p>Provides \$250,000 to expand funding for EVAAS licenses that had previously been funded out of reversions and \$750,000 to purchase EVAAS Teacher Analysis. (H.B. 1684)</p>		
22 Student Diagnostic and Intervention Initiative	\$10,000,000	R
<p>Provides recurring funding to extend the Student Diagnostic Pilot program an additional year in the existing 40 pilot schools. Additional funding will expand the pilot program to additional school sites while also supporting the training needed for teachers to properly implement the program.</p>		

23 JOBS Commission Schools	\$200,000	R
<p>Provides funding to support the creation of two school sites in Wake County and Cumberland County recommended by the Joint Legislative Joining Our Businesses and Schools (JOBS) Study Commission. (H.B. 1718/S.B. 1200)</p>		
24 North Carolina Science, Math and Technical Education Center	\$100,000	R
<p>Provides funding to the North Carolina Science, Mathematics and Technology Education Center, Inc. (NCSMTEC) to support interscholastic science competitions. (H.B. 1923)</p>		
25 Kids Voting	\$50,000	R
<p>Provides funding to support continued operation of the Kids Voting program. (H.B. 1924/S.B. 1375)</p>		
26 Textbooks	\$2,500,000	NR
<p>Provides support on a nonrecurring basis for the purchase of replacement textbooks for emergency situations. The State Board of Education shall develop rules and guidelines for the allocation of these funds.</p>		
27 Science Olympiad	\$25,000	NR
<p>Provides funds for North Carolina Science Olympiad, a nonprofit organization, to sponsor tournaments and increase the number of schools participating in the program. (H.B. 1815/S.B. 1328)</p>		
C. Department of Public Instruction		
28 DPI Operating Reduction	(\$2,000,000)	R
<p>Reduces agency operating funds by 15.0%.</p>		
29 NC WISE	(\$2,000,000) (\$10,025,000)	R NR
<p>Reduces the annual appropriation for the North Carolina Window on Student Education (NC WISE), as this project is deployed and is in operations and maintenance phase. As such, its annual budgetary needs are \$2 million less than previously budgeted. This item also includes a \$10 million nonrecurring reduction of the cash balance. The remaining balance will support the hardware and reporting projects associated with NC WISE.</p>		

30 Department of Public Instruction Staffing Efficiencies (\$1,080,000) R
 Directs the Department of Public Instruction to eliminate 30 positions, up to 20 of which may be positions funded by non-General Fund sources. Any State-funded positions reduced must come from DPI's Technology Services area. (S.L. 2010-31, Sec. 7.7) -10.00

31 Legacy Fund Balance (\$1,300,000) NR
 Eliminates the cash balance for this project. Funds were appropriated on a nonrecurring basis in three consecutive years to enable DPI to bring information technology applications into compliance with the statewide architecture requirements. This project has now been completed. The total appropriation for this purpose was \$6 million.

32 Superintendent of Residential Schools for the Deaf and Blind \$55,000 R
 Provides funding to establish the new position of Superintendent to oversee the operations of the North Carolina School for the Deaf, Eastern North Carolina School for the Deaf, and Governor Morehead School for the Blind. (S.L. 2010-31, Sec. 10.21A) 1.00

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

Special Provisions

2010 Session: SB 897

Department: Public Education

Section: 7.1

Title: **CHILDREN WITH DISABILITIES**

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

Section: 7.2

Title: **FUNDS FOR ACADEMICALLY GIFTED CHILDREN**

Summary Provides \$1,192.90 per child for academically and intellectually gifted children for a maximum of 4% of each LEA's allotted ADM for the 2010-11 school year.

Section: 7.3

Title: **STATE FISCAL STABILIZATION FUND APPROPRIATION**

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

Section: 7.4

Title: **NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA**

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

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

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

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

(S.L. 2010-123 , Sec. 3.2A, Budget Technical Corrections, amends this provision to clarify that the money generated by the NCVPS formula shall be the only source of State funds available to the State Board for the purposes of funding NCVPS.)

Section: 7.5

Title: **MORE AT FOUR PROGRAM**

Summary Subsections (a) through (c) consolidate existing responsibilities for More at Four under the Office of Early Learning.

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

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

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

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

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

Section: 7.6

Title: **LEADERSHIP ACADEMY**

Summary Allows DPI to use up to \$200,000 of funds appropriated to support a Leadership Academy that provides professional development to principals and assistant principals.

Section: 7.7

Title: **DEPARTMENT OF PUBLIC INSTRUCTION**

Summary Subsection (a) eliminates the requirement that DPI eliminate receipt-supported positions in FY 2010-11.

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

Subsection (c) requires DPI to reorganize only after consulting with OSBM and the Fiscal Research Division, and reporting to the Joint Legislative Commission on Governmental Operations.

Section: 7.8

Title: **CAREER AND COLLEGE - READY, SET, GO!**

Summary Requires DPI to work with all member institutions of the Education Cabinet to prioritize the Governor's Ready, Set, Go! Initiative. Items 1 through 3 within Section 7.8.(a) detail the elements of the Ready, Set, Go! Initiative. The Education Cabinet is required to report on its progress towards implementing the Ready, Set, Go! Initiative to the Governor, the Joint Governing Boards, and the Joint Legislative Education Oversight Committee by January 15, 2011.

Section: 7.9

Title: **SCHOOL CONNECTIVITY INITIATIVE**

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

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

Section: 7.10

Title: **SCHOOL CALENDAR PILOT PROGRAM**

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

Section: 7.11

Title: **NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS (NBPTS) FUNDS**

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

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

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

Section: 7.12

Title: **DRIVER EDUCATION**

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

Section: 7.13

Title: **PROTECTION OF THE CLASSROOM WHILE MAXIMIZING FLEXIBILITY**

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

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

Section: 7.14

Title: **PROBATIONARY TEACHERS**

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

Section: 7.17

Title: **UNIFORM BUDGET FORMAT**

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

Subsection (b) allows any LEA that had not fully complied with the provisions of G.S. 115C-238.29H(b) prior to July 1, 2010 and that is subject to a judgment, court order or binding settlement agreement arising from that noncompliance to make any required payments over a period not to exceed three years.

Section: 7.19

Title: **DROPOUT PREVENTION GRANTS**

Summary Subsection (a) provides three grants of \$500,000 each to Communities in Schools, the North Carolina Congress of Parents and Teachers, and the Greater Winston-Salem Chamber of Commerce Foundation.

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

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

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

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

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

Section: 7.20

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

Summary Directs that funds appropriated for UERS shall not revert at the end of FY 2009-10.

Section: 7.21

Title: **COOPERATIVE AND INNOVATIVE HIGH SCHOOLS**

Summary Subsections (a) and (b) amend G.S. 115C-238.50(e) and G.S. 115C-238.54, respectively, so that five-year career academies fall under the definition of cooperative and innovative high schools.

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

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

Subsection (e) prohibits the State Board of Education from approving any additional schools under the Cooperative and Innovative High School Act after July 1, 2010, unless the school has received an explicit appropriation from the General Assembly.

Section: 7.22

Title: **ELIMINATION OF CERTAIN REPORTS**

Summary Subsection (a) amends G.S. 115C-301(g) to eliminate the requirement that DPI report annually on all allotment adjustments and waivers related to class size requirements. All class size requirements in grades 4-12 were eliminated by Section 7.8.(b) of S.L. 2009-451, Appropriations Act of 2009.

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

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

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

Section: 7.23

Title: **DISADVANTAGED STUDENTS SUPPLEMENTAL FUNDING**

Summary Requires that the State Board of Education consider the extent to which an LEA's policies or expenditures have contributed to segregation of schools on the basis of race or socioeconomic status in determining whether to approve an LEA's plan for the expenditure of Disadvantaged Students Supplemental Funding.

Section: 7.24

Title: **HIGHER EDUCATION COURSES FOR HIGH SCHOOL STUDENTS**

Summary Subsection (a) states General Assembly intent to implement a funding formula beginning in FY 2011-12 that will provide LEAs with money from which the LEA can pay higher education tuition costs for courses taken by the LEA's high school students.

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

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

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

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

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

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

Section: 7.25

Title: **ENVIRONMENTAL ENGINEER/SUPPORT SERVICES DIVISION**

Summary Allows the State Board of Education to use up to \$200,000 of funds available to provide an environmental engineer in the DPI Support Services Division. (H.B. 1725/S.B. 1142)

Section: 7.30

Title: **COMPONENTS OF THE TESTING PROGRAM**

Summary Amends G.S. 115C-174.11(a) to allow standardized tests in first and second grade if such tests are required to receive federal grants.

Section: 7.31

Title: **ADDITIONAL FEDERAL FUNDS FOR EDUCATION**

Summary Subsection (a) appropriates federal funds for LEAs that are not specified in this act. To the extent that federal laws and regulations permit, the Director of the Budget shall use these funds to (1) eliminate the LEA Adjustment in its entirety, (2) eliminate reductions to the State Public School Fund provided for in S.L. 2010-31, Appropriations Act of 2010, (3) eliminate all reductions to the State Public School Fund provided for in S.L. 2009-451, Appropriations Act of 2009, and (4) for expansion items.

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

2010 Session: SB 1202

Department: Public Education

Section: 3.1

Title: **TECHNICAL CHANGE: HIGHER EDUCATION COURSES FOR HIGH SCHOOL STUDENTS**

Summary Amends S.L. 2010-31, 7.24.(h), Appropriations Act of 2010, to clarify that the restrictions currently in place for dual enrollment and Huskins courses provided to high school students through the North Carolina Community College System apply to all Learn and Earn Online courses.

Section: 3.2

Title: **BUDGET CHANGE: UNIFORM BUDGET FORMAT**

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

Section: 3.2A

Title: **TECHNICAL CHANGE: NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA**

Summary Amends S.L. 2010-31, 7.4.(b), Appropriations Act of 2010, to clarify that the funds provided through the North Carolina Virtual Public Schools Allotment Formula shall be the only source of State funds available to the State Board of Education for the purposes of funding NCVPS.

Community Colleges

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$1,012,467,778

Budget Changes

A. Technical Adjustments

33 Fully Fund Enrollment Growth \$81,045,467 R

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

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

B. State Aid Adjustments

34 Management Flexibility Reduction (\$15,000,000) R

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

35 Tuition Increase (\$30,025,612) R

Increases curriculum tuition from \$50 to \$56.50 for residents (\$6.50 increase) and from \$241.30 to \$248.50 for nonresidents (\$7.20 increase). Tuition for full-time resident students will increase by a maximum of \$208 per year, from \$1,600 to \$1,808.

36 Overrealized Tuition Receipts

Increases the amount budgeted for tuition receipts to more accurately reflect anticipated receipts. Given recent enrollment growth trends, it is anticipated that enrollment in FY 2010-11 will increase by more than the budgeted amount.

(\$10,000,000) NR

37 One-time Increase in Federal Literacy Receipts

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

(\$4,500,000) NR

38 Restore Small Business Center Funding

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

\$402,861 R

39 Minority Male Mentoring

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

\$900,000 R

40 Restore Funding for Prisoner Education

\$21,000,000 R

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

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

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

41 Equipment

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

C. System Office Adjustments

42 Move Position to Receipt Support

(\$60,747) R

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

-0.75

43 Reduce State Board Reserve

(\$160,000) R

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

44 Reduce Advertising Budget

(\$100,000) R

Reduces funds for advertising, due to unprecedented enrollment growth. The remaining \$100,000 shall be used to target advertising to underserved populations.

(\$100,000) NR

45 Reduce System Office Operating Budget (\$158,764) R
 Reduces the System Office operating budget with specific reductions to be identified by the System Office. Reductions should focus on travel, printing, postage, and registration fees.

46 Eliminate Positions (\$575,022) R
 Eliminates 7 positions in the Community College System Office. The duties of these positions shall be eliminated or absorbed by other System Office employees. The positions are:

-Education Program Director #60088191 (Bionetwork) - \$94,250 salary and \$22,045 benefits.

-Technology Support Analyst #60088065 (Information Technology) - \$54,724 salary and \$14,867 benefits.

-Information Technology Manager #60088013 (Information Technology) - \$98,976 salary and \$22,903 benefits.

-Education Program Director II #60088192 (Workforce Development and Continuing Education) - \$102,750 salary and \$23,588 benefits.

-Television Production Asst III #60088049 (Distance Learning) - \$35,497 salary and \$11,375 benefits.

-Business Officer -C #60088111 (Facilities and Administration) - \$34,283 salary and \$11,155 benefits.

-Office Assistant IV #60088142 (Student Services) - \$36,966 salary and \$11,642 benefits.

-7.00

Budget Changes	\$57,268,183	R
	(\$14,600,000)	NR
Total Position Changes		-7.75
Revised Total Budget	\$1,055,135,961	

Special Provisions

2010 Session: SB 897

Department: Community Colleges

Section: 8.1

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

Summary Clarifies that up to \$1.25 million of the funds appropriated for the College Information System may be carried forward each year of the biennium. These funds are to be used to purchase periodic system upgrades.

Section: 8.2

Title: **STATE AID BUDGET FLEXIBILITY**

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

Section: 8.3

Title: **EDUCATION FOR PRISON INMATES**

Summary Restores funding to inmate education, which was subject to continuation review in FY 2009-10.

The provision:

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

Section: 8.4

Title: **TUITION WAIVERS**

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

Section: 8.5

Title: **COMMUNITY COLLEGE FINANCIAL AID LOANS**

Summary Moves \$50 million from classroom instruction to student services to ensure that colleges have adequate funds and resources necessary to administer and provide financial aid services to all students, as recommended by the Joint Select Committee on State-funded Student Financial Aid,. This provision also requires that all colleges participate in the federal student loan program. (S.B. 1322/H.B. 1883)

Section: 8.6

Title: **TUITION REFUNDS**

Summary Restates the existing community college tuition refund policy, avoiding a new policy scheduled to take effect in the NC Administrative Code on August 1 which the System Office is unable to implement.

Section: 8.7

Title: **MANAGEMENT FLEXIBILITY REDUCTION/COMMUNITY COLLEGES**

Summary Amends existing management flexibility language to prohibit colleges from reducing funding for Small Business Centers.

Section: 8.8

Title: **CATAWBA VALLEY COMMUNITY COLLEGE MANUFACTURING SOLUTIONS CENTER**

Summary Amends G.S. 115D-67.2(b)(7) to change the name of the Hosiery Technology Center to the Manufacturing Solutions Center. This provision also permits the Center to retain all fees collected from the testing of products.

Section: 8.9

Title: **COMMUNITY COLLEGE EQUIPMENT FUNDS**

Summary Specifies that up to \$250,000 of the existing equipment allocation may be used for virtual 3-D equipment.

Section: 8.10

Title: **BASIC SKILLS PLUS**

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

Section: 8.11

Title: **MULTICAMPUS FUNDS**

Summary Directs that the State Board not approve any additional multicampus centers without identified recurring sources of funding.

UNC System

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$2,656,552,008

Budget Changes

A. Base Budget Adjustments

- | | | |
|--|-----------------------|----------|
| <p>47 Management Flexibility Reduction</p> <p>Mandates a management flexibility reduction for the UNC operating budget with a priority on non-teaching related budget cuts. This reduction is in addition to the \$100 million management flexibility reduction authorized for the FY 2010-11 base budget. (S.L 2010-31, Sec. 9.13; S.L.2010-123, Sec. 3.4)</p> | <p>(\$70,000,000)</p> | <p>R</p> |
| <p>48 Repeal of Nonresident Athletic Full Scholarship Tuition Waiver</p> <p>Repeals the reimbursement to UNC institutions for their loss of revenue due to their compliance with G.S. 116-143.6 that grants resident tuition to nonresident student athletes on full scholarships.(H.B. 83/S.B. 1034; S.L. 2010-31, Sec. 9.25)</p> | <p>(\$9,432,978)</p> | <p>R</p> |
| <p>49 HMCUC Funds Transfer</p> <p>Abolishes the Historically Minority Colleges and Universities Consortium Closing the Achievement Gap project and transfers \$290,683 of the savings to the Department of Public Instruction for the Dropout Prevention Grant initiative.</p> | <p>(\$527,212)</p> | <p>R</p> |
| <p>50 UNC Advertising Reduced</p> <p>Reduces the General Fund advertising budgets of UNC campuses by 24%.The campuses spent \$10.6 million from the General Fund and \$13.2 million from institutional trust funds on advertising in FY 2008-09.</p> | <p>(\$2,500,000)</p> | <p>R</p> |

<p>51 Distance Education Reserve Eliminated</p> <p>Eliminates the remaining balance of a \$1.93 million reserve appropriated in 1996 for distance learning efforts. The expansion of distance learning is now funded by the enrollment growth model and by reserves for UNC Online and 2+2 efforts.</p>	<p>(\$651,483)</p>	<p>R</p>
<p>52 UNC-TV Utilities Reduction</p> <p>Reduces the \$1.8 million UNC-TV utilities budget due to savings from the station's conversion from analog to digital in June 2009.</p>	<p>(\$410,863)</p>	<p>R</p>
<p>53 ECU MRI Account Transferred</p> <p>Transfers \$1 million from magnetic resonance imaging (MRI) lease and equipment fund [Budget Code 06067, Fund Code 0142] at East Carolina University Brody School of Medicine to the General Fund. (S.L. 2010-31, Sec. 2.2(j); S.L. 2010-123, Sec. 1.2(c))</p>		
<p>54 Aid to UNC Hospitals Reduced</p> <p>Reduces the \$44 million annual appropriation to UNC Hospitals due to the entity's \$501.1 million in unrestricted reserves.</p>	<p>(\$8,000,000)</p>	<p>NR</p>
<p>55 Professional Development Grants Eliminated</p> <p>Eliminates grants to Salem College for summer professional development workshops for teachers and to Wake Forest University for their Master Teacher Fellows graduate program.</p>	<p>(\$63,635)</p>	<p>R</p>
<p>56 Enrollment Growth</p> <p>Increases the UNC system enrollment growth funding in the FY 2010-11 base budget due to projected increase of 441 FTE over previous estimates. This funding is in addition to the \$53,432,226 for 4,485 FTE included in the FY 2010-11 base budget.</p>	<p>\$5,636,814</p>	<p>R</p>
<p>57 Tuition Repeal</p> <p>Repeals the FY 2010-11 legislative tuition rates enacted in the 2009 legislative session and restores the associated appropriation reduction. (S.L. 2010-31, Sec. 9.20)</p>	<p>\$34,776,301</p>	<p>R</p>

<p>58 Need-Based Financial Aid</p> <p>Increases UNC Need-Based Financial Aid to account for 1) funding 4,600 additional students that qualify for assistance and inflationary increases for previously funded students (\$22.85 million) and 2) restoring need-based aid that was nonrecurring in FY 2009-10 (\$12 million). This General Fund appropriation plus lottery receipts of \$26,661,046 equals the additional \$34,856,563 needed in FY 2010-11 for UNC need-based aid. (S.L. 2010-31, Sec. 5.1(f))</p>	<p>\$8,195,517</p>	<p>NR</p>
<p>59 Building Reserves Restored</p> <p>Restores most of the building reserves cut in the 2009 Session. These reserves pay for the operating costs of 40 new or renovated buildings completed in FY 2009-11. The funds are for the housekeeping, maintenance, and security requirements for the added building square footage. (S.L. 2010-31, Sec. 9.27)</p>	<p>\$19,176,682</p> <p>\$4,828,460</p> <p style="padding-left: 20px;">286.10</p>	<p>R</p> <p>NR</p>
<p>60 UNC High School Funding Restored</p> <p>Restores base budget cuts made in FY 2009-10 to the two high school programs in the UNC system. The North Carolina School of Science and Math will receive \$80,851 for lab and educational supplies and the University of North Carolina School of the Arts will receive \$201,165 for cost-of-living increases in their residential high school.</p>	<p>\$282,016</p>	<p>R</p>
<p>61 University Cancer Research Fund</p> <p>Adjusts the continuation budget for the University Cancer Research Fund to account for a decline in revenues from the tax on tobacco products other than cigarettes. This adjustment maintains the legislative commitment of \$50 million a year invested in this fund. With this adjustment, the General Fund appropriation will be \$16,020,000.</p>	<p>\$600,000</p>	<p>R</p>
<p>62 ECU Dental School Operations</p> <p>Continues the phase-in of funding for the additional faculty and operating needs of the new School of Dentistry at East Carolina University that will open with 50 students in the Fall of 2011. To date, \$5.5 million has been appropriated for the school's operating budget. (H.B. 1925/S.B. 1350, H.B. 240/S.B. 561; S.L. 2010-31, Sec. 9.18)</p>	<p>\$6,000,000</p> <p style="padding-left: 20px;">36.00</p>	<p>R</p>

63 Energy Production Infrastructure Center (EPIC)	\$3,000,000	R
<p>Completes the staffing and operational needs of the Energy Production Infrastructure Center (EPIC) opening at UNC-Charlotte in the Fall of 2011. These funds will enable the hiring of research faculty in electrical power, power system infrastructure, and power plant engineering. These funds are in addition to the \$2 million appropriated in 2009.(H.B. 1551)</p>	23.00	
64 ASU College of Health Sciences and Allied Professions	\$500,000	R
<p>Funds the operating and staffing needs of the newly established College of Health Sciences and Allied Professions at Appalachian State University.(H.B. 1543)</p>	4.00	
65 NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering	\$1,000,000	R
<p>Continues the phase-in of faculty and staff for the NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering located at the Gateway University Research Park in Greensboro. The program will conduct research in areas such as drug design and delivery, nanobioengineering, and genetic screening. The funds will be used to hire 4 additional faculty, 1 technician, 2 post doc positions, 1 staff scientist, and 15 additional graduate student positions. There has been \$3.9 million appropriated to date for the operating budget for this program.(H.B. 1819/S.B. 1313, H.B. 317/S.B. 542)</p>	23.00	
66 NC A&T State University College of Engineering	\$1,000,000	R
<p>Provides funds to North Carolina A&T State University's College of Engineering to strengthen its research profiles in the three targeted areas of energy, network security, and aviation safety. The funds will enable the school to hire 6 additional faculty, 2 lab technicians, an industrial extension officer, and a research associate. Funds will also be used to provide startup laboratory resources for new faculty members as well as for matching commitments for new research proposals.(H.B. 1922/S.B. 1316)</p>	10.00	

<p>67 NC State University College of Engineering</p> <p>Provides funds to enable faculty hiring in the areas of health systems, energy and environmental systems, and advanced materials and engineering. A portion of the funds may be used to provide matching support to hire research faculty for the recently awarded US Department of Energy Modeling and Simulation for Nuclear Reactors Energy Innovation Hub as well as the NSF Engineering Research Center for Distribution and Management of Renewable Energy Sources (FREEDM).(H.B. 1539)</p>	<p>\$3,000,000</p>	<p>R</p>
<p>68 Distinguished Professor Endowment Fund</p> <p>Increases the Distinguished Professor Endowment Fund to reduce the backlog of 66 professorships awaiting State matching funds. The Fund has an annual base budget appropriation of \$8 million.</p>	<p>\$3,500,000</p>	<p>NR</p>
<p>69 Institute for Emerging Issues Fellows Program</p> <p>Funds an expansion of the Fellows program at the Institute for Emerging Issues at North Carolina State University. Faculty and student Fellows will apply their expertise to the State's current public policy issues such as job growth and economic development.</p>	<p>\$309,000</p>	<p>NR</p>
<p>70 CASTLE</p> <p>Continues State support for the Center for the Acquisition of Spoken Language through Listening Enrichment (CASTLE) at UNC-Chapel Hill. The funds will be used to 1) train teachers and therapists to work with deaf preschool-age children with cochlear implants and 2) provide oral preschool classes to these children. The program has received nonrecurring appropriations annually since 2005.(H.B. 1889/S.B. 1268, H.B. 24/S.B. 61)</p>	<p>\$550,000</p>	<p>R</p>
<p>71 Coastal Wave Energy Research</p> <p>Funds research, design, and construction of devices to capture the energy of ocean waves. The research will be conducted by a consortium that includes the University of North Carolina Coastal Studies Institute and the Colleges of Engineering at North Carolina State University, North Carolina Agricultural and Technical State University, and the University of North Carolina Charlotte. (S.L. 2010-31, Sec. 9.10)</p>	<p>\$2,000,000</p>	<p>R</p>

72 Veterinary Medicine Clinical Teaching and Research Fund	\$200,000	R
Continues State funding for the North Carolina State University College of Veterinary Medicine Clinical Teaching and Research Fund. This fund was created in 2007 to allow advanced diagnostic and treatment options for animals where a) owner financing of such options are limited, b) significant instructional value exists, or c) the diagnostic and treatment options have the potential of adding significantly to the core knowledge in the relevant clinical area.		
73 Aid to Private College Students	\$4,551,764	R
Increases funding to the Legislative Tuition Grant (\$2,713,176) and the State Contractual Scholarship Fund (\$1,838,588) for a 2.9% growth in enrollment in FY 2010-11.		
74 National Guard Tuition Assistance Program Transfer	\$1,862,815	R
Transfers the National Guard Tuition Assistance Program from the Department of Crime Control and Public Safety (CCPS) to the North Carolina State Education Assistance Authority (SEAA). CCPS transfers \$1,514,288 from their budget to SEAA for the program. Another \$348,527 is transferred into the program from a cut in Tarheel Challenge funds. SEAA may use \$50,000 of the funds for program administration. (S.L. 2010-31, Sec. 17.3)		
75 NC Research Campus at Kannapolis	\$1,000,000	R
Provides funding to hire researchers and to provide equipment and supplies for University personnel working at the NC Research Campus in Kannapolis. Seven UNC-system campuses are involved in collaborative research at the Campus to bring new employers and jobs to the State. (H.B. 1569)		

Budget Changes	\$1,550,221	R
	\$8,832,977	NR
Total Position Changes		382.10
Revised Total Budget	\$2,666,935,206	

Special Provisions

2010 Session: SB 897

Department: UNC System

Section: 9.1

Title: REPEAL ESCHEAT FUND APPROPRIATION FOR MILLENNIUM TEACHING SCHOLARSHIP LOAN PROGRAM

Summary Removes funding for the Millennium Teaching Scholarship Loan Program in FY 2010-11 because a carryforward of previous appropriations from the Escheat Fund are sufficient to cover pledged scholarships at ECSU, FSU, and WSSU.

Section: 9.2

Title: STUDY FINANCIAL AID CONSOLIDATION

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

Section: 9.3

Title: COORDINATE THE REPORT DUE DATES FOR VARIOUS TEACHER EDUCATION REPORTS

Summary Sets an April 15 due date on five annual reports on teacher education topics that are submitted to the Joint Legislative Education Oversight Committee. (H.B. 1466)

Section: 9.4

Title: ELIMINATE BIENNIAL DISTANCE EDUCATION REPORTS

Summary Eliminates a report from the UNC Board of Governors on the cost of distance education programs. Tracking of these expenses remains in place and information can be provided upon request.

Section: 9.5

Title: REPEAL DUPLICATE STUDY/ STATE FUNDED STUDENT FINANCIAL AID

Summary Deletes obsolete study committee language due to the formation of the Joint Select Committee on State Funded Student Financial Aid.

Section: 9.6

Title: PERMANENT TRANSFER OF FUNDING TO ROANOKE ISLAND COMMISSION FOR PERFORMING ARTS

Summary Makes permanent the 2009 transfer of funding from the UNC School of the Arts to the Department of Cultural Resources for the Summer Institute on Roanoke Island. The fund balance for this program in FY 2009-10 was \$415,838. The use of these funds by the Roanoke Island Commission is expanded to include the purchase of equipment.

Section: 9.7

Title: **REVIEW OF UNC SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) PROGRAMS**

Summary Directs the UNC General Administration to compile a list of the STEM programs in the UNC system. Also instructs DPI to survey math and science teachers about their attendance at UNC Pre-College or Summer Ventures programs. A report to the Office of State Budget and Management and the Fiscal Research Division is due by February 15, 2011.

Section: 9.8

Title: **TRANSFER OF A+ SCHOOLS FROM UNC-GREENSBORO TO DEPARTMENT OF CULTURAL RESOURCES**

Summary Moves the A+ Schools program and its \$58,638 budget from UNC-Greensboro to the Department of Cultural Resources.

Section: 9.9

Title: **COASTAL DEMONSTRATION WIND TURBINES**

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

Section: 9.10

Title: **COASTAL WAVE ENERGY RESEARCH AND PROTOTYPE PROJECT**

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

Section: 9.11

Title: **UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM**

Summary Adds the UNC-Chapel Hill Chancellor to the Board of Directors of the UNC Health Care System. Allows the UNC-CH Chancellor to serve as Chair of the Board.

Section: 9.12

Title: **UNIVERSITY CANCER RESEARCH FUND**

Summary Substitutes the Chancellor of UNC-Chapel Hill for the UNC system President on the five-member Cancer Research Fund Committee. The provision makes the UNC-CH Chancellor the chair of this Committee.

Section: 9.13

Title: **UNIVERSITY MANAGEMENT FLEXIBILITY REDUCTION**

Summary Allows UNC campuses to seek tuition increases of up to \$750 from the UNC President in order to raise revenue to cover the budget shortfall produced by management flexibility reductions. At least twenty percent of the additional tuition must be used for need-based financial aid. (S.L.2010-123, Sec. 3.4, Budget Technical Corrections, amends this provision to allow the tuition increase to be implemented over the 2010-11 and the 2011-12 academic years and to allow tuition revenues to be used to offset a potential 1% budget reduction due to the State's failure to receive FMAP funds and to meet reversion requirements.)

Section: 9.14

Title: **INSTITUTE FOR OUTDOOR DRAMA**

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

Section: 9.15

Title: **RECRUITMENT OF PHARMACY STUDENTS**

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

Section: 9.16

Title: **SUCCESS NC REPORT**

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

Section: 9.18

Title: **ECU DENTAL SCHOOL FUNDS/CONTINUING STATE FINANCIAL SUPPORT TO HELP SECURE ACCREDITATION**

Summary States that the General Assembly intends to fund an additional \$5 million in operating funds for the ECU Dental School in FYs 2011-13. Full funding of the school is a key component of accreditation. (H.B. 1925/S.B. 1350, H.B. 240/S.B. 561)

Section: 9.19

Title: **TRANSFER SURPLUS IN LEGISLATIVE TUITION GRANTS AND STATE GRANTS TO STUDENTS AT CERTAIN PRIVATE INSTITUTIONS TO CONTRACTUAL SCHOLARSHIP FUND**

Summary Transfers to the State Contractual Scholarship Fund those funds remaining in the account for the Legislative Tuition Grant and grants to students at two religious based colleges after all eligible students receive their \$1,850 awards.

Section: 9.20

Title: **CAMPUS INITIATED TUITION INCREASES/TWENTY-FIVE PERCENT FOR STUDENT FINANCIAL AID**

Summary Repeals the prohibition on campuses raising tuition on resident students in FY 2010-11. If a campus increases tuition in FY 2010-11, then 25% must be used for need-based financial aid.

Section: 9.22

Title: **UNC ENROLLMENT GROWTH**

Summary Instructs the UNC Board of Governors to consider State economic conditions and General Fund availability when proposing enrollment growth for the FY 2011-13 fiscal biennium.

Section: 9.24

Title: **NCSU/RESTORE MASTER GARDENER FUNDS**

Summary Requires North Carolina State University to restore \$48,878 in volunteer paid receipts that reverted from the Master Gardener account in FY 2008-09. (H.B. 1978)

Section: 9.25

Title: **ELIMINATE IN-STATE TUITION FOR NON-RESIDENT ATHLETIC SCHOLARSHIPS**

Summary Repeals the in-state classification of nonresident students on full athletic scholarships. (H.B. 83/S.B. 1034)

Section: 9.26

Title: **AMEND TUITION WAIVER**

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

Section: 9.27

Title: **UNC BUILDING RESERVE/ALLOCATION OF FUNDS AMONG CONSTITUENT INSTITUTIONS AND UNC AFFILIATED INSTITUTIONS**

Summary Lists the building reserves for 40 projects by institution and amount for FY 2010-11.

2010 Session: SB 1202

Department: UNC System

Section: 3.3

Title: **TECHNICAL CHANGE: COASTAL DEMONSTRATION WIND TURBINE**

Summary Amends S.L. 2010-31, 9.9, Appropriations Act of 2010, to correct a drafting error by striking the words "under this Article" in the last sentence in Section 9.14(c.)

Section: 3.4

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

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

Section: 3.5

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

Summary Amends S.L. 2010-31, Appropriations Act of 2010, to create a new section 9.26A requiring East Carolina University to expend \$33,850 in FY 2010-11 to complete the North Carolina East Project.

**HEALTH
&
HUMAN SERVICES**

Health and Human Services

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$4,321,028,842

Budget Changes

(1.0) Division of Child Development

1 Equipment, Travel and Supplies (\$261,518) R

Reduces the funding within the operations budget. This reduction holds the Division to its FY 2009-10 spending level for operations.

2 Vacant Positions (\$72,737) R

Eliminates two vacant positions within the Division of Child Development. The positions to be eliminated are Administrative Assistant I budgeted at \$31,564 and an Administrative Officer III budgeted at \$41,173. These positions have been vacant longer than six months. -2.00

3 Child Care Subsidy (\$23,625,329) NR

Replaces State funding for child care subsidy with Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund receipts for FY 2010-11.

4 Electronic Payment System (\$6,000,000) R

Reduces funds available within the Division of Child Development in anticipation of saving money related to better management and tracking of child care subsidy expenditures. The new system will reduce expenditures associated with fraudulent and inaccurate payments.

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

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

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

6 Vacant Position	(\$84,864) R
Reduces funding for a vacant position within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. This position is a Mental Health Program Administrator II and has been vacant for one year. This position is budgeted at \$84,864 and the work location is Raleigh.	-1.00
7 Division Management Funds	(\$7,180,807) NR
Reduces unobligated funding available at the Division's discretion for one-time needs of community providers or LME system needs. The total includes \$1,169,355 for mental health, \$3,398,534 for developmental disabilities, and \$2,612,918 for substance abuse services. These funds have historically been spent to address specific one-time needs; these funds are not allocated to LMEs for service provision.	
8 Convert Whitaker School to a PRTF	(\$1,938,465) R
Reduces State funds for the Whitaker School; the program will become a Psychiatric Residential Treatment Facility in which services are Medicaid reimbursable.	
9 Local In-Patient Bed Capacity	\$9,000,000 R
Increases funds available for the three-way contracts to purchase local hospital bed capacity for crisis response within communities. These funds will support additional community hospital beds, bringing the total funding to \$29 million annually. (H.B. 1796/S.B. 1310, S.L. 2010-31, Sec. 10.6)	
10 Training in Facilities	\$534,795 R
Increases funds available for training direct care staff and front line leaders in patient care. Training will include medication administration, therapeutic communication, clinical and legal aspects of documentation and cultural awareness.	
11 Community Service Funds	\$40,000,000 NR
Provides funding for community services administered through Local Management Entities. This funding fully restores the mental health, developmental disabilities, and substance abuse services funding reduced for FY 2010-11. This amount includes \$30,559,012 of funds transferred from Department of Public Instruction's Office of Early Learning.	

12 Leadership Academy

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

\$250,000 NR

13 Outreach and Support Intervention Services (OASIS) Program

Provides bridge funding and ongoing support for the OASIS Program within the UNC School of Medicine, Department of Psychiatry.

\$200,000 NR

(3.0) Division of Central Management and Support

14 Key Program

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

(\$561,000) NR

15 Information Technology Services

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

(\$937,161) R

16 Over-Realized Receipts

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

(\$1,362,201) R

17 CARE-LINE

Reduces the hours of operation for the Department of Health and Human Services CARE LINE to regular business hours, and transfers after-hour calls to the Martin County Call Center. Approximately 20% of calls are presently received after regular business hours.

(\$257,004) R

-4.00

18 Equipment, Travel and Supplies	(\$263,581)	R
Reduces funding for equipment, travel, and supplies within the Division of Central Management and Support. This reduction was also taken on a non-recurring basis during FY 2009-10 to meet the projected revenue shortfall.		
19 Position Eliminations	(\$1,228,875)	R
Eliminates positions within the Division of Central Management. (S.L. 2010-31, Sec. 10.5A)		
	-20.00	
20 Pesticide Task Force	(\$39,430)	R
Eliminates funding for the Pesticide Task Force activities. These activities are paid for through the federal NC Farmworker Health Program.		
21 Community Care of NC Grants	(\$183,833)	R
Eliminates State appropriation for demonstration grants for obesity prevention, stroke prevention, and emergency room diversion that test alternative methods to managing the utilization of health care services.		
22 Rural Health Loan Repayment Program	(\$190,749)	R
Reduces funding for the Rural Health Loan Repayment Program. This reduction amount represents three contracts for health providers.		
23 Special Olympics	\$100,000	NR
Provides funding for a grant-in-aid to Special Olympics. (S.B. 1150)		
24 Rural Hospitals Operation and Maintenance	\$1,000,000	NR
Provides funding for small rural hospitals for assistance with operations and infrastructure maintenance.		
25 ALS Association	\$400,000	NR
These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11 to provide a non-recurring grant-in-aid to the Jim "Catfish" Hunter Chapter of the ALS Association for services provided in North Carolina.		

(4.0) Division of Public Health

<p>26 Minority Health Interpreter Services Reduces funds for local health department service contracts that meet language needs of clients.</p>	<p>(\$11,000) R</p>
<p>27 Community Focused Eliminating Health Disparities Contracts Reduces State appropriations for State and local health department contracts by less than 3 percent.</p>	<p>(\$85,895) R</p>
<p>28 Division of Public Health Contracts Reduces funds remaining in two contracts that have been eliminated: Perinatal Outreach and Family Health Resource Line.</p>	<p>(\$400,601) R</p>
<p>29 Accreditation of Local Health Programs Reduces one half of the funds available for accreditation of local health departments. Remaining funds allow the Division of Public Health to complete evaluations and accreditations of local health departments (LHDs). Centers for Communicable Disease and Prevention is scheduled to launch a nationwide effort to accredit local health departments to national standards in 2011.</p>	<p>(\$325,000) NR</p>
<p>30 Medicaid Funding for WIC Metabolic Foods Replace State appropriations with Medicaid receipts for Medicaid-eligible children requiring a diet of metabolic foods.</p>	<p>(\$283,477) R</p>
<p>31 Position Eliminations Eliminates 27 positions in Division of Public Health. (S.L. 2010-31, Sec. 10.5A)</p>	<p>(\$900,000) R -27.00</p>
<p>32 Operations Reduction Reduces funds for equipment, travel, and supplies at Division offices.</p>	<p>(\$481,923) R</p>

33 Immunization Changes	Eliminates funding for the purchase of vaccines for which health care providers and local health departments should be billing health insurers for reimbursement. North Carolina health insurers reimburse for the full series of standard immunizations recommended by Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians, as well as those required by the North Carolina Immunization Program. (S.L. 2010-31, Sec. 10.13(a))	(\$15,894,853)	R
34 Children's Development Services Agency	Reduces State appropriations and budgets anticipated over-realized receipts from Medicaid. This program has been increasing its third party collections.	(\$2,700,000) (\$350,000)	R NR
35 Over-realized Receipts	Reduces funds available for the Division of Public Health and budgets anticipated over-realized receipts on a non-recurring basis.	(\$3,000,000)	NR
36 School Health Nurses	Provides funds to hire 10 additional school nurses to bring the total number of school health nurses supported by the Division of Public Health to 255. This is in addition to the 20 school nurses provided for in SFY 2010-11 in S.L. 2009-451, Sec. 10.24.	\$500,000	R
37 Prevent Blindness	Provides funds for a grant-in-aid to Prevent Blindness of North Carolina. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11. (H.B. 1742/S.B. 1267)	\$150,000	NR
38 AIDS Drug Assistance Program	Provides funds to continue to serve people in the AIDS Drug Assistance Program who are enrolled as of July 1, 2010. These funds will allow eligible individuals with annual incomes of up to 125% FPL who are on the waiting list as of July 1, 2010 to be enrolled. To the degree that funds are available, additional people will be enrolled in the program.	\$14,177,632	R

<p>39 Improve Birth Outcomes and Reduce Infant Mortality Provides funding to educate women on the benefits of 17-p Progesterone, to purchase medication for eligible women at risk of pre-term births, and for continued development and implementation of safe sleep public awareness campaign. These funds are transferred from the Health and Wellness Trust Fund. (H.B. 1702/S.B. 1147)</p>	<p>\$247,000</p>	<p>NR</p>
<p>40 NC Folic Acid Campaign Provides funding for the March of Dimes to continue to provide outreach, educational materials, and vitamins through the NC Folic Acid Campaign to reduce the occurrence of neural tube defects. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11.</p>	<p>\$350,000</p>	<p>NR</p>
<p>41 High Risk Pregnancy Program At East Carolina School of Medicine Provides funding for continued operation of a high-risk maternity clinic to improve the birth outcomes of women in 29 eastern counties.</p>	<p>\$325,000</p>	<p>NR</p>
<p>42 Poison Control Center Provides funds to increase the State contract with the Poison Control Center operated by Carolinas Medical Center.</p>	<p>\$500,000</p>	<p>NR</p>
<p>43 Stroke Prevention Provides funding for the operation of the Stroke Advisory Council, the continued implementation of the public awareness campaign, and identification of stroke rehabilitation services throughout the State. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11. (H.B. 1727/S.B. 1148)</p>	<p>\$450,000</p>	<p>NR</p>
<p>44 Adolescent and Teen Pregnancy Prevention Provides \$400,000 in non-recurring funding for the adolescent pregnancy prevention, teen parenting, and school dropout prevention program, and \$250,000 in non-recurring for a grant-in-aid to the Adolescent Pregnancy Prevention Campaign of North Carolina. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11. (H.B. 328/S.B. 85, H.B. 1152/S.B. 681)</p>	<p>\$650,000</p>	<p>NR</p>

45 North Carolina Arthritis Patient Services

Provides funding for a non-recurring grant-in-aid to North Carolina Arthritis Patient Services. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11.

\$50,000 NR

46 Healthy Carolinians

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

\$100,000 NR

47 Immunizations

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

\$3,000,000 NR

(5.0) NC Health Choice

48 Optical Supplies

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

(\$114,550) R

49 NC Health Choice Transition Staff

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

\$59,475 R

50 NC Health Choice Enrollment

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

\$6,500,000 R

(6.0) Division of Medical Assistance

<p>51 CCNC Savings</p> <p>Provides savings in overall Medicaid expenditures through the expanded efforts of the Community Care Network of North Carolina (CCNC). DHHS contracts with CCNC to manage utilization of Medicaid services. Savings will be generated by expanding CCNC's care management programs in hospital discharge, mental health; palliative care, and pharmacy. The improved Informatics system will enhance data integration, analytics, and reporting, increasing performance and cost savings. (S.L. 2010-31, Sec. 10.15)</p>	<p>(\$45,000,000) R</p>
<p>52 Maternal Outreach Workers (MOW)</p> <p>Transitions pregnant women receiving services through Local Health Departments from Maternal Outreach Workers (MOW) to services provided by Maternal Care Coordinators (MCC) and Children Services Coordinators (CSC). MCC and CSC personnel are required to have a Bachelor's Degree or be licensed registered nurse.</p> <p>(S.L. 2010-123, Sec. 11.3, Budget Technical Corrections, amends this item to clarify that MCC and CSC personnel includes licensed registered nurses.)</p>	<p>(\$292,974) R</p>
<p>53 Pharmacy Program Improvements</p> <p>Generates savings by implementing various pharmacy program improvements, including collecting drug rebates on certain prescription drug claims (\$3.6 million); stopping reimbursement for lost prescriptions (\$252,000); requiring prior approval on brand drugs when 'medically necessary' is written on the prescription (\$938,700); creating a specialty drug network for dispensers of certain high cost drugs (\$316,040); requiring prior approval on all requests for the drug Synagis (\$376,253); and eliminating the ineffective FORM pharmacy program (\$83,103). (S.L. 2010-31, Sec. 10.22(a), Sec. 10.23)</p>	<p>(\$5,566,096) R</p>
<p>54 Prescription Vitamins</p> <p>Eliminates Medicaid coverage of prescriptions for vitamins and minerals, except for reimbursement for multi-vitamin prescriptions for pregnant women.</p> <p>(S.L. 2010-123, Sec.11.4, Budget Technical Corrections, amends this item to clarify that Medicaid coverage of prescriptions for vitamins and minerals is eliminated.)</p>	<p>(\$777,138) R</p>

<p>55 Narcotic Prescriptions</p> <p>Reduces General Fund appropriations for Medicaid pharmacy by locking Medicaid enrollees with a narcotic prescription (e.g. Vicodin, Benzodiazipine) into a single pharmacy and single doctor to prevent pharmacy and doctor shopping and narcotics abuse. (S.L. 2010-31, Sec. 10.34)</p>	<p>(\$603,000)</p>	<p>R</p>
<p>56 Mental Health Drug Savings</p> <p>Generates savings by adding mental health drugs to the Preferred Drug List (PDL), which were previously not part of the PDL savings, and also requires prior authorization but only for off-label prescribing of mental health drugs. (S.L. 2010-31, Sec. 10.22(a))</p>	<p>(\$10,000,000)</p>	<p>R</p>
<p>57 Capitated Behavior Health Pilot Programs</p> <p>Expands the capitated behavioral health pilot program to two additional local management entities (LMEs), effective January 1, 2011. Effort is based on the Piedmont Behavioral Health pilot. (S.L. 2010-31, Sec. 10.24(a))</p>	<p>(\$1,560,600)</p>	<p>R</p>
<p>58 Prior Authorization for Children's Outpatient Mental Health Services</p> <p>Establishes Prior Authorization for Children's Outpatient Mental Health Services at 16 visits versus the current 26 visits. (S.L. 2010-31, Sec. 10.35)</p>	<p>(\$933,547)</p>	<p>R</p>
<p>59 Enhanced Mental Health Changes</p> <p>The Department shall manage enhanced services through rate and utilization management to secure a savings of forty-one million dollars (\$41,000,000).</p>	<p>(\$41,000,000)</p>	<p>R</p>
<p>60 Independent Assessments on Mental Health Services</p> <p>Implements independent assessments on various mental health services in the Medicaid program. Prior to the service being delivered, an independent assessment will be conducted to ensure the proper utilization of services. (S.L. 2010-31, Sec. 10.36(a))</p>	<p>(\$7,730,207)</p>	<p>R</p>

- 61 In-Home Personal Care Services** (\$50,714,943) R
 Reforms the In-Home Personal Care Services program to provide care to those individuals at greatest risk of needing institutional care. Reform transitions eligible recipients into a new program for adults with the most intense needs – those needing extensive assistance with two or more activities of daily living (ADLs). (S.L. 2010-31, Sec. 10.35)
- 62 Dental Program Improvements** (\$16,982) R
 Generates savings by implementing policy improvements in the dental program for children, including implementing limits on imaging for children under the age of 6 years of age; limiting three film radiographs to children aged 13 and older; and limiting the reimbursement for primary teeth composites.
- 63 Durable Medical Equipment Program Improvements** (\$1,859,430) R
 Generates savings through bulk purchasing of incontinence supplies by selecting one provider through a competitive bidding process (\$1,654,714). Also eliminates coverage for high-tech adult orthotics and prosthetics when lower-tech alternatives exist or when medical necessity does not demand the higher-tech device (\$204,716).

 (S.L. 2010-123, Sec. 11.5, Budget Technical Corrections, amends this item to clarify that DMA may select one or more providers through a competitive bidding process for the bulk purchasing of incontinence supplies).
- 64 Health Insurance Premium Payment Program (HIPP)** (\$3,000,000) R
 Expands the HIPP Program, in which Medicaid pays for employer-based health insurance costs on behalf of Medicaid-eligible individuals when it is less expensive than Medicaid coverage.
- 65 Reimbursement of 'Never Events'** (\$5,000,000) R
 Eliminates Medicaid reimbursement of 'never events' in hospital inpatient settings. 'Never events' are certain types of medical issues that develop or are acquired while a person is in a hospital, but should have been prevented. The policy change brings Medicaid in line with Medicare reimbursement. (S.L. 2010-31, Sec. 10.28)

<p>66 Improved Utilization Management for Optional Services</p> <p>Generates savings through limits and prior approval policies on outpatient optional services, including chiropractic, optical, and podiatry services.</p>	<p>(\$2,065,647)</p>	<p>R</p>
<p>67 Private Duty Nursing Changes</p> <p>Transitions adult private nursing recipients to a new Community Alternatives Program (CAP) technology waiver upon approval by the federal government. Children would continue to receive private duty nursing services after an independent assessment. (S.L. 2010-31, Sec. 10.35)</p>	<p>(\$1,298,058)</p>	<p>R</p>
<p>68 Coverage of Certain Types of Surgery</p> <p>Eliminates coverage of certain types of surgery, including breast reduction and mastopexy (breast lift) surgery (\$23,420); panniculectomy surgery (\$12,328); and surgery for severe obesity (\$89,400).</p>	<p>(\$125,148)</p>	<p>R</p>
<p>69 Medical Assistance Copayments</p> <p>Increases current copayment amounts to a maximum of \$3, and expands collection of copayments to local health departments and outpatient behavioral health services. In addition, implements a \$6 copayment for nonemergency hospital emergency room (ER) visits.</p>	<p>(\$2,630,404)</p>	<p>R</p>
<p>70 Program Integrity Savings</p> <p>Generates savings through new Program Integrity initiatives, including Medicaid SWAT teams for on-site investigations, strengthening Medicaid fraud laws, innovative technology to detect fraud and abuse, and prepayment reviews for questionable providers. (S.L. 2010-31, Sec. 10.26)</p>	<p>(\$40,000,000)</p>	<p>R</p>
<p>71 Attorney General's Office (AGO) Medicaid Investigative Unit Staff Savings</p> <p>Generates savings by doubling the Medicaid Investigative Unit staff at the AGO to expand the prosecution of Medicaid fraud and abuse. Additional staff will ensure increased prosecution and additional Medicaid funds recovered from fraudulent providers.</p>	<p>(\$1,000,000)</p>	<p>R</p>

72 Contract Reductions (\$180,250) R

Reduces payment for duplicative or unnecessary administrative functions performed under the Medicaid contract with HP, including eliminating the processing of duplicative claims and processing prior approval (PA) on claims that do not require PA.

73 ARRA Federal Enhanced Matching Funds Extension (\$481,621,383) NR

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

74 ARRA Medicare Part D Clawback Savings (\$79,419,834) NR

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

75 Medicaid Rebase \$430,564,713 R

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

(7.0) Division of Health Service Regulation

76 Medicaid Funding for Home Care Licensure and Certification (\$104,739) R

Generates savings by collecting federal Medicaid receipts to support licensure and certification activities for home care agencies. Since home care agencies are Medicaid providers, this will allow DHSR to collect federal Medicaid receipts.

77 Fee for Assisted Living Medication Aide Testing	(\$110,575)	R
Establishes a \$25 fee for the testing and materials provided to assisted living medication aides to help defray the costs of administering the tests. (S.L. 2010-31, Sec. 10.36A(a))		
78 Fees for Assisted Living Administrator Testing and Certificates	(\$35,240)	R
Establishes a \$50 assisted living administrator test fee and a \$30 assisted living administrator certificate renewal fee. Certificate renewals occur every two years. (S.L. 2010-31, Sec. 10.36A(b))		
79 Home Base Licensure and Certification Staff/Lexington Office	(\$92,038)	R
Closes Lexington office and home-bases licensure and certification staff, eliminating operating costs and two administrative positions.	\$22,797	NR
	-2.00	
80 Nursing Home Licensure and Certification Funds	(\$1,741,551)	NR
Replaces General Fund appropriations with federal receipts in the Nursing Home Licensure and Certification Section on a nonrecurring basis. The receipts come from civil monetary penalties assessed against nursing homes.		
(8.0) Division of Social Services		
81 Equipment, Travel, and Supplies	(\$120,000)	R
Reduces funding for equipment, travel, and supplies within the Division of Social Services.		
82 Adult Care Home Case Management	(\$150,000)	R
Reduces over-budgeted funds for adult care home case management services, per historical reversions.		
83 Position Eliminations	(\$959,632)	R
Eliminates positions within the Division of Social Services. (S.L. 2010-31, Sec. 10.5A)		
	-15.00	

84 Economic Services Contract	(\$192,166)	R
<p>Eliminates funding for contracted installation and support for Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) infrastructure at Farmers Markets. Federal funds are available to support this initiative, and there has been limited vendor activity to date.</p>		
85 Child Support Enforcement Consolidation	(\$1,282,777)	R
<p>Streamlines functions within the Child Support Enforcement Section and reduces operating funds to coincide with the elimination of sixteen state-operated child support enforcement offices. Effective July 1, 2010, S.L. 2009-451 transitions financial and administrative responsibilities for local child support enforcement to twenty-eight counties presently served by the state offices. Under this proposal, approximately twenty filled and thirteen vacant positions within the Child Support Enforcement Section are eliminated.</p>		
	-33.00	
86 Children's Advocacy Centers	(\$375,000)	R
<p>Replaces recurring grants-in-aid for the twenty-two accredited Children's Advocacy Centers statewide. This reduction is offset by a non-recurring allocation of Social Services Block Grant receipts for services provided by the Children's Advocacy Centers during FY 2010-11. (S.L. 2010-31, Sec. 10.37(a) and Sec. 10.37(aa))</p>		
87 NC REACH Post-Secondary Scholarship Program	(\$160,507)	R
<p>Reduces funding for NC REACH scholarships per projected growth in awards during FY 2010-11. This non-recurring reduction leaves \$1,584,125 available to support scholarships in FY 2010-11. In addition, funding for contractual case management services is reduced commensurate with actual FY 2009-10 obligations. (S.L. 2010-31, Sec. 10.18)</p>		
	(\$1,584,125)	NR

<p>88 Child Welfare Contracts</p> <p>Eliminates funding for 1) Multiple Response (\$229,086) and Adoption Programs (\$459,156); 2) Grants-in-Aid (\$413,044) for child placement services; and 3) Methamphetamine Training (\$137,535). This reduction eliminates funding for non-mandated services, conferences, and trainings. Additionally, because placement agencies receive standardized rates (standardization effective January 2009), supplementary grants-in-aid are no longer necessary. Prior Methamphetamine training and support has also led to the creation of community protocols, thereby reducing the need for ongoing training.</p>	<p>(\$1,238,821) R</p>
<p>89 Electing Counties' Work First State Funds</p> <p>Replaces funding for Electing Counties' Work First programs with Temporary Assistance for Needy Families (TANF) funds. This reduction does not reduce budgeted funds for Electing Counties' Work First County Block Grants or Work First Family Assistance. (S.L. 2010-31, Sec. 10.37(a))</p>	<p>(\$2,378,213) R</p>
<p>90 State-County Special Assistance</p> <p>Reduces funding in accordance with projected FY 2010-11 assistance levels. Counties' requirements are likewise reduced, due to equal financial participation for State-County Special Assistance. Projected savings are the result of the Special Assistance rate reduction that took effect October 1, 2009.</p>	<p>(\$3,388,044) R</p>
<p>91 FMAP Extension - Foster Care & Adoption Assistance</p> <p>Reduces funding for foster care and adoption assistance payments per extension of the ARRA enhanced federal medical assistance percentage (FMAP) rate - a base 6.2 percentage point increase from January 2011 through June 2011.</p>	<p>(\$1,421,552) NR</p>
<p>92 Over-Realized Receipts</p> <p>Budgets prior year earned revenue on a non-recurring basis to offset an equivalent reduction in General Fund appropriations.</p>	<p>(\$450,000) NR</p>

93 Permanency Planning State Match (\$682,512) R

Transfers the twenty-five percent state match requirement for federal IV-B1 funding to county departments of social services. These receipts support permanency planning services for children, including activities to support foster care, adoption, and child protective services.

94 State Adult Care Home Specialist Fund (\$525,000) R

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

95 State Funding Authorizations for Counties (\$2,390,896) R

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

96 Food Banks \$1,000,000 NR

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

97 Child Welfare Education Collaborative \$239,453 R

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

98 Children's Home Society \$200,000 NR

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

(9.0) Office of Education Services

<p>99 Position Eliminations</p> <p>Eliminates positions within the Office of Education Services. (S.L. 2010-31, Sec. 10.5A)</p>	<p>(\$2,127,065)</p> <p>-50.00</p>	<p>R</p>
<p>100 Food Service Staffing</p> <p>Eliminates ten filled food service positions within the residential schools for the blind and deaf, per evaluation of food service operations by the Department of Public Instruction's Child Nutrition Section, using the USDA meal per labor hour (MPLH) efficiency standard. Present ratios of approximately 1.7 MPLH are significantly lower than the USDA recommended minimum of 15 - 20 MPLH for Child Nutrition Programs.</p>	<p>(\$282,991)</p> <p>-10.00</p>	<p>R</p>
<p>101 Temporary Staffing</p> <p>Reduces funding for temporary wages within the Office of Education Services.</p>	<p>(\$58,500)</p>	<p>R</p>
<p>102 Residential School Administrative Staffing</p> <p>Consolidates functions among residential school administrative positions, requiring the directors of the residential schools to assume full oversight of academic and business operations.</p> <p>Eliminates two filled and one vacant position within the North Carolina School for the Deaf: School Principal, #60039101 - \$101,516 School Assistant Principal, #60039082 - \$88,786 School Assistant Principal, #60039080 - \$88,804</p> <p>Eliminates two filled positions within the Eastern North Carolina School for the Deaf: School Principal, #60039225 - \$108,563 School Assistant Principal, #60039138 - \$85,317</p> <p>Eliminates one filled and one vacant position within the Governor Morehead School for the Blind: School Administrator, #60039380 - \$71,636 School Assistant Principal, #60039392 - \$60,764 (S.L. 2010-31, Sec. 10.20B)</p>	<p>(\$605,386)</p> <p>-7.00</p>	<p>R</p>
<p>103 Beginnings, Inc. Contract</p> <p>Reduces funding for training of early intervention and public school professionals. This is a 4.8% reduction in total funding for contractual services provided by Beginnings, Inc, leaving \$919,730 in recurring funding.</p>	<p>(\$46,459)</p>	<p>R</p>

104 Office of Education Services Central Office	(\$1,103,070)	R
Eliminates the Office of Education Services Central Administration and DHHS Exceptional Children Support programs, effective October 1, 2010. Non-recurring funds are appropriated to support the activities of the interim Superintendent. (S.L. 2010-31, Sec. 10.21A)	\$130,211	NR
	-15.00	
 (10.0) Division of Aging and Adult Services		
105 Project C.A.R.E.	\$100,000	R
Provides funds for Project C.A.R.E. (H.B. 91/S.B. 30)		
 (11.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing		
106 Special Assistance for the Blind Consolidation	(\$287,807)	R
Merges the Special Assistance for the Blind sub-program presently administered by the Division of Services for the Blind with the State-County Special Assistance program within the Division of Aging and Adult Services. (S.L. 2010-31, Sec. 10.19A)	-1.00	
 107 Over-Realized Receipts	(\$176,256)	R
Budgets receipts within the Division of Services for the Blind as follows: 1) Social Security Administration receipts (\$150,428) per successful vocational rehabilitation client employment outcomes on a non-recurring basis; and 2) Other vending receipts (\$155,829) for independent living services.	(\$150,428)	NR
 In addition, \$20,417 in Telecommunications Relay Trust Fund receipts are budgeted within the Division of Services for the Deaf and Hard of Hearing for general administration. These additional receipts were identified during FY 2009-10 through updates to DHHS cost allocation plans.		
 These cumulative receipts offset equivalent reductions in General Fund appropriations.		
 108 Position Eliminations	(\$93,421)	R
Eliminates positions within the Divisions of Services for the Blind, Deaf and Hard of Hearing. (S.L. 2010-31, Sec. 10.5A)	-2.00	

109 Accessible Electronic Information for Blind and Disabled Persons

Funds contracted electronic information services, which allow visually-impaired persons to access print media through telephone systems. (S.B. 1312)

\$75,000 NR

(12.0) Division of Vocational Rehabilitation

110 Position Eliminations

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

(\$252,067) R

-5.00

111 Aid & Public Assistance - Vocational Rehabilitation Basic Support

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

(\$1,288,915) NR

Budget Changes

\$182,409,745 R

(\$553,519,916) NR

Total Position Changes

-194.00

Revised Total Budget

\$3,949,918,671

Special Provisions

2010 Session: **SB 897**

Department: Health and Human Services

Section: 10.1

Title: **ELECTRONIC BENEFITS TRANSFER SYSTEM**

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

Section: 10.2

Title: **REPEAL POLICIES TO FACILITATE AND EXPEDITE USE OF CHILD CARE SUBSIDY FUNDS**

Summary Directs the Division of Child Development to discontinue the temporary policies enacted in S.L. 2009-451, Sec. 10.4, that expanded eligibility for child care subsidy to ensure expenditure of American Recovery and Reinvestment Act (ARRA) funds.

Section: 10.3

Title: **EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS**

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

Section: 10.5

Title: **ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES**

Summary Directs DHHS to continue the policy of allowing local Departments of Social Services to use 5% of the county's child care subsidy funds on administration. The allowance was initially increased from 4% to 5% in S.L. 2009-451, Appropriations Act of 2009.

Section: 10.5A

Title: **REPORT ON DHHS POSITION ELIMINATIONS**

Summary Affords DHHS flexibility in implementing "Position Eliminations" items within the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets for 2010-2011. DHHS is authorized to reduce positions by a greater or lesser number than is prescribed by the Report.

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

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

Section: 10.6

Title: **MENTAL HEALTH CHANGES**

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

Section: 10.6A

Title: **JOHNSTON COUNTY LME ADMINISTRATIVE FUNDING**

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

Section: 10.7

Title: **TERM LIMITS FOR COUNTY COMMISSIONERS AND COUNTY MANAGERS ON AREA MENTAL HEALTH BOARDS**

Summary Amends G.S. 122C-118.1(d) to allow county managers who are appointed to an area LME board by the county commissioners to serve more than two consecutive terms. Clarifies that a county manager's appointment to the board shall not extend beyond their employment as county manager.

Section: 10.7A

Title: **CAP MR/DD SERVICE ELIGIBILITY**

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

Section: 10.7B

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

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

Section: 10.9

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

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

Section: 10.10

Title: **DOROTHEA DIX HOSPITAL**

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

Section: 10.10A

Title: **CHANGE EFFECTIVE DATE FOR WELL TESTING**

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

Section: 10.11

Title: **CHANGES TO COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES INITIATIVE**

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

Section: 10.13

Title: **IMMUNIZATION CHANGES**

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

Section: 10.14

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

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

Section: 10.15

Title: **COMMUNITY CARE OF NORTH CAROLINA**

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

Section: 10.16

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

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

Section: 10.16A

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

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

Section: 10.17

Title: **ELIMINATE STATE FUNDING FOR CHILD SUPPORT OFFICES**

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

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

Section: 10.18

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

Summary Amends S.L. 2009-451, Sec. 10.50, Appropriations Act of 2009, to reduce appropriations for NC Reach post-secondary scholarships from \$3,168,250 to \$1,584,125, and for contractual case management services from \$500,000 to \$339,493.

Section: 10.19

Title: **TANF BENEFIT IMPLEMENTATION**

Summary Approves the "Temporary Assistance for Needy Families State Plan 2010-2012" and identifies the counties which may remain designated as Electing Counties through September 30, 2012.

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

Section: 10.19A

Title: **STATE-COUNTY SPECIAL ASSISTANCE CONSOLIDATING CHANGES**

Summary Amends G.S. 105A-2(2)e, 108A-25(a)(2), 108A-40, 108A-41, 108A-45, 108A-46.1, 108A-47, 108A-47.1, and 108A-80(b) to adjust references to the Special Assistance for Adults program and make other conforming changes per the consolidation of Special Assistance for the Blind and Special Assistance for Adults payment systems within the Division of Aging and Adult Services.

Section: 10.20

Title: **EXTEND REPORTING DATE/EVALUATION OF CONSOLIDATION OF ADMINISTRATIVE FUNCTIONS OF COUNTY DEPARTMENT OF SOCIAL SERVICES**

Summary Amends S.L. 2009-451, Section 10.52(b), Appropriations Act of 2009, to extend the Program Evaluation Division's reporting date from December 1, 2010 to February 1, 2011.

Section: 10.20A

Title: **CHILDREN'S TRUST FUND**

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

Section: 10.20B

Title: **OFFICE OF EDUCATION SERVICES/CONSOLIDATION OF PRINCIPAL FUNCTIONS**

Summary Consolidates academic and operational oversight responsibilities among the directors of the three State-operated residential schools for the deaf and blind, and eliminates seven school principal, administrator, and assistant principal positions. DHHS must provide continued oversight of instructional programming by a licensed school administrator upon implementation of these reductions in force.

Section: 10.21A

Title: **OFFICE OF EDUCATION SERVICES/TRANSFER OF RESIDENTIAL AND PRESCHOOLS FOR THE DEAF AND BLIND**

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

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

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

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

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

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

Section: 10.22

Title: **MEDICAID POLICY CHANGES**

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

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

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

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

Requires DHHS to apply Medicaid policy to recipients who have other insurance that is billed prior to Medicaid payment, with exceptions made for recipients who would be adversely impacted by the policy.

Section: 10.23

Title: **SPECIALTY DRUG PROVIDER NETWORK**

Summary Directs DHHS to ensure best practices and prevention of misuse of drugs by working with specialty drug providers, manufacturers of specialty drugs, Medicaid recipients utilizing specialty drugs and medical professionals.

Section: 10.24

Title: **STATEWIDE EXPANSION OF CAPITATED 1915(B)/(C) BEHAVIORAL HEALTH WAIVERS**

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

Section: 10.25

Title: **STUDY MEDICAID PROVIDER RATES**

Summary Directs DHHS to study reimbursement rates for Medicaid providers and Medicaid program benefits in North Carolina in comparison with surrounding states and two additional states by April 1, 2011.

Section: 10.26

Title: **MEDICAID FRAUD PREVENTION**

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

Section: 10.27

Title: **STUDY HIV MEDICAID WAIVER**

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

Section: 10.28

Title: **ELIMINATE REIMBURSEMENT OF "NEVER EVENTS"**

Summary Eliminates reimbursement under Medicaid for hospital-acquired conditions (HACs) that are identified as nonpayable by Medicare.

Section: 10.30

Title: **AMEND MEDICAID RECIPIENT APPEALS PROCESS**

Summary Amends G.S. 108A, Article 2, to add Sec. 70.9A. This new section codifies the Medicaid Recipient Appeals process. Sec. 70.9A clarifies that notices of hearings to recipients include information on the following: the recipient's right to examine the contents of their case file; the right to an interpreter; and circumstances in which medical assessments may be obtained at agency expense.

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

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

Section: 10.31

Title: **ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE**

Summary Directs DHHS to deposit Disproportionate Share Hospital (DSH) receipts with the State Treasurer as nontax revenue.

Section: 10.32

Title: **MEDICAID PREFERRED DRUG LIST**

Summary Directs DHHS to add medications for HIV and AIDS to the Preferred Drug List.

Section: 10.33

Title: **MEDICAID PREFERRED DRUG LIST (PDL) REVIEW PANEL**

Summary Directs DHHS to establish a Preferred Drug List Policy Review Panel to review the Medicaid PDL recommendations of the Physician Advisory Group Pharmacy and Therapeutics Committee in the Division of Medical Assistance.

Section: 10.34

Title: **LOCK NARCOTIC PRESCRIPTIONS INTO SINGLE PHARMACY/PROVIDER**

Summary Directs DHHS Medicaid enrollees into a single pharmacy and provider when their prescribed use of a controlled substance meets the criteria for potential abuse established by the DMA Physicians Advisory Group.

Section: 10.35

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

Summary Rewrites Section 10.68A(a) of S.L. 2009-451, Appropriations Act of 2009, to make the following changes:

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

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

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

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

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

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

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

Section: 10.35A

Title: **MEDICAID WAIVER FOR ASSISTED LIVING**

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

Section: 10.35B

Title: **SENIOR SERVICES: PROJECT C.A.R.E (CAREGIVER ALTERNATIVES TO RUNNING ON EMPTY)**

Summary Allows DHHS to use \$200,000 of funds appropriated to the Division of Aging and Adult Services (DAAS) to support Alzheimer's-related activities consistent with Project C.A.R.E. DAAS will annually develop a plan and report on the use of these funds to the Governor's Advisory Council on Aging, the North Carolina Study Commission on Aging, and the Fiscal Research Division by October 1, 2010 and annually thereafter.

Section: 10.36

Title: **IMPLEMENT INDEPENDENT ASSESSMENTS ON MENTAL HEALTH SERVICES**

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

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

Section: 10.36A

Title: **DHSR ASSISTED LIVING ADMINISTRATOR/MEDICATION AIDE FEES**

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

Section: 10.37

Title: **DHHS BLOCK GRANTS**

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

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

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

(H.B. 1788/S.B. 1240, S.B. 1161, S.B. 1084, S.B. 1261, H.B. 1943)

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

Special Provisions

2010 Session: SB 1202

Department: Health and Human Services

Section: 4.1

Title: **TECHNICAL CHANGE: CHILD SUPPORT OFFICE EQUIPMENT TRANSFER**

Summary Amends S.L. 2010-31, Sec. 10.17 to clarify that DHHS may retain State-owned equipment that is not designated for transfer per request from certain county governments or the Eastern Band of the Cherokee Indians.

Section: 4.2

Title: **TECHNICAL CHANGE: IMPLEMENT INDEPENDENT ASSESSMENT ON MENTAL HEALTH SERVICES**

Summary Amends S.L. 2010-31, Section 10.36(a) to clarify that the independent assessment entity will recommend the type and amount of service to be provided.

Section: 4.3

Title: **BUDGET CHANGES: DHHS POSITION ELIMINATIONS**

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

Section: 4.5

Title: **TECHNICAL CHANGE: IMMUNIZATION CHANGES**

Summary Amends S.L. 2010-31, Section 10.13(a) to correct the reference to the number of covered immunizations from 13 to 11.

Section: 4.6

Title: **TECHNICAL CHANGE: MEDICAID POLICY CHANGES**

Summary Rewrites S.L. 2009-451, Section 10.58(d)(19) to clarify that Medicaid medical policy shall apply to Medicare Advantage patients, as well as Medicare patients.

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

Section: 4.7

Title: **BUDGET CHANGES: TANF EMERGENCY CONTINGENCY FUND GRANTS**

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

Section: 4.8

Title: **TECHNICAL CHANGE: FROM CERTIFIED TO LICENSED**

Summary Amends S.L. 2003-178, Mental Health Reform Waiver, by changing the requirement from a certified clinical additions specialist to a licensed clinical additions specialist who will be able to conduct initial patient evaluations.

Section: 11.3

Title: **TECHNICAL CHANGE: MATERNAL OUTREACH WORKERS**

Summary Amends Item 52, page G-9 of the Joint Conference Committee Report to clarify that licensed registered nurses qualify as Maternal Care Coordinators and Children Services Coordinators.

Section: 11.4

Title: **TECHNICAL CHANGE: PRESCRIPTION VITAMINS**

Summary Clarifies that in Item 54, page G-9 of the Joint Conference Committee Report Medicaid coverage of prescriptions for vitamins and minerals is eliminated.

Section: 11.5

Title: **TECHNICAL CHANGE: DURABLE MEDICAL EQUIPMENT**

Summary Clarifies that savings generated through Item 63, page G-10 of the Joint Conference Committee Report may come from bulk purchasing of incontinence supplies through one or more providers selected through a competitive bidding process.

**NATURAL
&
ECONOMIC RESOURCES**

Agriculture and Consumer Services

GENERAL FUND

FY 10-11

\$60,559,608

Total Budget Approved 2009 Session

Budget Changes

Department-wide

- | | | |
|--|-----------------|-------|
| 1 Vacant Positions | (\$440,218) | R |
| Eliminates 9.0 vacant positions across the Department. | | |
| Eliminated positions include: | | |
| #60012677 Research Technician | | |
| #60011868 Technology Support Analyst | | |
| #60011886 Processing Assistant III | | |
| #60011902 Processing Assistant III | | |
| #60011965 Food Inspector | | |
| #65006175 Quality Assurance Manager | | |
| #60012160 Vet Lab Assistant I | | |
| #60012115 Livestock Compliance Officer | | |
| #60095971 Processing Assistant III | | |
| -9.00 | | |
|
2 IT Budget Reductions |
(\$84,036) |
R |
| Reduces the Department's non-salary IT budget by 3%. This reduction is based on the average difference between budgeted and actual expenditures for the past four fiscal years. | | |
|
3 Travel Budget Reductions |
(\$70,995) |
R |
| Reduces the budget for payments to the Motor Fleet Management (MFM) Division by 7.5%. This decrease reflects the recent rate reduction implemented by MFM. | | |
|
4 Equipment Budget Reductions |
(\$223,520) |
R |
| Reduces the equipment budget in the Department by \$447,039; half of this reduction is taken on a recurring basis and half is nonrecurring. This represents approximately a 9.0% reduction to the Department's equipment budget in FY 2010-11. | | |
| | (\$223,519) | NR |

Ag Statistics

- 5 Operating Expense Reduction** (\$55,000) R
Reduces the operating budget within the Ag Statistics Division by approximately 16%.

Emergency Programs

- 6 Contracts Funds** (\$15,000) R
Reduces funds for contracts within the Emergency Programs Division by \$15,000, approximately 12% of total funds for miscellaneous contractual services.

Food and Drug Protection

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

- 8 NC Egg Law Program** (\$151,481) R
Reduces the Egg Law Program by eliminating 3.0 positions and associated operating. One position will remain and will focus on investigations and consumer complaints. Other inspectors within the Food and Drug Protection Division will assume Egg Law inspection duties where possible. The eliminated positions include:

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

-3.00

Food Distribution

- 9 Fuel Budget to Federal Receipts** (\$50,000) R
Fund shifts a portion of the diesel fuel budget within the Food Distribution division to Federal receipts. Federal receipts fund approximately 45% of the Division's operations.

General Administration

- 10 Agricultural Development and Farmland Preservation Trust Fund** \$2,000,000 R
Provides \$2 million for the Agricultural Development and Farmland Preservation Trust Fund. (H.B. 1914/S.B. 1434)
- 11 FFA Foundation, Inc** (\$2,376) R
Reduces the recurring pass-through appropriation for the FFA Foundation, Inc by 5%, leaving \$45,144 recurring.

Markets

- 12 Got to Be NC** \$250,000 NR
Provides funds for "Got to Be NC" marketing. This program promotes North Carolina's farmers by helping to develop markets for North Carolina produce and products in grocery stores, restaurants, farmers markets, and other establishments.
- 13 International Trade** \$200,000 NR
Provides funds to support international trade initiatives.
- 14 Farmers Markets** (\$90,000) R
Reduces operating funds for the Farmers Markets operated by the Department.

Plant Industry

- 15 Phytosanitary Fees** (\$20,000) R
Increases phytosanitary fees within the Plant Industry Division. Subchapter 48A of North Carolina Administrative Code, Export Certification Inspection Fee, directly ties the Division's fee structure for phytosanitary inspections to the federal phytosanitary fee structure. This fee increase brings the Department's fee structure in line with USDA.

Public Affairs

- 16 Operating Budget** (\$25,000) R
Reduces General Fund support for the Public Affairs Division by approximately 6%.

17 Ag in the Classroom (\$1,188) R
 Reduces the recurring pass-through appropriation for Ag in the Classroom by 5%, leaving \$22,572 recurring.

Structural Pest and Pesticides

18 Pesticide Section (\$629,944) R
 Reduces General Fund support for the Pesticide Section by requiring the Section to budget over realized receipts and increase fees. This change requires that 12.68 positions be transferred to receipt support. (S.L. 2010-31, Sec. 11.1) -12.68

19 Structural Pest Section Fees (\$100,000) R
 Increases fees for certified applicator and license exams, structural licenses, structural certified applicator cards, and registered technician cards. (S.L. 2010-31, Sec. 11.2)

Veterinary Services

20 Online Reporting of Lab Results (\$15,000) R
 Directs the Veterinary Services Division to increase the use of online reporting of vet lab results. The Division shall default to online reporting of vet results but will provide printed results upon request.

21 Rose Hill Vet Lab (\$431,798) R
 Eliminates the Rose Hill Vet Lab. The Rose Hill Lab is the least active and oldest of the Division's five veterinary labs. Elimination of this lab will streamline laboratory processes and eliminate an underperforming facility. This will eliminate 7.0 positions, including:

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

Budget Changes	(\$405,556)	R
	\$226,481	NR
Total Position Changes	-31.68	
Revised Total Budget	\$60,380,533	

Special Provisions

2010 Session: SB 897

Department: Agriculture and Consumer Services

Section: 11.1

Title: FEE INCREASES FOR PESTICIDE DEALERS, PESTICIDE APPLICATORS, AND PEST CONTROL CONSULTANTS

Summary Increases the fees charged for the exams and licenses required to be a certified pesticide dealer, pesticide applicator, or pest control consultant. The exam fees, which range from \$10 for a private applicator exam to \$50 for most core applicator exams, are new; the license fees, which increased from \$50 to \$75, were last increased in either 2003 or 1989 depending upon the license

Section: 11.2

Title: STRUCTURAL PEST CONTROL ACT FEE INCREASES

Summary Increases the fees for exams and licenses for structural pest control technicians. Fees vary by exam and license. Some of these fees have not been changed since 1976; the most recent increases occurred in 1999.

Section: 11.4

Title: TRANSFER ADMINISTRATION OF THE VOLUNTARY SPAY/NEUTER PROGRAM TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES; AMEND FUNDING FOR THE SPAY/NEUTER ACCOUNT

Summary Transfers the Spay/Neuter Program from the Division of Public Health (DPH) in the Department of Health and Human Services to the Department of Agriculture and Consumer Services and makes necessary conforming changes. The funding mechanism for the program is also changed; funds from the sale of rabies tags will no longer support Spay/Neuter activities and shall be used exclusively for the Rabies Program in DPH; these funds were formerly split between the Rabies Program and the Spay/Neuter Program. Revenue from the sale of Animal Lover's special license tags will continue to support the Spay/Neuter Program. This provision also increases the tag fee from \$20 to \$30. (H.B. 208, S.B. 1332)

Section: 11.5

Title: RECLASSIFY ONE VACANT POSITION IN DACS FOR THE NC FARM TO SCHOOL PROGRAM

Summary Directs the Department to reclassify and fill one vacant position to support the NC Farm to School Program. (H.B. 1832/S.B. 1284)

2010 Annotated Committee Report

Labor

GENERAL FUND

FY 10-11
\$17,400,863

Total Budget Approved 2009 Session

Budget Changes

Department-wide

22	Salary Reserve	(\$280,280)	R
	Reduces salary reserve across the Department by \$280,280. Salary Reserve is the difference between the budgeted amount for a position and the actual salary paid.		
23	Travel Budget Reductions	(\$32,778)	R
	Reduces the budget for payments to the Motor Fleet Management (MFM) Division by 7.5%. This decrease reflects the recent rate reduction implemented by MFM.		
24	Operating Expense Reduction	(\$38,295)	R
	Reduces the operating budget across the Department by \$38,295.		
25	Vacant Positions	(\$157,234)	R
	Eliminates 3.5 vacant positions in the Department. Positions include:		
	#60012895 Accounting Clerk IV		
	#60013222 Processing Assistant IV		
	#60013055 Admin Services Assistant		
	#60012877 Physical Facilities Manager	-3.50	
Commissioner's Office			
26	Administrative Position to Fee Support	(\$52,784)	R
	Fund shifts an administrative position within the Commissioner's Office to fees generated by the Elevator and Amusement Device and Boiler Inspection Bureaus.	-1.00	

Occupational Safety & Health

27 Operating Expenses to Federal Receipts

(\$341,184) R

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

Standards and Inspections

28 Apprenticeship Program

(\$200,000) R

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

-3.00

Budget Changes

(\$1,102,555) R

Total Position Changes

-7.50

Revised Total Budget

\$16,298,308

Special Provisions

2010 Session: **SB 897**

Department: Labor

Section: 12.1

Title: **DEPARTMENT OF LABOR/APPRENTICESHIP PROGRAM**

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

Environment & Natural Resources

GENERAL FUND

FY 10-11

\$190,399,356

Total Budget Approved 2009 Session

Budget Changes

(1.0) Department-wide

29 IT Budget Reductions (\$750,000) R

Reduces the Department's non-salary IT budget based on the average difference between budgeted and actual expenditures for the past four fiscal years.

30 Travel Budget Reductions (\$120,432) R

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

31 Division of Environmental Assistance and Outreach (\$230,000) R

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

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

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

-4.00

32 Special Fund Closure

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

(2.0) Administration

33 Chief Technology Officer

(\$99,578) R

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

-1.00

(2.0) Secretary's Office

34 Sustainable Communities Task Force

\$250,000 NR

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

35 Office of Conservation, Planning, and Community Affairs

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

36 Office of Environmental Education and Public Affairs

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

(3.0) Coastal Management

37 Position to Receipt Support

(\$48,788) R

Fund shifts 0.5 of a district manager position to express permit receipts.

-0.50

(3.0) Environmental Assistance and Outreach

38 Positions to Receipts

(\$250,000) R

Fund shifts 3.37 positions to the Solid Waste Management Trust Fund.

-3.37

(3.0) Environmental Health

39 Bedding Program (\$17,008) R
Fund shifts a portion of rent for the Division to receipts collected from bedding inspections.

40 Childhood Lead Poisoning Prevention Program (\$141,730) R
This reduction eliminates 1.0 vacant position (\$71,562, #60034294) and funding for reimbursements to counties (\$70,168). -1.00

41 Food and Lodging Program (\$200,000) R
Reduces aid to counties for food and lodging programs by 33%. Each county's share will be reduced from \$6,000 to \$4,000.

42 Shellfish Sanitation (\$124,635) R
Eliminates 1.0 vacant shellfish sanitation position (#60034496) for a savings of \$77,713; this position has been vacant since February 10, 2010. In addition, fund shifts 1/2 of 2.0 shellfish sanitation positions (#60034517 and #60034516) to receipt support for a savings of \$43,990. Reduces operating budget for scientific supplies by \$2,932. -2.00

43 Water Supply Section (\$55,540) R
Eliminates 1.0 vacant Business Officer position (#60034259) in the Water Supply Section. This position has been vacant since July 10, 2009. -1.00

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

(3.0) Land Resources

45 Position to Receipt-Support (\$44,431) R
Fund shifts 1.083 Environmental Technician positions to receipts. -1.08

46 Sediment and Erosion Control (\$101,357) R
Eliminates aid to local governments for the establishment of sediment and erosion control programs.

47 Workshops and Educational Materials (\$66,700) R
 Reduces funding for workshops and educational outreach materials related to erosion and sedimentation control. After this reduction, \$100,000 will remain for these purposes.

48 Natural Gas and Petroleum Potential \$135,000 R
 Provides funding for 1.0 new position and associated operating expenses to work on the characterization of natural gas and petroleum potential in the Mesozoic Deep River basin in North Carolina. 1.00

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

(3.0) Waste Management

50 Hazardous Waste Fees (\$325,000) R
 Raises fees on hazardous waste generators, transporters, as well as storage, treatment, and disposal facilities. Some fees were last raised in 2003. Others have not been raised since their inception in 1987. (S.L. 2010-31, Sec. 13.8)

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

51 Positions & Operating to Receipts (\$165,405) R
 Fund shifts 1.1 positions and associated operating costs to EPA grant funding and 1.0 position and associated operating costs to hazardous waste receipts. -2.10

(3.0) Water Quality

52 Positions to Federal Support (\$442,875) R
 Fund shifts positions within the Division of Water Quality to federal support. -7.50

53 Neuse River Rapid Response Team (\$113,498) R
 Eliminates funding for one filled and one vacant position associated with the Neuse River Rapid Response Team. The eliminated positions are -2.00

#60035508 Environmental Senior Technician
 #60035507 Environmental Supervisor

54 Water Quality Monitoring on Ferry Vessels \$250,000 NR
 Provides funds for the FerryMon Program, which evaluates water quality in the Pamlico Sound and its tributary rivers using equipment attached to ferry vessels. (H.B. 1211)

(3.0) Water Resources

55 River Basin Commissions (\$35,000) R
 Reduces funding for the river basin commissions. \$5,000 will remain to support the work of these commissions.

56 Vacant Position and Operating Budget (\$252,134) R
 Eliminates 1.0 vacant Environmental Supervisor III position (\$104,750) and reduces the Division's operating budget for streamflow gages (\$73,692) and well drilling and repair (\$73,692). -1.00

(4.0) Aquariums

57 Operating Budget (\$714,297) R
 Eliminates the General Fund appropriation that supports special activities and events (\$410,000). Funds for special events and activities are replaced by increased rental fees at the three Aquariums. 3.0 positions are fund shifted to these increased receipts. General Fund appropriations used for daily operations are reduced by \$304,297. Gate admissions budgeted in the North Carolina Aquariums special fund shall be used to offset this reduction. -3.00

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

(4.0) Forest Resources

58 Aircraft Operations

(\$469,817) R
(\$1,500,000) NR
-6.00

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

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

59 Aircraft Hangars

(\$13,060) R

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

60 Liability Insurance

(\$14,900) R

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

61 Principal Payments for Equipment

(\$1,260,686) R

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

62 Temporary Wages

(\$249,189) R

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

63 Young Offenders Forest Conservation Program (BRIDGE)

\$991,648 R

Restores 95% of the funding for the BRIDGE program, which was subject to Continuation Review in FY 2009-10.

10.00

(4.0) Marine Fisheries

64 Helicopter Operations (\$25,218) R
(\$35,000) NR

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

65 Communication Equipment (\$32,322) R

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

66 Positions to Receipt Support (\$132,836) R

Fund shifts 3.0 positions to receipt support (#60032528 - Public Information Asst IV, #60032665 - Info & Communication Spec I, and #60032536 - Info & Communication Spec). -3.00

67 At-Sea Observer Program (\$300,000) R

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

68 At-Sea Observer Program \$300,000 R

Uses the \$300,000 from the Fisheries Resource grant program to establish the At-Sea Observer program. This program is necessary to meet federal requirements to monitor gill net fisheries and record sea turtle and other endangered and threatened species interactions. 3.00

(4.0) Museum of Natural Sciences

69 Academic Services (\$67,851) R

Reduces funding for Academic Services within the Public Programs and Exhibits Sections of the Museum of Natural Sciences. The academic services line item is used to purchase services from independent contractors and/or external organizations for contracted professional and consultative personal services.

70 Operating Budget (\$280,688) R
Reduces various operating expenses within the Museum of Natural Sciences by approximately 14%.

71 Temporary Wages (\$45,000) R
Reduces funds for temporary wages within the Museum of Natural Sciences by approximately 10%, leaving approximately \$450,000 for this purpose.

(4.0) Natural Resource Planning and Conservation

72 Conservation Information and Incentives Program (\$401,658) R
Replaces General Fund support for the Conservation Information and Incentives program with receipts from the Natural Heritage Trust Fund. This change shifts 5.48 positions to receipts. -5.48

(4.0) Parks and Recreation

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

(4.0) Soil and Water Conservation

74 Agriculture Cost Share Financial Assistance Program (\$212,153) R
Reduces funding for the financial assistance portion of the Agriculture Cost Share Program by 5%, leaving approximately \$4 million in matching funds for implementing agricultural best management practices.

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

76 Community Conservation Assistance Program (\$6,903) R
Reduces funding for the Community Conservation Assistance Program (CCAP) by approximately 5%, leaving \$131,155 for this program.

(4.0) Zoological Park

77 Vehicle Replacement Funds

Reduces funding for the replacement of vehicles and trams for one year. (\$500,000) NR

78 Tort Claims

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

(5.0) Reserves and Transfers

79 Partnership for the Sounds

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

80 Clean Water State Revolving Fund

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

81 Drinking Water State Revolving Fund

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

Budget Changes	(\$6,839,026)	R
	\$11,065,000	NR
Total Position Changes	-30.03	
Revised Total Budget	\$194,625,330	

Special Provisions

2010 Session: SB 897

Department: Environment & Natural Resources

Section: 13.1

Title: CONSOLIDATE THREE DENR SUBUNITS WITHIN THE NEW DIVISION OF ENVIRONMENTAL ASSISTANCE AND OUTREACH

Summary Consolidates the Customer Service Center, the Small Business Ombudsman, and the Division of Pollution Prevention and Environmental Assistance into one new division named the Division of Environmental Assistance and Outreach. The provision makes other conforming statutory changes to reflect the new name.

Section: 13.1A

Title: CONSOLIDATE TWO DENR OFFICES INTO NEW OFFICE OF ENVIRONMENTAL EDUCATION AND PUBLIC AFFAIRS

Summary Consolidates the Office of Environmental Education and the Office of Public Affairs into one new Office of Environmental Education and Public Affairs and makes conforming statutory changes to reflect the new name.

Section: 13.1B

Title: CONSOLIDATE TWO SUBUNITS IN DENR INTO NEW OFFICE OF CONSERVATION, PLANNING, AND COMMUNITY AFFAIRS

Summary Creates the Office of Conservation, Planning, and Community Affairs in the Secretary's Office by consolidating the Office of Conservation and Community Affairs with the Natural Resources Planning and Conservation office.

Section: 13.2

Title: STUDY THE MERGER OF THE DIVISION OF ENVIRONMENTAL HEALTH IN DENR AND THE DIVISION OF PUBLIC HEALTH IN DHHS; AMEND ON-SITE WASTEWATER CERTIFICATION

Summary Requires that the Division of Environmental Health within DENR and the Division of Public Health within the Department of Health and Human Services study the desirability and feasibility of consolidating the two divisions. Subsection (a) requires that both divisions submit program and budgetary information by October 1, 2010 to the Environmental Review Commission (ERC) and the Fiscal Research Division. Subsection (b) requires that both divisions work together to evaluate the potential merger of the two divisions and potential efficiency gains or losses. Subsection (c) requires the divisions to submit a report to the House and Senate Appropriations Subcommittees on Natural and Economic Resources and the Fiscal Research Division no later than January 15, 2011. Subsection (d) requires ERC to study the potential merger of the two divisions and to report its recommendations to the 2011 General Assembly by January 15, 2011.

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

Section: 13.5

Title: **SUSTAINABLE COMMUNITIES TASK FORCE**

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

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

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

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

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

Section: 13.6

Title: **DAM SAFETY FEE**

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

Section: 13.8

Title: **INCREASE HAZARDOUS WASTE FEES**

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

(S.L. 2010-123, Sec. 5.1, Budget Technical Corrections amends this provision to clarify that the new rates apply to all fees assessed after July 1, 2010. Further, Sec. 5.3 appropriates \$250,000 of the fees collected and deposited into the hazardous waste special fund to be used for other activities related to hazardous waste within the Division of Waste Management.)

Section: 13.9

Title: **INCREASE ADMINISTRATIVE CAP FOR INACTIVE HAZARDOUS WASTE SITES PROGRAM
ADD RECIPIENTS TO ANNUAL REPORT REQUIREMENT**

Summary Increases the administrative allowance on the Inactive Hazardous Sites Cleanup Fund from 7% to 13%. This change was necessary due to the shifting of General Fund-supported activities to receipts required in the Conference Committee Report for S.L. 2009-451. This provision also requires the Secretary to submit the inactive hazardous sites report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division; the report previously was submitted to only the Environmental Review Commission.

Section: 13.9A

Title: **FUNDS FOR CLEANUP AND MONITORING OF TEXFI SITE CONTAMINATION**

Summary Appropriates \$50,000 from the Solid Waste Management Trust Fund to be used for cleanup and monitoring at the Texfi site in Fayetteville. (S.B. 1329/H.B.1769)

Section: 13.10

Title: **STRENGTHEN PLASTIC BAG RECYCLING**

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

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

Section: 13.11

Title: **PARKS AND RECREATION TRUST FUND/AUTHORITY TO CONSIDER OPERATING
EXPENSES**

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

Section: 13.12

Title: **RECLASSIFY SEVEN VACANT POSITIONS IN THE DIVISION OF PARKS AND RECREATION**

Summary Directs the Department to reclassify and fill seven vacant positions to provide staffing support for new and expanding parks within the State Park System.

Section: 13.13

Title: **STATE PARKS SYSTEM PLAN**

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

Section: 13.14

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

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

Section: 13.15

Title: **AUTHORITY FOR THE DEPARTMENT OF REVENUE TO SHARE INFORMATION WITH DEN**

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

Section: 13.16

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

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

Section: 13.17

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

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

Section: 13.18

Title: **REPORT ON DENR AVIATION ACTIVITIES**

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

Section: 13.21

Title: **CLOSE/TRANSFER CERTAIN DENR SPECIAL FUNDS**

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

2010 Session: SB 1202

Department: Environment & Natural Resources

Section: 5.1

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

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

Section: 5.2

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

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

Section: 5.3

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

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

Section: 11.7

Title: **BUDGET CHANGE: AQUARIUMS**

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

Section: 11.8

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

Summary Clarifies that the Division shall reduce its fleet by not less than 10 aircraft and that State owned aircraft are to be sold and federally owned aircraft are to be returned to the federal government.

DENR-Clean Water Management Trust Fund

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$50,000,000

Budget Changes

Clean Water Management Trust Fund

82 No Change

Receives appropriation per S.L. 2009-451.

Budget Changes

Total Position Changes

Revised Total Budget

\$50,000,000

Commerce

GENERAL FUND

FY 10-11

\$40,915,209

Total Budget Approved 2009 Session

Budget Changes

Department-wide

83 Vacant Positions (\$220,649) R

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

-4.00

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

84 IT Budget Reduction (\$755,242) R

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

85 Travel Budget Reductions (\$36,284) R

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

Administration

86 Operating Budget Reduction (\$20,000) R

Reduces the operating budget for administration by \$20,000

Business and Industry

87 Business Recruitment and Product Marketing

Provides funding to attract businesses to locate operations in North Carolina and to increase the sale of North Carolina exports, including agricultural commodities.

\$875,000 NR

88 Operating Budget Reduction

Reduces the operating budget for the Division of Business and Industry Development by \$30,000.

(\$30,000) R

Commerce Finance

89 Jobs Maintenance and Capital Development Fund (JMAC)

Appropriates \$6 million for Bridgestone/Firestone and Goodyear agreements for the 2009 Grant Year.

\$6,000,000 NR

90 Jobs Maintenance and Capital Development Fund (JMAC)

Appropriates \$500,000 for a pending agreement with Domtar for the 2010 Grant Year.

\$500,000 NR

91 One NC Fund

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

\$12,500,000 NR

92 One NC Small Business Fund

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

\$1,500,000 NR

93 In-Source NC Network

Provides funding to develop university-based buyer-supplier networks within emerging and established industry clusters inside the State. These buyer-supplier networks would be modeled on an existing network developed and operated through the NCSU College of Textiles.

\$150,000 NR

Community Assistance

94 Main Street Solutions

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

\$1,500,000 NR
1.00

Executive Aircraft

95 Aircraft to DOT

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

(\$800,000) R
-6.00

Industrial Commission

96 Over Realized Receipts

Requires the Industrial Commission to budget over realized receipts.

(\$429,863) R

International Trade

97 International Trade

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

\$200,000 NR

Policy, Research, and Strategic Planning

98 Operating Budget Reduction

Reduces the operating budget for the Policy, Research, and Strategic Planning Division by \$20,000

(\$20,000) R

Science and Technology

99 Energy Research Grants

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

\$1,000,000 NR

100 Operating Budget Reduction

Reduces the Board of Science and Technology's budget by approximately 5%.

(\$18,000) R

State Energy Office

101 Utility Training Sessions

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

(\$127,657) R

Tourism, Film, and Sports Development

102 Tourism Marketing Funds

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

\$1,000,000 NR

103 Tourism Matching Grants

Eliminates 100% of funds for small matching grants for local tourism projects.

(\$129,976) R

Wanchese Seafood Industrial Park

104 Oregon Inlet Project

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

(\$248,327) NR

105 Operating Budget Reduction

Reduces the Wanchese Seafood Industrial Park's operating budget by approximately 5%. (S.L. 2010-31, Sec. 14.5)

(\$10,000) R

Wine & Grape Growers Council

106 Operating Budget Reduction

(\$108,357) R

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

Budget Changes	(\$2,706,028)	R
	\$24,976,673	NR
Total Position Changes	-9.00	
Revised Total Budget	\$63,185,854	

Special Provisions

2010 Session: SB 897

Department: Commerce

Section: 14.1

Title: **ONE NORTH CAROLINA FUND**

Summary Sets forth boilerplate language that allows the Department of Commerce to use up to \$300,000 of funds available in the One NC Fund for administration of this and other economic development programs.

Section: 14.2

Title: **NER BLOCK GRANTS**

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

Section: 14.2A

Title: **NER BLOCK GRANTS/REALLOCATE 2010 PROGRAM YEAR FUNDING**

Summary Reallocates FY 2009-10 CDBG funding across existing categories and creates a new category called NC CDBG Economic Recovery. This category covers infrastructure, housing, and special projects. CDBG received more proposals than it could fund in response to its American Recovery and Reinvestment Act funding announcement; this reallocation will allow CDBG to fund some of those proposals using regular program money.

Section: 14.3

Title: **STATE AGENCIES AND INSTITUTIONS/GREATER ENERGY EFFICIENCY REPORTING AND COMPLIANCE**

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

Section: 14.4

Title: **LOCAL WORKFORCE DEVELOPMENT BOARDS/CONSUMER CHOICE REQUIREMENTS**

Summary Amends G.S. 143B-438.11(a) to add that Local Workforce Development Boards shall provide appropriate guidance and information including ensuring that consumer choice is maintained at one-stop centers by providing information on both public and private training providers.

Section: 14.5

Title: **WANCHESE SEAFOOD INDUSTRIAL PARK/OREGON INLET FUNDS**

Summary Prevents any unexpended or unencumbered funds appropriated to the Wanchese Seafood Industrial Park from reverting to the General Fund. This provision removes language that prevented Oregon Inlet funds from reverting as funding for the Oregon Inlet project was not provided in the budget.

Section: 14.6

Title: **CONSOLIDATE PASSENGER AIRCRAFT**

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

Section: 14.6A

Title: **MAIN STREET SOLUTIONS FUND**

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

Section: 14.8

Title: **AMEND JDIG REPORTING REQUIREMENTS**

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

Section: 14.9

Title: **INDUSTRIAL DEVELOPMENT FUND/REPORTING REQUIREMENTS**

Summary Modifies G.S. 143B-437.01 to change the Industrial Development Fund reporting requirements from reporting to the General Assembly to reporting to the Joint Legislative Commission on Governmental Operations on September 1 of each year.

Section: 14.10

Title: **WINE AND GRAPE GROWERS COUNCIL/REPORTING REQUIREMENT**

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

Section: 14.10A

Title: **TOURIST DESTINATION MARKETING**

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

Section: 14.12

Title: **PROMOTE NORTH CAROLINA DISTILLED SPIRITS**

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

Section: 14.13

Title: **EMPLOYMENT SECURITY COMMISSION FUNDS**

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

ESC Local Offices	\$19,500,000
Training Program Participant Tracking	\$200,000
ESC Common Follow-Up	\$300,000

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

Unemployment Benefit and Tax Accounting System	\$100,000,000
Operation of the Unemployment Insurance Program	\$105,063,552

Section: 14.14

Title: **SET REGULATORY FEE FOR UTILITIES COMMISSION**

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

Commerce - State Aid

GENERAL FUND

FY 10-11

\$15,388,725

Total Budget Approved 2009 Session

Budget Changes

- | | |
|---|----------------------|
| <p>107 Land Loss Prevention
 Reduces the recurring pass-through appropriation for Land Loss Prevention by 5%, leaving \$707,465 recurring.</p> | <p>(\$37,235) R</p> |
| <p>108 Institute of Minority Economic Development
 Reduces the recurring pass-through appropriation for the Institute of Minority Economic Development by 5%, leaving \$2,517,405 recurring.</p> | <p>(\$132,495) R</p> |
| <p>109 Association of Community Development Corporations (CDCs)
 Reduces the recurring pass-through appropriation for the Association of CDCs by 5%, leaving \$980,685 recurring.</p> | <p>(\$51,615) R</p> |
| <p>110 Minority Support Center
 Reduces the recurring pass-through appropriation for the Minority Support Center by 5%, leaving \$3,128,730 recurring.</p> | <p>(\$164,670) R</p> |
| <p>111 Community Development Initiative
 Reduces the recurring pass-through appropriation for the Community Development Initiative by 5%, leaving \$4,682,740 recurring.</p> | <p>(\$246,460) R</p> |
| <p>112 e-NC Authority
 Reduces the recurring pass-through appropriation for the e-NC Authority by 5%, leaving \$442,035 recurring. (S.L. 2010-31, Sec. 14.16)</p> | <p>(\$23,265) R</p> |

<p>113 Councils of Government (COGs) Reduces the recurring pass-through appropriation for the COGs by 5%, leaving \$403,750 recurring. (S.L. 2010-31, Sec. 14.18)</p>	<p>(\$21,250)</p>	<p>R</p>
<p>114 High Point Furniture Market Reduces the recurring pass-through appropriation for the High Point Furniture Market by 5%, leaving \$806,479 recurring.</p>	<p>(\$42,446)</p>	<p>R</p>
<p>115 Defense and Security Technology Accelerator Reduces the non-recurring pass-through appropriation for the Defense and Security Technology Accelerator by 5%, leaving \$950,000 non-recurring. (S.L. 2010-31, Sec. 14.17)</p>	<p>(\$50,000)</p>	<p>NR</p>
<p>116 Minority Support Center Provides \$750,000 for funds for small business loans for those that have limited access to credit. (H.B. 1822)</p>	<p>\$750,000</p>	<p>NR</p>
<p>117 Regional Economic Development Commissions Provides funding for the seven Regional Economic Development Commissions. Each Commission shall receive a combination of recurring and nonrecurring funds. (S.B. 774, S.B. 1387, H.B 1755; S.L. 2010-31, Sec. 14.15)</p>	<p>\$2,500,000 \$2,500,000</p>	<p>R NR</p>
<p>118 Biofuels Center Provides \$5 million recurring for the Biofuels Center. (S.B 1205/H.B. 1787; S.B. 841/H.B. 400)</p>	<p>\$5,000,000</p>	<p>R</p>
<p>119 Research Triangle Institute Provides \$500,000 in nonrecurring matching funds for a US Department of Energy grant for energy research and green jobs. (H.B. 1985; S.L. 2010-31, Sec. 14.17A)</p>	<p>\$500,000</p>	<p>NR</p>
<p>120 Indian Economic Development Initiative Provides nonrecurring funding for the Indian Economic Development Initiative. (S.L. 2010-31, Sec. 14.17A)</p>	<p>\$100,000</p>	<p>NR</p>

121 Institute for Regenerative Medicine \$10,000,000 R
Provides funding for the Institute for Regenerative
Medicine. (S.B. 1395)

Budget Changes	\$16,780,564	R
	\$3,800,000	NR
Total Position Changes		
Revised Total Budget	\$35,969,289	

Special Provisions

2010 Session: SB 897

Department: Commerce - State Aid

Section: 14.15

Title: **REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS ALLOCATIONS**

Summary Allocates funds for the Regional Economic Development Commissions. Subsections (a) and (b) outline the three-step process for allocating the \$5 million appropriation to the seven Regional Economic Development Commissions.

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

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

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

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

Section: 14.16

Title: **E-NC AUTHORITY/REPORTING REQUIREMENT**

Summary Amends G.S. 143B-437.47 by requiring an annual, not quarterly, report and specifying that the report is due by September 1 of each year.

Section: 14.17

Title: **DEFENSE AND SECURITY TECHNOLOGY ACCELERATOR/ REPORTING REQUIREMENT**

Summary Requires the Defense and Security Technology Accelerator to report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on its use of State funds during the prior State fiscal year by September 1 of 2010 and 2011.

Section: 14.17A

Title: **NC INDIAN ECONOMIC DEVELOPMENT INITIATIVE/RTI INTERNATIONAL/REPORTING REQUIREMENTS**

Summary Requires the NC Indian Economic Development Initiative and RTI International to report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on their use of State funds during the prior State fiscal year by September 1, 2011. These organizations must also provide a copy of their annual audited financial statement within 30 days of issuance.

Section: 14.18

Title: **COUNCIL OF GOVERNMENT FUNDS**

Summary Amends Section 14.21(a) of S.L. 2009-451 to appropriate \$403,750 to the State's seventeen Councils of Government (COGs) for FY 2010-11. Reporting requirements established in S.L. 2009-451 remain in effect; each COG must submit an annual report by September 1 of each year and audited financial statements within 30 days of issuance.

2010 Annotated Committee Report

N.C. Biotechnology Center

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$14,501,900

Budget Changes

122 Operating Funds

\$5,000,000 R

Provides additional funding for the Biotechnology Center.
(H.B. 371/S.B. 532)

Budget Changes

\$5,000,000 R

Total Position Changes

Revised Total Budget

\$19,501,900

Special Provisions

2010 Session: **SB 897**

Department: N.C. Biotechnology Center

Section: 14.18A

Title: **STRATEGIC PLAN ON THE COMMERCIALIZATION OF LIFE SCIENCE TECHNOLOGIES**

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

Rural Economic Development Center

GENERAL FUND

Total Budget Approved 2009 Session	FY 10-11	\$23,832,436
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Budget Changes

123 Operating Reductions (\$1,191,622) R
 Reduces the recurring pass-through appropriation for the Rural Center by 5%, leaving \$22,640,814 recurring. (S.L. 2010-31, Sec. 14.19, 14.20, and 14.21)

124 Home Grown Jobs \$3,125,000 NR
 Provides additional funding for the Rural Center's Building Reuse and Restoration Program to strengthen the capacity of rural communities to compete for and attract new and expanding businesses. Funding for small-scale regional community development projects is also included.

125 Small Business Assistance Fund \$1,000,000 NR
 Provides funding to the Rural Center to continue the Small Business Assistance Fund. (H.B. 1721, S.B. 1414)

126 Family Farm Opportunity and Innovation Fund \$1,000,000 NR
 Provides funding for the Rural Center to provide assistance to farmers via grants up to \$20,000 in three areas:

1. Improving energy efficiency on the farm
2. Developing new markets
3. Developing new products

Budget Changes	(\$1,191,622)	R
	\$5,125,000	NR

Total Position Changes

Revised Total Budget **\$27,765,814**

Special Provisions

2010 Session: SB 897

Department: Rural Economic Development Center

Section: 14.19

Title: **RURAL ECONOMIC DEVELOPMENT CENTER**

Summary Reallocates the \$4.6 million general appropriation the Rural Center receives to reflect the 5% reduction made in the Committee Report.

Section: 14.20

Title: **RURAL ECONOMIC DEVELOPMENT CENTER/INFRASTRUCTURE PROGRAM**

Summary Reallocates the \$18.3 million appropriation the Rural Center receives for the Infrastructure Program to reflect the 5% reduction made in the Committee Report.

Section: 14.21

Title: **OPPORTUNITIES INDUSTRIALIZATION CENTERS FUNDS**

Summary Revises Section 14.30 of S.L. 2009-451 to reflect the 5% reduction made to the Opportunities Industrialization Centers.

Section: 14.22

Title: **RURAL CENTER/REALLOCATION OF CLEAN WATER BOND FUNDS**

Summary Allows the Rural Center to reallocate Clean Water Bond Funds from 1998 across the three categories of unsewered, supplemental, and capacity. The Rural Center must report to the Joint Legislative Commission on Governmental Operations thirty days before any such reallocation.

North Carolina State Fair

Budget Code: 53750

	FY 2010-11
Beginning Unreserved Fund Balance	\$2,262,050
Total Budget Approved 2009 Session	
Requirements	\$15,738,702
Receipts	\$14,768,425
Positions	67.00

Legislative Changes

Requirements:

Cash Balance	\$0	R
Transfers \$1,000,000 of the June 30th, 2010 cash balance in the NC State Fair enterprise funds to the General Fund for general availability. This change is estimated to leave a cash balance of over \$685,000.	\$1,000,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$1,000,000	NR
	0.00	

Receipts:

Cash Balance	\$0	R
	\$0	NR
Contingency and Emergency Fund Transfer	\$0	R
S.L. 2010-31, Budget Technical Corrections, transfers \$1 million from the Contingency and Emergency Fund to the NC State Fair. (S.L. 2010-31, Sec. 1.2(d))	\$1,000,000	NR
Subtotal Legislative Changes	\$0	R
	\$1,000,000	NR

Revised Total Requirements	\$16,738,702
Revised Total Receipts	\$15,768,425
Change in Fund Balance	(\$970,277)
Total Positions	67.00

Unappropriated Balance Remaining	\$1,291,773
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DENR - Special

Budget Code: 24300

	FY 2010-11
Beginning Unreserved Fund Balance	\$20,914,606
Total Budget Approved 2009 Session	
Requirements	\$63,100,266
Receipts	\$48,337,247
Positions	368.99

Legislative Changes

Requirements:

2335 - Lab Certification Fee	\$847,515	
Transfers the Lab Certification fee operating budget from a special fund code to General Fund code 1635. (S.L. 2010-31, Sec. 13.21(b))	\$0	NR
	0.00	
2221 - Bladen Lakes Cash Balance	\$0	R
Transfers \$150,000 of the June 30th, 2010 cash balance in the Bladen Lakes fund to the General Fund for general availability. (S.L. 2010-31, Sec. 2.2(h) and Sec. 13.21(b))	\$150,000	NR
	0.00	
2119 - Mercury Pollution Prevention Fund	\$0	R
Transfers \$2.25 million from the cash balance of the Mercury Pollution Prevention Fund to the General Fund for general availability. (S.L. 2010-31, Sec. 2.2(h))	\$2,250,000	NR
	0.00	
2335 - Lab Certification Fees	\$0	R
Transfers the cash balance from the Lab Certification Fees fund to the appropriate General Fund code for the Division of Water Quality. (S.L. 2010-31, Sec. 13.21(b))	\$459,830	NR
	0.00	
Subtotal Legislative Changes	\$847,515	R
	\$2,859,830	NR
	0.00	

Receipts:

2010 Annotated Conference Committee Report

FY 2010-11

2335 - Lab Certification Fees

Transfers the Lab Certification fee operating budget from a special fund code to General Fund code 1635. (S.L. 2010-31, Sec. 13.21(b))

(\$733,983) R

\$0 NR

Subtotal Legislative Changes

(\$733,983) R

\$0 NR

Revised Total Requirements

\$66,807,611

Revised Total Receipts

\$47,603,264

Change in Fund Balance

(\$19,204,347)

Total Positions

368.99

Unappropriated Balance Remaining

\$1,710,259

Solid Waste Management Trust Fund

Budget Code: 64303

	FY 2010-11
Beginning Unreserved Fund Balance	\$6,798,949
Total Budget Approved 2009 Session	
Requirements	\$7,383,604
Receipts	\$7,361,604
Positions	9.31

Legislative Changes

Requirements:

6770 - Scrap Tire Disposal Account	\$0 R
	\$0 NR
	0.00
6780 - White Goods	\$0 R
	\$0 NR
	0.00
Subtotal Legislative Changes	\$0 R
	\$0 NR
	0.00

Receipts:

6770 - Scrap Tire Disposal	\$0 R
Diverts \$2.5 million from the Scrap Tire Disposal Account to the General Fund for FY 2010-11. (S.L. 2010-31, Sec. 2.2(d))	(\$2,500,000) NR
6780 - White Goods	\$0 R
Diverts \$1,200,000 from the White Goods Fund to the General Fund for FY 2010-11. (S.L. 2010-31, Sec. 2.2(e))	(\$1,200,000) NR
Subtotal Legislative Changes	\$0 R
	(\$3,700,000) NR

Revised Total Requirements	\$7,383,604
Revised Total Receipts	\$3,661,604
Change in Fund Balance	(\$3,722,000)
Total Positions	9.31

Unappropriated Balance Remaining	\$3,076,949
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Wildlife Resources - Special

Budget Code: 24350

	FY 2010-11
Beginning Unreserved Fund Balance	\$923,486
Total Budget Approved 2009 Session	
Requirements	\$62,615,438
Receipts	\$62,615,438
Positions	652.50

Legislative Changes

Requirements:

Transfer to General Fund	\$0 R
Budgets the Wildlife Resources Commission (WRC) \$3 million transfer to the General Fund for general availability. WRC shall transfer \$750,000 to the General Fund at the beginning of each quarter. (S.L. 2010-31, Sec. 2.2(h))	\$3,000,000 NR
	0.00
Subtotal Legislative Changes	\$0 R
	\$3,000,000 NR
	0.00

Receipts:

Transfer to General Fund	\$0 R
	\$0 NR
Subtotal Legislative Changes	\$0 R
	\$0 NR

Revised Total Requirements	\$65,615,438
Revised Total Receipts	\$62,615,438
Change in Fund Balance	(\$3,000,000)
Total Positions	652.50

Unappropriated Balance Remaining	(\$2,076,514)
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**JUSTICE
&
PUBLIC SAFETY**

Correction

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$1,326,492,230

Budget Changes

1 Reduce Continuation Budget for Lower Population

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

(\$22,000,000) NR

2 Budget Alien Assistance Receipts

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

(\$872,000) NR

3 ITS Billing Reduction

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

(\$200,000) R

4 Transfer Four Positions to Receipt Support

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

(\$182,500) R

-4.00

5 Reduce Vehicle Replacement Budget

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

(\$1,500,000) NR

6 Reduce Fuel Oil Budget

Reduces the Fuel Oil line item on a recurring basis.

(\$500,000) R

7 Reduce PC Equipment

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

(\$300,000) NR

8 Reduce Equipment Accounts

Reduces various equipment accounts on a non-recurring basis.

(\$800,000) NR

9 Reduce Supply Accounts

Reduces various supply accounts on a non-recurring basis.

(\$800,000) NR

10 Eliminate .223 Rifle Training

Eliminates a component of rifle training and reduces annual costs for ammunition and targets.

(\$54,757) R

11 Reduce Our Children's Place Funds

Reduces the pass-through appropriation for Our Children's Place by 5%, leaving \$104,025.

(\$5,475) R

Alcoholism and Chemical Dependency Programs**12 Eliminate Four Program Positions**

Eliminates four DACDP positions that work in the In-Prison Out Patient Services at South Piedmont, Western Youth and North Piedmont.

(\$211,060) R

-4.00

Community Corrections**13 Reduce Criminal Justice Partnership Program**

Reduces the Criminal Justice Partnership Program by \$1.1 million nonrecurring, which leaves \$8.3 million for allocations for county programs. This reduction will not affect the core operations of the program.

(\$1,100,000) NR

14 Reduce Contractual Services

Reduces the Contractual Services budget in the Division of Community Corrections.

(\$50,000) R

15 Eliminate Community Corrections Positions

Eliminates two Division of Community Corrections positions and their associated costs. These positions are duplicative due to the automation of the parole/post-release violation process.

(\$142,910) R

-2.00

16 Reduce Harriet's House Funds

Reduces the pass-through appropriation to Passage Home for Harriet's House by 5%, leaving \$195,938.

(\$10,313) R

17 Reduce Summit House Funding

Reduces the pass-through appropriation to Summit House by 5%, leaving \$1,052,756.

(\$55,408) R

18 Reduce Women At Risk Funding

Reduces the pass-through appropriation to Women At Risk by 5%, leaving \$249,375.

(\$13,125) R

Prisons

- | | | |
|--|----------------|----|
| 19 Reduce Inmate Medical Costs | (\$20,500,000) | R |
| <p>Reduces the appropriation for medical services for inmates based on capping fees paid as a percentage of billed charges. This reduction applies to inpatient and outpatient hospital services as well as professional services.(S.L. 2010-31, Sec. 19.6)</p> | | |
| 20 Eliminate Seven DOP Administrative Positions | (\$359,384) | R |
| <p>Eliminates seven positions in the central office of the Division of Prisons. The Department has discretion to identify the positions to reach the cut level of \$359,384.</p> | | |
| 21 Consolidate Administrative Positions at Prisons | (\$149,038) | R |
| <p>Consolidates administrative functions between Brown Creek Correctional Center and Piedmont Correctional Institution and eliminates four duplicative positions.</p> | | |
| 22 Modify Close Custody Inmate Transfers | (\$74,150) | R |
| <p>Reduces the transportation budget based on reducing the frequency of inter-facility transfers of close custody inmates from every week to every other week.</p> | | |
| 23 Reduce Drug Testing Frequency | (\$130,000) | R |
| <p>Changes the drug testing policy to 10% instead of 15% frequency and reduces appropriations to pay for analysis.</p> | | |
| 24 Reduction in Clothing Budgets | (\$862,913) | NR |
| <p>Reduces funding for inmate clothing and officer uniforms within the Division of Prisons.</p> | | |
| 25 Operating Reserves for Central Prison Hospital | \$4,551,375 | R |
| <p>Establishes an operating reserve and creates positions to staff the Central Prison Hospital and Mental Health Facility. This facility is scheduled for completion in August 2011, and occupancy in October 2011. This reserve will allow positions to be established so staff can be recruited and trained prior to the projected occupancy date.</p> | | |
| | \$774,843 | NR |
| | 554.00 | |
| 26 Operating Reserve for Women's Prison Hospital | \$1,980,317 | R |
| <p>Establishes an operating reserve and creates positions to staff the hospital and mental health facility at NC Correctional Institution for Women, scheduled for completion in August 2011, and occupancy in October 2011. This fund will allow recruitment and training to be completed prior to occupancy.</p> | | |
| | \$725,157 | NR |
| | 227.00 | |

27 Establish Community Work Crews \$1,602,094 R
 Provides funds for community work crews at prisons throughout the State. These crews provide labor services for local governmental entities. 39.00

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

Budget Changes	(\$14,504,334)	R
	(\$26,734,913)	NR
Total Position Changes		799.00
Revised Total Budget	\$1,285,252,983	

Special Provisions

2010 Session: SB 897

Department: Correction

Section: 19.1

Title: **FEDERAL GRANT MATCHING FUNDS**

Summary Boilerplate provision that authorizes the Department of Correction to utilize up to \$1.2 million in available funds to match federal grants. This is a standard annual provision.

Section: 19.2

Title: **PLAN FOR A PILOT PROGRAM ON PROBATION SERVICES**

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

Section: 19.3

Title: **INCREASE FEES FOR PROBATION, PAROLE, AND POST-RELEASE SUPERVISION**

Summary Increases the monthly probation supervision fee from \$30 to \$40. This fee goes into effect October 1, 2010.

Section: 19.4

Title: **INCREASE FEE FOR COMMUNITY SERVICE PROGRAM**

Summary Increases the one-time Community Service Program fee by \$25 to \$250.

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

Section: 19.5

Title: **MISDEMEANOR RECLASSIFICATION REPORT**

Summary Directs the Sentencing Commission to examine the classification of misdemeanor offenses and recommend reclassification of all Class 3 misdemeanors as either a Class 2 misdemeanor or an infraction. The Commission must report to the General Assembly for the 2011 session.

Section: 19.6

Title: **INMATE MEDICAL COST CONTAINMENT**

Summary Subsection (a) requires the Department of Correction to limit its payment rate to hospitals at 70% of the hospitals' billed charge, and further requires hospitals to furnish the Department with a list of usual and customary charges for procedures in effect as of July 1, 2010.

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

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

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

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

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

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

Section: 19.7

Title: **COMMUNITY-BASED RESIDENTIAL REENTRY PROGRAM FOR INMATES - PILOT INITIATIVE**

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

Section: 19.8

Title: **STUDY INMATE MEDICAL COSTS**

Summary Allows the Legislative Research Commission to study the issue of inmate medical services and cost containment.

Section: 19.9

Title: **CRIMINAL JUSTICE PARTNERSHIP PROGRAM GRANT REQUIREMENT**

Summary Mandates that the Criminal Justice Partnership Program funding for personnel for satellite substance abuse centers shall only be used for personnel who provide direct services to offenders.

Section: 19.10

Title: **PROHIBIT CONTRACTING FOR MAINTENANCE OF PRISONS**

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

Special Provisions

2010 Session: SB 1202

Department: Correction

Section: 6.3

Title: **TECHNICAL CHANGE: INCREASE FEE FOR COMMUNITY SERVICE PROGRAM**

Summary Amends S.L. 2010-31, Sec. 19.4(b), Appropriations Act of 2010, to clarify that the increased fee applies to persons ordered to perform community service on or after October 1, 2010.

Crime Control and Public Safety

GENERAL FUND

	FY 10-11
Total Budget Approved 2009 Session	\$33,718,963

Budget Changes

A. Department-wide

29 Eliminate Vacant Positions	(\$442,304)	R
Eliminates vacant positions throughout the Department.		
		-7.69

B. Administration

30 Law Enforcement Support Services (LESS)	\$300,000	R
Partially restores a reduction to the LESS budget. In the 2009 Budget, LESS was directed to establish a fee schedule to become 100% receipt supported. They have been unable to find sufficient fees to sustain their operations. This item provides continued General Fund support to them while a fee schedule is developed. LESS coordinates the distribution of excess federal property for local law enforcement agencies, provides evidence and DNA storage, and administers a program to provide lower-cost vehicles and other equipment to law enforcement. (S.L. 2010-31, Sec. 17.1 and Sec. 17.2)		
		5.00

C. National Guard

31 National Guard Armory Maintenance	\$1,000,000	R
Provides funds for maintenance and operation of plant for the National Guard's 97 armories.		
32 Transfer TAP to SEAA	(\$1,514,288)	R
Transfers the Tuition Assistance Program (TAP) for the National Guard to the State Education Assistance Authority (SEAA). The Education Section of the Budget shows a corresponding item, and also includes additional funding for the program. The total amount available for TAP for FY 2010-11 will be \$1,862,815. (S.L. 2010-31, Sec. 17.3)		

D. Alcohol Law Enforcement (ALE)

33 ALE Equipment Reduction	(\$200,000)	R
Reduces the appropriation for equipment for Alcohol Law Enforcement.		
	(\$200,000)	NR

E. Victim's Compensation Services

34 Victim's Compensation Fund

Reduces the Victim's Compensation Fund budget on a nonrecurring basis.

(\$700,000) NR

F. Governor's Crime Commission

35 Sheriff's Association Funds

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

\$100,000 NR

Budget Changes

(\$856,592) R

(\$800,000) NR

Total Position Changes

-2.69

Revised Total Budget

\$32,062,371

Special Provisions

2010 Session: SB 897

Department: Crime Control and Public Safety

Section: 17.1

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

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

Section: 17.2

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

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

Section: 17.3

Title: **TRANSFER TUITION ASSISTANCE PROGRAM**

Summary Transfers the National Guard's Tuition Assistance Program (TAP) from the National Guard to the State Education Assistance Authority.

Judicial

GENERAL FUND

	FY 10-11
Total Budget Approved 2009 Session	\$463,753,479

Budget Changes

36 Establish a Management Flexibility Reserve	(\$3,400,000) R
Establishes a Management Reserve to provide the Administrative Office of the Courts the flexibility to determine where reductions can be made. (S.L. 2010-123, Sec. 6.4)	(\$3,300,000) NR
37 Reduce Technology Services Program	(\$2,616,294) NR
Reduces the budget for the Administrative Office of the Courts' Technology Services Program by 8%. The AOC is authorized to delay or cancel technology projects in its discretion to achieve this reduction.	
38 Eliminate Vacant Central Office Positions	(\$1,082,420) R
Eliminates vacant positions in the Central Administration of the Administrative Office of the Courts.	-18.75
39 Eliminate Vacant Field Positions	(\$1,769,574) R
Eliminates vacant positions statewide. (S.L. 2010-123, Sec. 6.4)	-39.00
40 Reduce Operating Accounts to FY 2008-09 Levels	(\$1,164,843) R
Reduces various operating budgets throughout the Department to FY 2008-09 actual expenditure levels.	
41 Reduce Dispute Settlement Center Pass Through	(\$59,974) R
Reduces the pass-through appropriation to the Dispute Settlement Centers by 5%.	
42 Reduce NC Bar-Civil Justice Funds	(\$37,500) R
Reduces the pass-through appropriation to the NC State Bar for Access to Civil Justice by 5%.	
(S.L. 2010-123, Section 11.9, Budget Technical Corrections, amends this item to correct a reference to the NC Bar Association.)	
43 Reduce Financial Protection Law Center	(\$3,750) R
Reduces the pass-through appropriation to the Financial Protection Law Center by 5%.	

Budget Changes	(\$7,518,061)	R
	(\$5,916,294)	NR
Total Position Changes		-57.75
Revised Total Budget	\$450,319,124	

Special Provisions

2010 Session: SB 897

Department: Judicial

Section: 15.1

Title: **COLLECTION OF WORTHLESS CHECK FUNDS**

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

Section: 15.5

Title: **INCREASE CERTAIN COURT FEES**

Summary Increases various Court fees as follows:

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

Fee increases go into effect October 1, 2010.

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

Section: 15.6

Title: **CHILD SUPPORT FEE MODIFICATION**

Summary Conforms two currently conflicting statutes regarding the filing fee for actions related to child support.

Section: 15.7

Title: **EXPERT FEES**

Summary Clarifies that the Administrative Office of the Court will establish rules regarding compensation of expert witnesses.

Section: 15.8

Title: **PROVIDE CERTAIN COUNTERCLAIM FEES IN DOMESTIC VIOLENCE ACTIONS**

Summary Creates a new fee of \$80 for Chapter 50B Counterclaim actions. This fee was a recommendation of the Joint Legislative Committee on Domestic Violence. This fee goes into effect October 1, 2010. (H.B. 1874/S.B. 1242)

Section: 15.9

Title: **MODIFY FEES FOR RESUMPTION OF MAIDEN OR FORMER NAME**

Summary Creates a new fee of \$10 for people requesting the resumption of maiden or remarriage surnames. This fee is effective October 1, 2010.

Section: 15.12

Title: **MODIFICATION TO THE DUTIES OF THE DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE COURTS WITH RESPECT TO PAYMENT OF INTERPRETERS AND EXPERT WITNESSES**

Summary Clarifies that the Director of the Administrative Office of the Courts can prescribe policies and procedures for the appointment and payment of deaf and hearing-impaired interpreters.

Section: 15.13

Title: **ESTABLISH A PILOT PROGRAM FOR ELECTRONIC FILING IN DOMESTIC VIOLENCE AND CIVIL NO-CONTACT CASES IN ALAMANCE COUNTY**

Summary Creates a pilot program for electronic filing in domestic violence cases in Alamance County, allowing the clerk of superior court in that county to accept electronically filed complaints requesting domestic violence protective orders. The program will expire June 30, 2012.

Special Provisions

2010 Session: SB 1202

Department: Judicial

Section: 6.1

Title: **TECHNICAL CHANGES: INCREASE CERTAIN COURT FEES**

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

Section: 6.4

Title: **TECHNICAL CHANGE: ALIGN STATUTORY STAFFING NUMBERS TO BUDGET REDUCTION ACTIONS**

Summary Amends S.L. 2010-31, Appropriations Act of 2010, by adding a new Section 15.14 to notwithstanding existing statutes regarding staffing levels. This provision allows the Judicial Department to use its discretion in eliminating vacant field positions and administering the Management Flexibility Reserve reduction as required by the Committee Report.

Section: 11.9

Title: **BUDGET CHANGE: NC State Bar Funds**

Summary Changes a reference in the Committee Report from the NC Bar Association to the NC State Bar.

Judicial - Indigent Defense

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$120,132,010

Budget Changes

Department-wide

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

Indigent Person Attorney

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

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

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

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

Sentencing Services

49 Restore Sentencing Services Program \$2,123,426 R
 Restores the Sentencing Services Program and adds a 5% reduction. 11.50

Budget Changes \$1,585,405 R

(\$6,017,031) NR

Total Position Changes 11.50

Revised Total Budget \$115,700,384

Special Provisions

2010 Session: **SB 897**

Department: Judicial - Indigent Defense

Section: 15.3

Title: **OFFICE OF INDIGENT DEFENSE SERVICES EXPANSION FUNDS**

Summary Authorizes the Office of Indigent Defense Services (OIDS) to use up to \$1 million in appropriated funds to create up to 12 new attorney positions and six new support positions in existing Public Defender district offices across the State.

Section: 15.4

Title: **CORRECT DEATH PENALTY LITIGATION FUNDING AMOUNT**

Summary Allows OIDS to use up to \$452,604 for the 2010-11 fiscal year to contract with the Center for Death Penalty Litigation to provide training, consultation, brief banking, and other assistance to attorneys representing indigent capital defendants.

Section: 15.11

Title: **INCREASE ATTORNEY APPOINTMENT FEE**

Summary Increases the fee paid by the defendant for the appointment of an attorney by \$10, from \$50 to \$60. Changes the amount of the fee credited to the Indigent Persons' Attorney Fee Fund from \$45 to \$55. The remaining \$5 will be credited to the Court Information Technology Fund. This fee is effective October 1, 2010.

Justice

GENERAL FUND

	FY 10-11
Total Budget Approved 2009 Session	\$88,652,538

Budget Changes

A. Department-wide

50 Eliminate Vacant Positions	(\$501,600)	R
Eliminates vacant positions throughout the agency.		
	-7.50	
51 Operating Reductions	(\$1,237,000)	R
Reduces various operating budgets throughout the Department to FY 2008-09 actual expenditure levels.		
	(\$1,325,000)	NR
52 Reduce Salary Reserve	(\$175,000)	R
Reduces various personal services line items throughout the Department to reflect actual salaries.		

B. Legal Services

53 Increase Medicaid Fraud Recovery Receipts	(\$168,566)	R
Adjusts the budgeted receipts for Medicaid Fraud Recovery to reflect twelve months of collections. This reduction was implemented in the FY 2009-10 budget, but the reduction only accounted for six months of collections.		
54 Medicaid Fraud Criminal Investigation Team	\$600,000	R
Provides funds to expand the Medicaid Fraud Criminal Investigation Team. The expanded unit will consist of sworn investigators, attorneys, program assistants, financial investigators, and administrative support personnel. This investigative unit is responsible for obtaining convictions of community service providers that commit fraud, recovering restitution and civil penalties for the benefit of the Medicaid Program and the Civil Forfeiture Fund, and deterring fraud. (S.L. 2010-31, Sec. 16.1)		
	25.00	
55 NC LEAF Funds	(\$18,750)	R
Reduces the pass-through appropriation for the NC Legal Education Assistance Fund (NC LEAF) by 5%. The FY 2010-11 appropriation for this non-profit will be \$356,250.		

C. State Bureau of Investigation (SBI)

56 SBI Equipment Reduction	(\$400,000)	R
Reduces the budget for equipment purchases in the State Bureau of Investigation.		
57 Crime Laboratory DNA Capacity	\$221,156	R
Provides the SBI Crime Lab with additional professional staff to analyze DNA samples.		
	4.00	

Budget Changes	(\$1,679,760)	R
	(\$1,325,000)	NR
Total Position Changes	21.50	
Revised Total Budget	\$85,647,778	

Special Provisions

2010 Session: SB 897

Department: Justice

Section: 16.1

Title: REPORTING BY MEDICAID FRAUD CONTROL UNIT

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

Juvenile Justice & Delinquency Prevention

GENERAL FUND

	FY 10-11
Total Budget Approved 2009 Session	\$147,183,945

Budget Changes

Community Services

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

Department-wide

59 Establish a Management Flexibility Reserve	(\$3,872,171)	R
<p>Establishes a Management Reserve to provide the Department the flexibility to determine where reductions can be made.</p> <p>(S.L. 2010-123, Sec. 11.10, Budget Technical Corrections, amends this item to restore an elimination of 31.5 vacant positions, and increases the Management Flexibility Reserve by \$1,158,829, from \$2,713,342 to \$3,872,171).</p>		

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

Youth Development Centers

61 Restore Samarkand YDC	\$3,521,954	R
<p>Restores the Samarkand YDC in Moore County.</p>		
	62.00	

Budget Changes	(\$903,138)	R
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Total Position Changes	62.00
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Revised Total Budget	\$146,280,807
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Special Provisions

2010 Session: SB 897

Department: Juvenile Justice & Delinquency Prevention

Section: 18.1

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

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

Section: 18.2

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

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

Special Provisions

2010 Session: SB 1202

Department: Juvenile Justice & Delinquency Prevention

Section: 6.2

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

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

Section: 11.10

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

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

GENERAL GOVERNMENT

2010 Annotated Committee Report

Administration

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$67,446,884

Budget Changes

1111 Office of the Secretary

1 Reduce Various Operating Expenses

(\$164,089) R

Reduces miscellaneous operating expenses.

Temporary services (\$104,089)

Contracted services (\$60,000)

1121 Fiscal Management

2 Transfer 1.5 FTE to Receipt Support

(\$83,250) R

Transfers salaries and benefits for 1.5 FTE to receipt support:

-1.50

60014102: Accountant (0.50 FTE)

60014119: Accountant (0.25 FTE)

60014118: Accountant (0.50 FTE)

60014107: Accounting Clerk (0.13 FTE)

60014114: Accounting Technician (0.12 FTE)

531211 Salaries (\$64,103)

531511 Social Security (\$4,995)

531521 Retirement (\$6,660)

531561 Medical Insurance (\$7,493)

1122 Human Resources Management

3 Transfer 1.2 FTE to Receipt Support

(\$71,271) R

Transfers salaries and benefits for 1.2 FTE to receipt support:

-1.20

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

- 531211 Salaries (\$55,311)
- 531511 Social Security (\$4,231)
- 531521 Retirement (\$5,813)
- 531561 Medical Insurance (\$5,915)

1123 Historically Underutilized Businesses

4 Reduce Operating Expenses

(\$37,740) R

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

1241 Management Info. Systems

5 Reduce LAN Serv Chg

(\$56,521) R

Reduces LAN Service Charge:

- 532822: (\$56,521)

1264 Agency for Public Telecommunications

6 Transfer 1.0 FTE to Receipt Support

(\$67,442) R

Transfers salary and benefits for 1.0 FTE to receipt support:

-1.00

- 60014549: TV Producer/Director II

- 531211 Salaries (\$52,905)
- 531511 Social Security (\$4,047)
- 531521 Retirement (\$5,560)
- 531561 Medical Insurance (\$4,929)

1311 Office of State Personnel

7 Provide Funding for S.B. 1213 (Amend State Purchases and Contracts Laws) \$88,756 R

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

531211	Salaries	\$40,250
531511	Social Security	\$3,079
531521	Retirement	\$4,230
531561	Medical Insurance	\$3,697
5331xx	General Admin. Supplies	\$37,500

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

8 Reduce Various Operating Accounts (\$365,336) R

Reduces various operating accounts:

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

9 Eliminate Filled Position (\$82,039) R

Eliminates salaries and benefits for 1.0 filled position:

-1.00

60013771: HR Partner

531211	Salary	(\$65,259)
531511	Social Security	(\$4,992)
531521	Retirement	(\$6,859)
531561	Medical Insurance	(\$4,929)

1411 State Construction Office

10 Eliminate 2.0 Filled and 1.0 Vacant Positions (\$233,914) R
Eliminates salaries and benefits of two filled positions and one vacant position. Specific positions for elimination have not yet been identified; the Department has flexibility to consolidate and/or eliminate positions in order to meet this reduction. -3.00

1412 State Property Office

11 Eliminate 1.0 Vacant Position (\$57,967) R
Eliminates salary and benefits for 1.0 vacant position: -1.00
60014649: Administrative Assistant II
531211 Salaries (\$44,886)
531511 Social Security (\$3,434)
531521 Retirement (\$4,718)
531561 Medical Insurance (\$4,929)

1421 Facilities Management

12 Reduce Operating Expenses (\$211,849) R
Reduces operating expenses:
534500 Equipment (\$100,000)
532500 Equipment rental (\$50,000)
533300 Vehicle Operating Costs (\$50,000)
532300 Repairs (\$11,849)

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

14 Provide Funding to Support the New North Carolina Museum of Art Building \$1,310,260 R
Adds 8.0 FTEs, increases budgeted utility costs, and increases various operating expenses. Salaries and benefits are budgeted for 10 months for FY 2010-11 with a start date of September 1, 2010: 8.00

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

15 Reduce Janitorial Services (\$291,775) R
Reduces janitorial services.

16 Eliminate 2.0 Vacant Positions (\$89,038) R

Eliminates salaries and benefits for two vacant positions:

-2.00

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

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

17 Eliminate 4.0 Filled Positions (\$194,831) R

Eliminates salaries and benefits of four filled positions:

-4.00

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

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

1511 Purchase and Contracts

18 Provide Funding for S.B. 1213 (Amend State Purchases and Contracts Laws) \$818,272 R

Assuming the adoption of S.B. 1213, "Amend State Purchases and Contracts Laws," provides funding for 8.0 FTE and associated costs. S.B. 1213 expands the contracting responsibilities of the Department of Administration to provide oversight of the review and award of contracts. In order to perform the work required by S.B. 1213, the Department requires an additional eight positions (4 Compliance Monitors, 2 Procurement Training Specialists, 1 Compliance Monitor, and 1 Procurement Standards position) and associated operating costs: 8.00

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

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

19 Reduce Various Operating Expenses (\$12,500) R

Reduces budget for repairs to building.

20 Transfer 2.9 FTE to Receipt Support (\$225,268) R

Transfers salaries and benefits of 2.9 FTE to receipt support: -2.90

- 60013901: State Procurement Specialist III (1.0 FTE)
- 60013860: State Procurement Specialist III (1.0 FTE)
- 60013899: State Purchase Administrator (0.9 FTE)

1731 NC Council for Women/DV Commission

21 Transfer 1.5 FTE to Receipt Support (\$91,979) R

Transfers salaries and benefits for 1.5 FTE to receipt support: -1.50

- 60014074: Community Development Specialist I (0.50 FTE)
- 60019848: Community Development Specialist I (1.0 FTE)

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

1734 Rape Crisis Program

22 Fund Grants at FY 2009-10 Level

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

1741 Human Relations Commission

23 Reduce Rent

(\$24,455) R

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

532512 Rent (\$24,455)

1761 Youth Advocacy & Involvement

24 Reduce Rent

(\$22,205) R

Reduces rent due to move to DOA-owned space:

532512 (\$22,205)

1771 Veterans Affairs

25 Reduce Operating Expenses

(\$51,453) R

Reduces operating expenses:

533700 Travel (\$20,000)

532100 Supplies (\$10,000)

534500 Equipment (\$21,453)

26 Shift 2.0 Positions to Receipt Support

(\$73,286) R

Shifts salaries and benefits of 2.0 FTEs to receipt support:

-2.00

60014225: Processing Assistant III (\$27,100)

60014232: Processing Assistant III (\$26,580)

531211 Salaries (\$53,680)

531511 Social Security (\$4,107)

531521 Retirement (\$5,642)

531561 Medical Insurance (\$9,858)

1781 Domestic Violence Program

27 Fund Grants at FY 2009-10 Level

Funds Domestic Violence grants at FY 2009-10 level. (\$243,115) NR

28 Eliminate 1.0 Filled Position

(\$58,299) R

Eliminates salary and benefits for one filled position:

-1.00

60014567 Administrative Officer I

531211 Salaries (\$45,168)

531511 Social Security (\$3,455)

531521 Retirement (\$4,747)

531561 Health Insurance (\$4,929)

1810 State Ethics Commission

29 Provide Funding for H.B. 961 (Government Ethics and Campaign Reform Act)

\$272,602 R
 \$220,100 NR
 4.00

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

531211 Salaries	\$173,601	R		
531511 Social Security	\$13,281	R		
531521 Retirement	\$18,246	R		
531561 Medical Insurance	\$16,430	R		
532144 PC/Printer	\$1,680	R		
5327xx Travel	\$1,500	R		
532811 Telephone	\$1,500	R		
532815 Email & Calendaring	\$156	R		
5329xx Registration & Ed Expenses	\$300	R		
533xxx Supplies	\$2,000	R		
532535 Lease Server Equip	\$13,817	R		
532542 Lease Software	\$3,691	R		
535830 Subscriptions	\$6,000	R		
532140 Other ITS	\$10,000	R	\$100,000	NR
532140 Other ITS	\$5,400	R	\$600	NR
532140 Other ITS	\$5,000	R	\$15,000	NR
534511 Office Furniture			\$2,000	NR
534521 Office Equipment			\$2,000	NR
534713 PC Software			\$500	NR
532199 Contractual Legal Services			\$100,000	NR

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

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

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

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

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

531211 Salaries	\$106,102	R
531511 Social Security	\$8,117	R
531521 Retirement	\$11,151	R
531561 Medical Insurance	\$8,215	R
532144 PC/Printer	\$840	R
5327xx Travel	\$750	R
532811 Telephone	\$750	R
532815 Email & Calendaring	\$78	R
5329xx Registration & Ed Expenses	\$150	R
533xxx Supplies	\$1,000	R
532535 Lease Server Equip	\$13,817	R

532542 Lease Software	\$3,691	R		
535830 Subscriptions	\$6,000	R		
534511 Office Furniture			\$1,000	NR
534521 Office Equipment			\$1,000	NR
534713 PC Software			\$250	NR
532140 Other ITS	\$10,000	R	\$100,000	NR
532140 Other ITS	\$5,000	R	\$15,000	NR
532140 Other ITS	\$5,400	R	\$600	NR
532199 Contractual Legal Services			\$100,000	NR

Provide Funding for H.B. 961
 \$91,541 R
 \$2,250 NR
 2.0 FTE

In order to fulfill the requirements of H.B. 961, the Government Ethics and Campaign Reform Act, provides funding for two Paralegal III positions and operating expenses to respond to customer service queries regarding State ethics law compliance and any additional ethics rules or standards implemented by the Governor. Salaries and benefits are budgeted for ten months for FY 2010-11 with a start date of September 1, 2010:

531211 Salaries	\$67,500	R		
531511 Social Security	\$5,164	R		
531521 Retirement	\$7,094	R		
531561 Medical Insurance	\$8,215	R		
532144 PC/Printer	\$840	R		
5327xx Travel	\$750	R		
532811 Telephone	\$750	R		
532815 Email & Calendaring	\$78	R		
5329xx Registration & Ed Expenses	\$150	R		
533xxx Supplies	\$1,000	R		
534511 Office Furniture			\$1,000	NR
534521 Office Equipment			\$1,000	NR
534713 PC Software			\$250	NR

30 Operating Budget Adjustment to Rent

(\$60,000) R

Eliminates funds for office rent as Commission is now housed in State office space.

532512 Rent (\$60,000)

1861 Commission on Indian Affairs

31 Reduce Rent

(\$29,985) R

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

532512 Rent (\$29,985)

Department-Wide

32 Eliminate 8.0 Vacant Positions (\$356,715) R

Eliminates salaries and benefits for eight vacant positions department-wide:

-7.75

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

- 531211 Salaries (\$272,999)
- 531511 Social Security (\$20,731)
- 531521 Retirement (\$28,482)
- 531561 Medical Insurance (\$34,503)

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

33 Reduce Travel Expenditures (\$15,000) R

Reduces travel expenditures across the agency.

5327xx (\$15,000)

34 Adjust ITS Rate (\$3,172) R

Reduces line item for ITS based on reduction in ITS rates.

532140 (\$3,172)

Budget Changes	(\$570,992)	R
	(\$174,134)	NR
Total Position Changes	-9.10	
Revised Total Budget	\$66,701,758	

Special Provisions

2010 Session: SB 897

Department: Administration

Section: 20.2

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

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

Special Provisions

2010 Session: SB 1202

Department: Administration

Section: 11.11

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

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

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

Section: 11.12

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

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

2010 Annotated Committee Report

Auditor

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$13,255,123

Budget Changes

1120

35 Reduce Various Operating Accounts (\$80,000) R

Reduces various operating accounts:

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

1210 Field Audit

36 Shift 1.0 Position to Receipt Support (\$60,033) R

Shifts salary and benefits of 1.0 FTE to receipt support due to creation of billing for Battleship and State Ports Authority audits.

-1.00

60008998: Assistant State Auditor (\$46,635)

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

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

37 Reduce Various Operating Accounts (\$197,000) R

Reduces various operating accounts:

- 532714 Transp-Ground - In-state (\$10,400)
- 532721 Lodging - In-state (\$19,600)
- 532724 Meals - In-state (\$12,700)
- 532725 Meals - Out-of-state (\$1,500)
- 532715 Trans-Ground - Out-of-state (\$800)
- 532722 Lodging - Out-of-state (\$300)
- 532723 Misc. Travel (\$900)
- 532726 Misc. Travel (\$250)
- 5345xx Equipment/Computers (\$149,550)

Budget Changes	(\$337,033)	R
Total Position Changes	-1.00	
Revised Total Budget	\$12,918,090	

Special Provisions

2010 Session: SB 897

Department: Auditor

Section: 21.1

Title: **BATTLESHIP COMMISSION PAY FOR AUDIT**

Summary Directs the U.S.S. North Carolina Battleship Commission to reimburse the State Auditor for its audit costs.

Section: 21.2

Title: **STATE PORTS AUTHORITY PAY FOR AUDIT**

Summary Directs the State Ports Authority to reimburse the State Auditor for its audit costs.

Cultural Resources

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$73,249,990

Budget Changes

1110 Office of the Secretary

38 Operating Budget Adjustment (\$169,749) R

Reduces funding for Misc Contractual Services.

532199 Misc Contractual Services (\$169,749)

39 Expand Heritage Tourism \$300,593 R

Restores funding for seven Heritage Tourism positions to help rural communities enhance tourism economy, and funds positions effective September 1, 2010. 7.00

1120 Administrative Services

40 Personnel and Operating Budget Adjustments (\$130,792) R

Eliminates salary and benefits of a vacant Purchasing Agent II position (#60083290), and reduces funding for IT and office furniture. -1.00

531211 Salaries (\$21,471)

531511 Social Security (\$1,643)

531521 Retirement (\$2,257)

531561 Medical Insurance (\$4,929)

532490 Maint Agreement (\$48,382)

534511 Furniture (\$52,110)

1210 Archives & History - Admin

41 Eliminate Personnel Costs and Adjust Expenditure Accounts (\$82,262) R

Eliminates salary and benefits, but not FTE, for Administrative Officer position (#60083312), and reduces expenditure accounts.

531211 Salaries	(\$63,157)
531511 Social Security	(\$4,832)
531521 Retirement	(\$6,638)
531561 Medical Insurance	(\$4,929)
532722 Lodging-out of state	(\$490)
534511 Furniture	(\$1,416)
534521 Office Equipment	(\$800)

42 Freedom Monument Project, Inc. Funding \$175,000 NR

Restores funding for the Freedom Monument Project, Inc. (H.B.1982; S.L. 2010-31, Sec. 22.1)

(S.L. 2010-123, Sec. 11.13, Budget Technical Corrections, amends this item to provide \$75,000 in non-recurring funds to support the three monuments on Capitol grounds.)

43 African American Heritage Commission \$100,000 NR

Appropriates non-recurring funding for the Commission in FY 2010-11.

1220 Historical Publications

44 Eliminate Filled Positions and Reduce Operating Budget (\$210,495) R

Eliminates salaries and benefits of three filled positions: Historic Pub Editor III (#60083317) at \$53,023; Historic Pub Editor II (#60083319) at \$43,296; and Historic Pub Editor I (#60083323) at \$31,622; and transfers split-funding of \$22,227 (0.69 FTE) for Info & Comm Specialist position (#60083321) including benefits. Also reduces expenses for various expenditure accounts. -3.69

531211 Salaries	(\$150,168)
531460 EPA & SPA Longevity Pay	(2,586)
531511 Social Security	(\$11,408)
531521 Retirement	(\$15,783)
531561 Medical Insurance	(\$14,787)
532199 Misc Contractual Svs	(\$262)
532333 Repairs	(\$700)
532490 Maint Agreement	(\$590)
532714 Transp- Grd-In State	(\$653)
532800 Communication	(\$10,948)
533110 Gen Office Supplies	(\$2,260)
533900 Oth materials & Supplies	(\$200)
535800 Oth Admin Expenses	(\$150)

1230 Archives and Records

45 Transfer Personnel to Receipt Support and Adjust Operating Budget (\$609,548) R

Transfers salaries and benefits of seven positions to receipt-support from the Archives & Records Management (ARM) Fee: Processing Asst IV (#60083347) at \$28,336; Processing Asst IV (#60083363) at \$27,879; Archives & Records Mgr (#60083364) at \$62,792; Archives & Records Prof (#60083368) at \$32,796; Processing Asst IV (#60083377) at \$28,500; Processing Asst IV (#60083378) at \$28,503; and Processing Asst IV (#60083392) at \$25,778. -7.00

531211 Salaries	(\$234,584)
531511 Social Security	(\$17,946)
531521 Retirement	(\$24,655)
531561 Medical Insurance	(\$34,503)
532490 Maint Agreement	(\$47,515)
532512 Rent/Lease - Bldgs/Office	(\$142,765)
533900 Oth Materials & Supplies	(\$48,505)
534534 Personal Computers & Printers	(\$12,689)
534539 Other Equipment	(\$46,386)

1241 State Historic Sites

46 Operating Budget Adjustments (\$452,827) R

Reduces division expenditure accounts.

532188 Lawns & Grounds Svs Agreement	(\$12,459)
532199 Misc Contractual Services	(\$105,883)
532390 Repairs	(\$250,000)
532714 Transp-Grd-In State	(\$69,412)
533900 Oth Materials & Supplies	(\$15,073)

1243 State Capitol

47 Transfer Personnel to Receipt Support (\$63,133) R

Transfers salary and benefits of Administrative Officer position (#60083604) to receipt-support. -1.00

531211 Salaries	(\$49,259)
531511 Social Security	(\$3,768)
531521 Retirement	(\$5,177)
531561 Medical Insurance	(\$4,929)

48 State Capitol Foundation Funding

Appropriates non-recurring funding in FY 2010-11 for the Capitol Foundation (\$100,000), and to support the three monuments in Capitol Square (\$75,000). \$100,000 NR

(S.L. 2010-123, Sec. 11.14, Budget Technical Corrections, amends this item to eliminate the \$75,000 to support the three monuments in Capitol Square.)

1250 Historic Preservation

49 Personnel Costs and Operating Budget Adjustments (\$110,086) R

Transfers salaries and benefits of two filled positions to receipt-support:
Architect (#60083621) at \$37,473 and Hist Pres/Restoration Specialist II (#60083623) at \$44,050, and reduces travel expenses. -2.00

531211 Salaries (\$81,523)
531511 Social Security (\$6,237)
531521 Retirement (\$8,568)
531561 Medical Insurance (\$9,858)
532714 Transp-Grd-In State (\$3,900)

1260 Office of State Archeology

50 Operating Budget Reductions (\$26,444) R

Reduces division expenditure accounts.

532199 Misc Contractual Svs (\$490)
532714 Transp- Grd-In State (\$13,000)
532721 Lodging-In State (\$3,954)
532724 Meals - In State (\$9,000)

1290 Western Office

51 Transfer Personnel Expense (\$52,947) R

Transfers salary and benefits of Archives & Records Specialist position (#60083647) to receipt-support. -1.00

531211 Salaries (\$40,638)
531511 Social Security (\$3,109)
531521 Retirement (\$4,271)
531561 Medical Insurance (\$4,929)

1320 Museum of Art

52 Eliminate Personnel Expense and Adjust Operating Budget

(\$257,007) R

Eliminates salaries and benefits of three new positions: Admin Officer III (#65010906) at \$41,173; Art Handler (#65010907) at \$25,705; and Processing Asst III at \$24,092. Also reduces various expenditure accounts.

531211 Salaries	(\$90,970)
531511 Social Security	(\$6,959)
531521 Retirement	(\$9,561)
531561 Medical Insurance	(\$14,787)
532199 Misc Contractual Services	(\$50,000)
532390 Repairs	(\$75,000)
534610 Art & Artifacts	(\$9,730)

(S.L. 2010-123, Sec. 11.15, Budget Technical Corrections, amends this item to eliminate salaries and benefits but not the FTE of the Admin Officer III, Art Handler, and Processing Asst III positions, and reduces various expenditure accounts.)

1340 NC Symphony

53 Grant for NC Symphony

Appropriates non-recurring funding as grant to the Symphony.

\$500,000 NR

1410 State Library Services

54 Eliminate Personnel Costs and Reduce Operating Budget

(\$165,521) R

Eliminates salaries and benefits of 2.50 vacant positions: W/A Processing Asst IV (#60083860) at \$33,676; Library Clerk III (#60083854) at \$29,079 and Processing Asst III (#60083866) at \$12,905; and transfers Library Technician position (#60083851) at \$36,281 to receipt-support. Also reduces various expenditure accounts.

-3.50

531211 Salaries	(\$111,941)
531511 Social Security	(\$8,563)
531521 Retirement	(\$11,765)
531561 Medical Insurance	(\$17,252)
532199 Misc Contractual Services	(\$1,000)
534630 Library & Lrning Res Coll	(\$15,000)

(S.L. 2010-123, Sec. 11.16, Budget Technical Corrections, amends this item to eliminate salaries and benefits of the following positions: one filled W/A Processing Assistant IV, one vacant Library Clerk III, a .50 vacant Processing Asst III; and transfers one Library Technician position to receipt-support. (Various expenditure accounts are also reduced.)

1500 Museum of History

55 Operating Budget Adjustments

(\$72,928) R

Reduces division expenditure accounts.

(\$25,000) NR

532199 Misc Contractual Services (\$25,000)

532512 Rent/Lease - Bldgs/Office (\$24,978)

534549 Oth Motorized Vehicles (\$47,950)

Budget Changes

(\$2,103,146) R

\$850,000 NR

Total Position Changes

-12.19

Revised Total Budget

\$71,996,844

Special Provisions

2010 Session: SB 897

Department: Cultural Resources

Section: 22.1

Title: **MODIFY TERMS OF THE 2007-2008 GRANT-IN-AID FOR FREEDOM MONUMENT**

Summary Allows a change in the use of the \$100,000 appropriated in the 2007 Session from fabrication and construction of the Freedom Monument to planning and development of pre-construction stages.

Special Provisions

2010 Session: SB 1202

Department: Cultural Resources

Section: 11.13

Title: **TECHNICAL CHANGE: FUNDS FOR MONUMENTS ON CAPITOL GROUNDS**

Summary S.L. 2010-123, Sec. 11.13, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-17, Item 42), to provide \$75,000 in non-recurring funds to support the three monuments on Capitol grounds.

Section: 11.14

Title: **TECHNICAL CHANGE: ELIMINATE FUNDS FOR MONUMENTS IN CAPITOL SQUARE**

Summary S.L. 2010-123, Sec. 11.14, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-18, Item 48), to eliminate the \$75,000 to support the three monuments in Capitol Square.

Section: 11.15

Title: **TECHNICAL CHANGE: MAINTAIN ART MUSEUM FTE**

Summary S.L. 2010-123, Sec. 11.15, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-20, Item 52), to eliminate salaries and benefits but not the FTE of the Admin Officer III, Art Handler, and Processing Asst III positions; and to reduce various expenditure accounts.

Section: 11.16

Title: **TECHNICAL CHANGE: REVISE POSITION STATUS**

Summary S.L. 2010-123, Sec. 11.16, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-20, Item 54), to eliminate salaries and benefits of the following positions: one filled W/A Processing Assistant IV, one vacant Library Clerk III, a .50 vacant Processing Asst III; and transfers one Library Technician position to receipt-support. Also reduces various expenditure accounts

Cultural Resources - Roanoke Island Commission

GENERAL FUND

	FY 10-11	
Total Budget Approved 2009 Session	\$1,990,632	
<hr/>		
Budget Changes		
1584 Roanoke Island Commission		
56 Operating Budget Reduction	(\$115,926)	R
Reduces funds transferred to support the Roanoke Island Commission's operating budget.		
<hr/>		
Budget Changes	(\$115,926)	R
Total Position Changes		
Revised Total Budget	\$1,874,706	

Special Provisions

2010 Session: SB 897

Department: Cultural Resources - Roanoke Island Commission

Section:

Title: **No Special Provisions**

Summary

General Assembly

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$56,584,484

Budget Changes

1110 Senate

57 Operating Budget Adjustments (\$609,201) R

Reduces budgeted days during the interim and budgeted weeks of session for the Senate.

531311 REG(NS) Temp Wages	(\$375,644)
531461 EPA& SPA-Longevity Pay	(\$15,062)
531511 Social Sec Contrib	(\$29,891)
531521 Retirement	(\$38,698)
532714 Travel/Other Employee	(\$33,002)
532727002 Travel/Other Employee	(\$115,492)
533110 Office Supplies	(\$1,412)

1120 House

58 Reductions to Operating Budget (\$1,590,353) R

Reduces budgeted days during the interim and budgeted weeks of session for the House.

531311 REG(NS) Temp Wages	(\$1,020,501)
531461 EPA& SPA-Longevity Pay	(\$29,567)
531511 Social Sec Contrib	(\$80,330)
531521 Retirement	(\$107,998)
532714 Travel/Other Employee	(\$79,945)
532727002 Travel/Other Employee	(\$272,012)

1211 Administration

59 Adjust Expenditure Accounts (\$56,992) R

Reduces budgeted days during the interim and budgeted weeks of session in Administration - Financial Services.

531311 REG(NS) Temp Wages	(\$46,977)
531461 EPA& SPA-Longevity Pay	(\$1,045)
531511 Social Sec Contrib	(\$3,673)
531521 Retirement	(\$5,297)

1212 Bill Drafting

60 Operating Budget Adjustments

(\$61,018) R

Reduces budgeted weeks of session for Bill Drafting.

531311 REG(NS) Temp Wages	(\$51,032)
531461 EPA& SPA-Longevity Pay	(\$609)
531511 Social Sec Contrib	(\$3,950)
531521 Retirement	(\$5,427)

1213 General Research

61 Adjust Operating Budget

(\$10,779) R

Reduces budgeted weeks of session for General Research.

531311 REG(NS) Temp Wages	(\$9,122)
531511 Social Sec Contrib	(\$698)
531521 Retirement	(\$959)

1214 Fiscal Research

62 Reduce Expenditure Accounts

(\$9,388) R

Reduces budgeted weeks of session for Fiscal Research.

531311 REG(NS) Temp Wages	(\$7,945)
531511 Social Sec Contrib	(\$608)
531521 Retirement	(\$835)

1215 Building Maintenance

63 Operating Budget Reductions

(\$38,441) R

Reduces budgeted days during the interim and budgeted weeks of session in Building Maintenance.

531311 REG(NS) Temp Wages	(\$32,533)
531511 Social Sec Contrib	(\$2,489)
531521 Retirement	(\$3,419)

1216 Food Service

64 Reductions to Operating Budget

(\$18,594) R

Reduces budgeted weeks of session for Food Service.

531311 REG(NS) Temp Wages	(\$15,737)
531511 Social Sec Contrib	(\$1,203)
531521 Retirement	(\$1,654)

1217 Information System

65 Operating Budget Adjustments (\$101,802) R

Reduces various expenditure accounts.

532140 Misc Contractual Services (\$86,614)
532448 Maintenance Agreement (\$1,637)
532449 Maintenance Agreement (\$13,551)

1219 Program Evaluation

66 Reduce Expenditure Accounts (\$139,417) R

Reduces budgeted weeks of session for Program Evaluation and funding for contractual services.

531311 REG(NS) Temp Wages (\$12,498)
531511 Social Sec Contrib (\$956)
531521 Retirement (\$1,314)
532199 Misc Contractual Services (\$124,649)

1230 Institute of Government

67 Operating Budget Adjustments (\$11,053) R

Reduces budgeted weeks of session for the Institute of Government.

531311 REG(NS) Temp Wages (\$9,354)
531511 Social Sec Contribution (\$716)
531521 Retirement (\$983)

1900 Contingency Reserves

68 Reduce Contingency Reserves (\$267,888) R

Reduces funding for the Legislative Study Commission.

537195 Contingency Reserves (\$267,888)

Budget Changes (\$2,914,926) R

Total Position Changes

Revised Total Budget \$53,669,558

Special Provisions

2010 Session: SB 897

Department: General Assembly

Section:

Title: **No Special Provisions**

Summary

Governor

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$6,067,739

Budget Changes

1100 Administration

69 Eliminate Personnel Costs and Reduce Operating Budget (\$353,359) R

Eliminates salaries and benefits of three vacant positions: Administrative Asst (#60008533) - \$28,400; Asst Press Secretary (#60008523) - \$50,732; and Communications Technology Specialist (#60008481) - \$30,000. Also reduces expenditure accounts. -3.00

- 531211 Salaries (\$109,132)
- 531511 Social Security (\$8,349)
- 531521 Retirement (\$11,470)
- 535461 Med Insurance (\$14,787)
- 532145 Server Support Svcs (\$17,200)
- 532199 Misc Contractual Services (\$27,163)
- 532140 Oth Information Tech (\$5,258)
- 535830 Membership Dues and Subscriptions (\$160,000)

Budget Changes (\$353,359) R

Total Position Changes -3.00

Revised Total Budget \$5,714,380

Special Provisions

2010 Session: SB 897

Department: Governor

Section:

Title: **No Special Provisions**

Summary

Housing Finance Agency

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$14,608,417

Budget Changes

1100 HFA - Appropriation

70 Home Protection Program Reduction

(\$730,421) R

Reduces General Fund appropriation in anticipation of federal funding from the US Treasury that will assist states with the hardest hit unemployment rates. The reduction includes recurring and non-recurring adjustments.

(\$1,769,579) NR

538104 Home Protection Program (\$2,500,000)

Budget Changes

(\$730,421) R

(\$1,769,579) NR

Total Position Changes

Revised Total Budget

\$12,108,417

Special Provisions

2010 Session: **SB 897**

Department: Housing Finance Agency

Section: 23.1

Title: **ALLOW HOUSING FINANCE AGENCY TO CREATE A CORPORATION TO RECEIVE "HARDEST HIT HOUSING MARKETS" FUNDING**

Summary Gives the Housing Finance Agency permission to form a corporation by amending G.S. 122A-5 and adding language to Chapters 55 and 55A for the purpose of meeting US Treasury requirements to receive \$159 million to assist with foreclosures. The corporation will report to the Board of Directors and to the Joint Legislative Commission on Governmental Operations upon request. If the corporation is not established by March 1, 2011, this section is repealed.

2010 Annotated Committee Report

Insurance

GENERAL FUND

	FY 10-11
Total Budget Approved 2009 Session	\$32,242,706

Budget Changes

1100 Administration

71 Reduce Misc. Operating Accounts	(\$35,515)	R
Reduce misc. operating accounts:		
532430 Maint Agreement-Equipment	(\$5,962)	
532712 Trans Air-Out State, In US	(\$15,709)	
532840 Postage, Freight & Deliveries	(\$7,854)	
532942 Other Employee Educational Expense	(\$5,990)	

1200 Company Services

72 Reduce Misc. Operating Accounts

(\$144,203) R

Reduce misc. operating accounts:

532310 Repairs-Buildings	(\$10,708)
532332 Repairs-Computer Equip	(\$471)
532333 Repairs-Other Equipment	(\$1,330)
532390 Repairs-Other	(\$148)
532430 Maintenance Agreement-Equip	(\$1,080)
532441 Maintenance Agreement-Software	(\$437)
532443 Maintenance-Agree/Non-Wan DP Equipment	(\$393)
532714 Transportation-Ground - In State	(\$31,902)
532715 Transportation Ground-Out Of State, In Us	(\$802)
532721 Lodging - In State	(\$3,825)
532722 Lodging-Out Of State, In US	(\$3,751)
532724 Meals - In State	(\$2,513)
532725 Meals-Out Of State, In US	(\$1,137)
532727 Misc. - In State	(\$13)
532728 Misc. - Out Of State, In US	(\$328)
532731 Board/Non-Employee Transportation	(\$1,100)
532811 Telephone Service	(\$10,611)
532812 Telecommunication WAN	(\$138)
532814 Cellular Phone Services	(\$45)
532817 Internet Svc Provider	(\$295)
532840 Postage, Freight & Deliveries	(\$1,020)
532850 Print, Bind, Duplicating	(\$4,166)
532860 Advertising	(\$884)
532911 Property-Insurance	(\$159)
532913 Liability Insurance	(\$39)
532930 Registration Fees	(\$7,123)
532941 Employee Education Assist Program	(\$109)
532942 Other Employee Educational Expense	(\$14,949)
533120 Data Processing Supplies	(\$3,223)
533190 Other Admin Supplies	(\$324)
533240 Carpentry & Hardware Supplies	(\$118)
534511 Furniture-Office	(\$7,992)
534521 Office Equipment	(\$5,723)
534534 Personal Comp & Printer	(\$8,934)
534713 PC Software	(\$1,104)
535830 Membership Dues & Subscriptions	(\$3,985)
535840 Employee Awards Payment	(\$27)
535890 Other Administrative Expenses	(\$13,297)

73 Provide Funding for CCRC Oversight Staffing

\$107,823 R

Assuming the adoption of Senate Bill 354 ("Continuing Care Retire. Community/Home Care"), position #60013545 within the Office of the State Fire Marshal Division (Fund 1500) is transferred to the Financial Evaluation Division as an Insurance Company Manager Position at the budgeted amount of \$111,623 (\$107,823 recurring \$3,800 non-recurring). The transferred position shall assist the Department in administering Articles 64 and 89A of Chapter 58 of the General Statutes. This position shall be supported by funds appropriated to the Department of Insurance. See Item 76.

\$3,800 NR
1.00

531211 Salaries	\$83,500
531511 Social Security	\$6,388
531521 Retirement	\$8,776

531561 Medical Insurance	\$4,929
532512 Rent/Lease-Buildings/Office	\$1,200
532712 Transp Air-Out State, In US	\$300
532714 Transp-Grnd-In State	\$300
532715 Trans-Grnd-Out State, In US	\$50
532722 Lodging-Out State, In US	\$300
532725 Meals - Out of State, in US	\$200
532811 Telephone Service	\$400
532817 Internet Serv Prov Charge	\$480
533110 Office Supplies	\$500
533120 Data Processing Supplies	\$500
534511 Furniture-Office	\$2,400
534534 PC/Printer Equipment	\$1,400

(S.L. 2010-128; H.B. 354)

1300 Technical Services

74 Reduce Misc. Operating Accounts

(\$244,550) R

Reduce misc. operating accounts:

532133 Employ/Employment Physicals	(\$23,747)
532310 Repairs-Buildings	(\$181)
532332 Repairs-Computer Equipment	(\$132)
532712 Transportation Air-Out Of State, In US	(\$26,111)
532714 Transportation-Ground - In State	(\$21,634)
532715 Trans Ground-Out Of State, In US	(\$10,135)
532721 Lodging - In State	(\$5,006)
532722 Lodging-Out Of State, In US	(\$15,780)
532724 Meals - In State	(\$1,689)
532725 Meals-Out Of State, In US	(\$4,403)
532727 Misc. - In State	(\$95)
532728 Misc. - Out Of State, In US	(\$375)
532840 Postage, Freight & Deliveries	(\$49,159)
532850 Print, Bind, Duplicating	(\$23,352)
532860 Advertising	(\$3,690)
532930 Registration Fees	(\$3,105)
532942 Other Employee Educational Expense	(\$301)
533110 General Office Supplies	(\$10,465)
533120 Data Processing Supplies	(\$2,457)
533190 Other Admin Supplies	(\$3)
533240 Carpentry & Hardware Supplies	(\$153)
534511 Furniture-Office	(\$3,927)
534521 Office Equipment	(\$785)
534534 Personal Comp & Printer	(\$28,710)
534539 Other Equipment	(\$6,284)
535830 Membership Dues	(\$2,871)

1400 Public Service

75 Reduce Misc. Operating Accounts (\$279,487) R
Reduce misc. operating accounts:

532143	LAN Support Services	(\$55,000)
532170	Administrative Services	(\$18,851)
532712	Transportation-Out-Of-State	(\$2,799)
532714	Trans-Ground - In State	(\$874)
532715	Trans Air-Out Of State, In US	(\$1,728)
532721	Lodging - In State	(\$833)
532722	Lodging-Out Of State, In US	(\$2,758)
532724	Meals - In State	(\$408)
532725	Meals - Out-Of-State	(\$473)
532728	Misc.- Out Of State, In Us	(\$123)
532811	Telephone Services	(\$61,000)
532840	Postage, Freight & Deliveries	(\$7,888)
532840001	Post, Fr & Del Mailing Services	(\$58,908)
532850	Print, Bind, And Duplicating	(\$48,006)
532860	Advertising	(\$393)
532930	Registration Fees	(\$1,700)
532942	Other Employee Education Expense	(\$5,124)
533110	General Office Supplies	(\$6,284)
533120	Data Processing Supplies	(\$2,337)
534534	PC/Printer Equipment	(\$4,000)

1500 Office of the State Fire Marshal

76 Reduce Appropriation to Offset Available Receipts from Position Transfer (\$74,457) R

Assuming the adoption of Senate Bill 354 ("Continuing Care Retire. Community/Home Care"), reduces appropriation to offset receipts made available by transferring position #60013545 to the Financial Evaluation Division: \$74,457 (salary and benefits). The Department has the flexibility to use these receipts to fund existing continuation budget expenditures.

See item 73.

(S.L. 2010-128; H.B. 354)

77 Reduce Misc. Operating Accounts (\$509,865) R
Reduce misc. operating accounts:

532170	Admin Services	(\$14,273)
532199	Misc Contractual Services	(\$12,726)
532850	Printing, Binding, Duplicating	(\$482,866)

6110 NC Auto Retrospective Insurance Fund

78 Reduce NC Auto Retrospective Insurance Fund (\$1,000,000) NR
Reduces the NC Auto Retrospective Insurance Fund by \$1,000,000.

Budget Changes	(\$1,180,254)	R
	(\$996,200)	NR
Total Position Changes	1.00	
Revised Total Budget	\$30,066,252	

Special Provisions

2010 Session: SB 897

Department: Insurance

Section: 24.2

Title: **DEPARTMENT OF INSURANCE HEALTH REFORM AUTHORITY AND POSITIONS**

Summary Authorizes the Department of Insurance to administer and enforce those sections of the Federal Patient Protection and Affordable Insurance Care Act that apply to the Department's jurisdiction. The Department must apply for federal funds to support 13 positions to support this effort. If federal funds cannot be obtained, after consultation with the Joint Legislative Commission on Governmental Operations, the Department may use funds placed in the State Budget and Management reserve for the 13 positions.

Section: 24.3

Title: **AUTHORIZE STATE HIGH RISK POOL TO ADMINISTER FEDERAL HIGH RISK POOL**

Summary Authorizes the State High Risk Pool to contract with the US Department of Health and Human Services to administer the federal high risk health insurance pool.

Insurance - Volunteer Safety Workers' Compensat

GENERAL FUND

Total Budget Approved 2009 Session	FY 10-11 \$1,561,846
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Budget Changes

79 NO LEGISLATIVE ACTION REPORTED

Budget Changes	
Total Position Changes	
Revised Total Budget	\$1,561,846

Special Provisions

2010 Session: SB 897

Department: Insurance - Volunteer Safety Workers' Compensation Fund

Section:

Title: **No Special Provisions**

Summary

2010 Annotated Committee Report

Lieutenant Governor

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$931,703

Budget Changes

80 Eliminate 0.5 Vacant Positions

(\$33,539) R

Eliminates salaries and benefits for 0.5 vacant positions:

-0.50

60008618: Information & Comm. Spec. II (0.5 FTE)

Budget Changes

(\$33,539) R

Total Position Changes

-0.50

Revised Total Budget

\$898,164

Special Provisions

2010 Session: SB 897

Department: Lieutenant Governor

Section:

Title: **No Special Provisions**

Summary

Special Provisions

2010 Session: SB 897

Department: Office of Administrative Hearings

Section:

Title: **No Special Provisions**

Summary

2010 Annotated Committee Report

Revenue

GENERAL FUND

	FY 10-11
Total Budget Approved 2009 Session	\$87,790,970

Budget Changes

1605 Information Technology

82 Provide Funding for Imaging System Licenses \$613,440 R
 Provides funding for additional licenses for the Department's imaging system in order to view taxpayer returns.

1629 Property Tax Division

83 Convert Property Tax Division to Receipt Support (\$1,467,305) R
 Converts the Property Tax Division to receipt support, including 17.0 positions. This requires an amendment to GS 105-501. -17.00
 (S.L. 2010-31, Sec. 26.1(a))

24708 Revenue IT Projects

84 Provide Funding for IRS-Mandated Modernization of 1040 e-File Platform \$47,600 R
 Provides funding for the IRS-mandated modernization of the e-File platform. \$1,457,118 NR

2479 Revenue IT Projects

85 Eliminates Funding for Call Recording Program (\$700,000) NR
 Eliminates funding for Call Recording Program Budget Code 24708. The Department was authorized to spend up to \$700,000 of sales tax collections to implement a call recording program at the Taxpayer Assistance Call Center. The system was not implemented because cost estimates exceeded the availability of funds.

Department-Wide

86 Provide Funding for Resolution Initiative II \$846,909 R

Provides funding for the Resolution Initiative II, which is estimated to collect an additional \$110 million in revenue for FY 2010-11. The Department has flexibility to apply these funds towards positions and/or operating expenses.

87 Reduce Travel Reimbursement (\$39,000) R

Reduces budgeted travel reimbursement:

5327xx Travel (\$39,000)

88 Reduce ITS Rate (\$158,647) R

Reduces budgeted ITS costs due to reduction in ITS rate:

532140 Information Technology Services (\$158,647)

89 Eliminate 8.0 Vacant Positions (\$429,831) R

Eliminates salaries and benefits for 8.0 vacant positions:

-8.00

60081419: Tax Research Assistant Director (Fund 1607)
60081345: Technology Support Analyst (Fund 1605)
60082659: Processing Assistant IV (Fund 1685)
60082992: Processing Assistant IV (Fund 1685)
60082679: Data Entry Specialist (Fund 1660)
60082667: Data Entry Specialist (Fund 1685)
60082621: Information Processing Technician (Fund 1685)
60081281: Information & Communication Specialist II (Fund 1600)

531211 Salaries (\$330,399)
531511 Social Security (\$25,276)
531521 Retirement (\$34,725)
531561 Med Insurance (\$39,432)

90 Eliminate 9.0 Vacant Positions (\$371,467) R

Eliminates salaries and benefits for 9.0 vacant positions:

-9.00

60081530 Revenue Officer I (\$39,649)
60081617 Processing Assistant III (\$27,253)
60081638 Revenue Officer I (\$39,649)
60082561 Processing Assistant IV (\$31,007)
60082572 Processing Assistant IV (\$31,430)
60082633 Data Entry Specialist (\$26,695)
60082675 Data Entry Specialist (\$25,711)
60082757 Processing Assistant III (\$29,628)
60082979 Processing Assistant III (\$25,811)

531211 Salaries (\$276,833)
531511 Social Security (\$21,178)
531521 Retirement (\$29,095)

Revenue

531561 Med Insurance (\$44,361)

Budget Changes	(\$958,301)	R
	\$757,118	NR
Total Position Changes	-34.00	
Revised Total Budget	\$87,589,787	

Special Provisions

2010 Session: SB 897

Department: Revenue

Section: 26.1

Title: **MODIFICATION OF METHOD BY WHICH LOCAL GOVERNMENTS REIMBURSE THE STATE FOR PROGRAMS THAT SUPPORT LOCAL GOVERNMENTS**

Summary Converts the Property Tax Division to receipt support by amending Article 42 of Chapter 105. The Department is authorized to deduct the preceding months' costs for the Property Tax Commission and performing the duties imposed by Article 15 of Chapter 105 from the monthly distribution to local governments of taxes collected under Article 42 of Chapter 105. The Department is also authorized to deduct both FY 2009-10 and FY 2010-11 expenses from local government distributions during FY 2010-11.

Secretary of State

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$11,451,488

Budget Changes

1110 General Administration

91 Eliminate Personnel Costs and Reduce Operating Budget (\$174,041) R

Eliminates salary and benefits of vacant Processing Assistant IV position (#60094554) and transfers Paralegal (#60094563) and Agency Legal Specialist (#60008627) positions to Auction Rate Securities Time Limited receipts. Also, reduces expenditure accounts. -3.00

531211 Salaries	(\$128,540)
531511 Social Security	(\$9,833)
531521 Retirement	(\$13,510)
531561 Med Insurance	(\$14,787)
534534 Computer/Printers	(\$7,371)

92 Operating Budget Adjustment (\$100,000) R

Budgets over-realized receipts from Business License Fees in the amount of \$100,000. The fees are from the Solicitation of Contributions Fund and are to be used in the General Administration Fund to cover administrative costs related to administering and enforcing Chapter 131F of the General Statutes.

435100 Business License Fees \$100,000

1120 Publications

93 Eliminate Filled Position (\$58,995) R

Eliminates filled position - Division Director (#60008652). -1.00

531211 Salaries	(\$45,757)
531511 Social Security	(\$3,500)
531521 Retirement	(\$4,809)
531561 Med Insurance	(\$4,929)

1210 Corporations

94 Eliminate Vacant Position			(\$35,302)	R
Eliminates filled Processing Assistant IV position (#60008683). This position is temporarily filled through June 30, 2010.				
			-1.00	
531211 Salaries	(\$25,705)			
531511 Social Security	(\$1,966)			
531521 Retirement	(\$2,702)			
531561 Med Insurance	(\$4,929)			

1220 Certification & Filing

95 Adjustments to Personnel and Operating Budget			(\$236,916)	R
Eliminates vacant Processing Assistant IV (#60094577) and Notary Investigator (#60008748); reduces expenditure accounts, including rent that is transferred to the Auction Rate Securities Time Limited receipts.				
			-1.00	
531211 Salaries	(\$60,917)			
531511 Social Security	(\$4,660)			
531521 Retirement	(\$6,402)			
531561 Med Insurance	(\$9,858)			
532199 Misc Contractual Svs	(\$50,303)			
532512 Office Rent	(\$104,776)			

(S.L. 2010-123, Sec.11.17 amends this item to eliminate the salary, benefits and FTE for the Processing Assistant IV position; eliminate the salary and benefits, but not the FTE, for the Notary Investigator position; and reduce expenditure accounts including rent that is transferred to the Auction Rate Securities Time Limited receipts.)

1230 Securities

96 Transfer Personnel Expense			(\$61,632)	R
Transfers Financial Investigator position (#60008782) to Auction Rate Securities Time Limited receipt.				
			-1.00	
531211 Salaries	(\$47,988)			
531511 Social Security	(\$3,671)			
531521 Retirement	(\$5,044)			
531561 Med Insurance	(\$4,929)			

Budget Changes			(\$666,886)	R
Total Position Changes			-7.00	
Revised Total Budget			\$10,784,602	

Special Provisions

2010 Session: **SB 897**

Department: Secretary of State

Section:

Title: **No Special Provisions**

Summary

Special Provisions

2010 Session: **SB 1202**

Department: Secretary of State

Section: 11.17

Title: **TECHNICAL CHANGE: NOTARY INVESTIGATOR POSITION**

Summary S.L. 2010-123, Sec.11.17, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-36, Item 95), to eliminate the salary and benefits, but not the FTE, for the Notary Investigator position.

State Board of Elections

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$6,221,208

Budget Changes

97 Provide Funding for H.B. 961 (Government Ethics and Campaign Reform Act) \$100,000 R

Assuming the adoption of H.B. 961, the "Government Ethics and Campaign Reform Act," provides funding for 1.0 FTE and operating costs. H.B. 961 makes various changes to public records laws, ethics laws, and lobbying laws. In order to perform the work required by H.B. 961, the State Board of Elections requires an additional Governmental Accounts Auditor position in FY 2010-11 and software development costs. Salaries and benefits are budgeted for 10 months for FY 2010-11 with a start date of September 1, 2010: \$350,000 NR
1.00

531211	Salary	\$45,000	R	
531511	Social Security	\$3,443	R	
531521	Retirement	\$4,730	R	
531561	Medical Insurance	\$4,108	R	
5327xx	Travel	\$1,500	R	
532815	Email & Calendaring	\$156	R	
5329xx	Registration & Ed Expenses	\$300	R	
533xxx	Supplies	\$2,000	R	
532811	Telephone	\$1,500		NR
532144	PC/Printer	\$1,680		NR
534511	Office Furniture	\$2,000		NR
534521	Office Equipment	\$2,000		NR
534713	PC Software	\$500		NR
	Software Development			\$350,000 NR
	Meeting Costs	\$2,102	R	

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

(S.L. 2010-123, Sec. 11.18, Budget Technical Corrections, amends this item and appropriates an additional \$28,982 in order to provide \$100,000 in recurring funding for an attorney position and \$350,000 in nonrecurring funding for software development.)

98 Provide Maintenance of Effort for HAVA Funds

Provides Maintenance of Effort funding in order to receive \$2,035,430 of Federal HAVA funds. \$107,129 NR

1100 Administrative Division

99 Reduce Various Operating Accounts (\$114,632) R

Reduces various operating accounts:

532811 Telephone Services	(\$5,363)
532812 Telecommunications Data Charge	(\$20,122)
532143 LAN Supply Services	(\$28,387)
533150 Security & Safety	(\$12,100)
532100 Legal Services	(\$5,800)
532700 Travel	(\$12,860)
532181 Workshop/Conf Food Exp	(\$30,000)

1200 Campaign Finance Division

100 Reduce Various Operating Accounts (\$61,909) R

Reduces various operating accounts:

532811 Telephone Services	(\$14,909)
532812 Telecommunications Data Charge	(\$37,000)
532199 Misc. Contractual Services	(\$10,000)

101 Eliminate 2.0 Filled Positions (\$166,708) R

Eliminates salaries and benefits for 2.0 filled positions:

-2.00

60088208: Special Projects Coordinator
60088198: General Counsel

531211	(\$132,744)
531511	(\$10,155)
531521	(\$13,951)
531561	(\$9,858)

(S.L. 2010-123, Sec. 11.19, Budget Technical Corrections, amends this item to allow the State Board of Elections to retain these positions and to fund them with Maintenance of Effort funds that qualify the Board to receive federal Help American Vote Act (HAVA) funds.)

Department-Wide

102 Reduce ITS Rate (\$29) R

Reduces budgeted ITS costs due to reduction in ITS rate:

532140:	(\$29)
---------	--------

Budget Changes	(\$243,278)	R
	\$457,129	NR
Total Position Changes	-1.00	
Revised Total Budget	\$6,435,059	

Special Provisions

2010 Session: SB 897

Department: State Board of Elections

Section: 27.2

Title: **FUND ELECTIONS INSPECTORS FROM HAVA**

Summary Directs the State Board of Elections to use \$160,000 of federal funds received under the Help America Vote Act (HAVA) in FY 2010-11 to fund two time-limited Elections Inspector positions.

Special Provisions

2010 Session: SB 1202

Department: State Board of Elections

Section: 11.18

Title: **BUDGET CHANGE: STATE BOARD OF ELECTIONS FUNDS**

Summary S.L. 2010-123, Sec. 11.18, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-37, Item 97) to appropriate as additional \$28,982 in order to provide \$100,000 in recurring funding for an attorney position and \$350,000 in nonrecurring funding for software development.

Section: 11.19

Title: **TECHNICAL CHANGE: HAVA FUNDS TO RETAIN TWO POSITIONS**

Summary S.L. 2010-123, Sec. 11.19, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-38, Item 101) to allow the State Board of Elections to retain these positions and to fund them with Maintenance of Effort funds that qualify the Board to receive Help American Vote Act (HAVA) funds.

2010 Annotated Committee Report
 State Budget & Management

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$6,407,809

Budget Changes

1310 State Budget, Management

103 Eliminate Personnel Expense and reduce Operating Budget (\$373,164) R

Eliminates salaries and benefits of three vacant positions: Deputy State Budget Officer (#60008561) - \$123,095; Auditor (#60008882) - \$73,885; and Asst St Budget Officer/Gov Evaluation & Review (#60008591) - \$50,000. Also reduces expenditure accounts. -3.00

- 531211 Salaries (\$246,980)
- 531514 Social Security (\$18,894)
- 531516 Retirement (\$25,958)
- 535417 Med Insurance (\$14,787)
- 532145 Server Support Svs (\$15,000)
- 532199 Misc Contract Services (\$46,545)
- 532448 Maint Agreement Personal Computer (\$5,000)

Budget Changes (\$373,164) R

Total Position Changes -3.00

Revised Total Budget \$6,034,645

Special Provisions

2010 Session: SB 897

Department: State Budget & Management

Section:

Title: **No Special Provisions**

Summary

State Budget and Management - Special

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$4,161,125

Budget Changes

1900 Reserves and Transfers

104 Establish Reserve for Software Development for the State Board of Elections \$671,893 R

Appropriates funds to be placed in reserve in the Office of State Budget and Management - Special Appropriations, for the development of software to provide campaign committee treasurers the ability to comply with existing campaign laws and provide a searchable database as required by H.B. 961, the Government Ethics and Campaign Reform Act.

(S.L. 2010-123, Sec. 1.2(e), Budget Technical Corrections, appropriates funds for this item subsequent to the passage of S.L. 2010-31.)

105 Department of Insurance Health Care Reform Funds \$1,101,293 R

Appropriates funds to be placed in reserve at the Office of State Budget and Management - Special Appropriations. If the Department is unsuccessful in obtaining federal funds and after prior consultation with the Joint Legislative Commission on Governmental Operations, funds are to be allocated from State Budget & Management to the Department to initiate support of 13 positions to implement section 24.2.(a) of Senate Bill 897. Funds shall revert if the Department is successful in its efforts to obtain federal funds.

\$49,400 NR
13.00

- (1) Attorney III.
- (2) Health Actuary.
- (3) Examiner III.
- (4) Insurance Regulatory Analysts I, II (two positions), and III.
- (5) Office Assistant, and Program Assistant.
- (6) Insurance Investigator.
- (7) Insurance Complaint Analyst (two positions).
- (8) Complaint Analyst Supervisor.

531211 Salaries	\$791,133
531511 Social Security	\$60,522
531521 Retirement	\$64,398
531561 Medical Insurance	\$64,077
532512 Rent	\$23,400
532712 Transp-Air-Out of State, in US	\$2,400
532714 Transp-Grd-In State	\$18,900
532715 Transp-Grd-Out of State, in US	\$500
532721 Lodging-In State	\$24,000
532722 Lodging-Out of State, in US	\$13,498
532724 Meals In-State	\$12,000
532725 Meals Out of State, in US	\$2,025
532811 Telephone Svc	\$5,200

532817 Internet Svc Prov Charge	\$6,240
533110 Office Supplies	\$6,500
533120 Data Processing Supplies	\$6,500
534511 Furniture	\$31,200
534534 PC/Printer Equipment	\$18,200

(S.L.2010-31, Sec. 24.2(c))

Reserves & Transfers

106 Military Morale and Welfare Fund

Appropriates funding to sustain historical grants to military installations in order to provide community service and quality-of-life programs for military members and their families. \$500,000 NR

(S.L. 2010-31, Sec. 27A.1)

Reserves and Transfers

107 NC Symphony

Appropriates funding for the NC Symphony to leverage match to support the operation. \$1,500,000 NR

(S.L. 2010-31, Sec. 27A.2)

Budget Changes	\$1,773,186	R
	\$2,049,400	NR
Total Position Changes		13.00
Revised Total Budget	\$7,983,711	

Special Provisions

2010 Session: SB 897

Department: State Budget and Management - Special

Section: 27A.1

Title: **MILITARY MORALE AND WELFARE FUND**

Summary Appropriates \$500,000 to the Military Morale, Recreation and Welfare fund, which is to be distributed to each military installation on a per capita basis. Beginning with the 2010-11 Fiscal Year, military installations must report at least annually on the allocation and use of funds to the Joint Legislative Commission on Governmental Operations.

Section: 27A.2

Title: **FUNDS FOR NC SYMPHONY**

Summary Allocates \$1.5 million in non-recurring matching funds to the NC Symphony for FY 2010-11 to assist the Symphony in achieving its goal of raising \$8 million in non-State funding to support its operations. The NC Symphony will receive \$500,000 for the first \$4 million raised, \$500,000 for the next \$2 million raised and \$500,000 for the final \$2 million raised. This funding is in addition to other funds appropriated for the NC Symphony in FY 2010-11.

Special Provisions

2010 Session: SB 1202

Department: State Budget and Management - Special

Section: 1.2(e)

Title: **ESTABLISH RESERVE FOR SOFTWARE DEVELOPMENT FOR THE STATE BOARD OF ELECTIONS**

Summary S.L. 2010-123, Sec. 1.2(e), Budget Technical Corrections, amends S.L. 2010-31, Sec. 2.2 to create a new section that appropriates \$671,893 recurring to the Office of State Budget and Management, Reserve for State Board of Elections Software Development. Funds are to be used for the development of software to provide campaign committee treasurers with the ability to comply with existing campaign laws and provide a searchable database as required by S.L. 2010-169, Sec. 8, Government Ethics and Campaign Reform Act of 2010.

State Controller

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$23,188,207

Budget Changes

1000 Department-Wide

108 Transfer Personnel Costs and Adjust Operating Budget (\$300,000) R

Transfers three vacant technical positions to receipt-support at a cost of \$260,000 to use as resources for implementing the Payment Card Rebate Program; and transfers \$10,000 to receipts for operating costs related to the positions. Also reduces expenditure accounts. -3.00

- 531211 Salaries (\$207,527)
- 531511 Social Security (\$15,875)
- 531521 Retirement (\$21,811)
- 531561 Medical Insurance (\$14,787)
- 532120 Financial Audit Svs (\$15,000)
- 532815 IT:E-mail and Calendaring (\$15,000)

(S.L. 2010-31, Sec. 27B.2)

109 Close Cash Balance Accounts (\$1,124,677) NR

Eliminates remaining cash balances of four funds in Budget Code 24160:Business Infrastructure Study; Financials Planning Fund that provided the Feasibility Report on new financial systems completed in compliance with S.L. 2007-323 (HB 1473); Escheats funds collected by OSC that have been unclaimed by State agencies; and Foreign Nationals funding that supported the purchase of the last statewide license to access software for the program.

- 2400 Business Infrastructure Study (\$137)
- 2403 Financials Planning Fund (\$605,000)
- 2500 Escheats (\$442,460)
- 2600 Foreign Nationals (\$77,080)

110 CJLEADS \$8,360,088 R

Appropriates funding for CJLEADS, which is a statewide information technology project designed to merge state criminal data records into one streamlined, comprehensive system. It will assist law enforcement and the courts by providing necessary information. Funding is provided to complete implementation of the Wake County pilot program, to begin expansion statewide, and for operational support and maintenance. Ten of the 30.50 positions will begin on April 1, 2011, and 10.50 of the positions are effective September 1, 2010. \$500,000 NR
30.50

Operating

531211 Personnel Salaries	\$ 1,355,750 R
531511 Social Security	\$ 102,495 R
531521 Retirement	\$ 142,489 R
531561 Health Insurance	\$ 100,449 R
532140 Contracted Services - Hardware and Technical Support	\$ 1,938,991 R
532140 Contracted Services - Application Development/Support	\$ 2,225,814 R
532140 Judicial SAS Lic--paid directly to SAS	\$ 2,000,000 R
532140 Contracted Personnel Resources	\$ 270,000 R
534713 Software/Training Licenses/3rd Party Svcs	\$ 142,500 R
532XXX-535XXX Equipment-Workstations/Phones	\$ 81,600 R
532140 Contracted Services - Hardware and Technical Support	\$ 500,000 NR
538141 Software - Executive Branch SAS ELA	\$ 3,000,000 NR
Total	\$11,860,088

Receipts

24160 Cash Balance	
Unexpended Data Integration Funds	(\$3,000,000)NR

Appropriation

\$ 8,360,088 R
\$ 500,000 NR

Positions

FTE	Title	Start Date
1.0	Operations and Systems Specialist	4/01/2011
.5	Business & Tech Applic Spec (DBA)	9/01/2011
1.0	Business & Tech Applic Spec (Dev)	9/01/2011
1.0	Operations and Systems Specialist	7/01/2010
1.0	Business & Tech Applic Analyst (Testers)	4/01/2011
1.0	Network Analyst	9/01/2010
4.0	Business & Tech Appl Analyst (Agency FTE)	9/01/2010
1.0	Executive Director	9/01/2010
3.0	Technical Support Analyst (Help Desk)	9/01/2010
3.0	Technical Support Analyst (Help Desk)	4/01/2011
1.0	Technical Support Specialist (Bus Ops Lead)	7/01/2010
3.0	Business & Tech Appl Analyst (BA's)	7/01/2010
2.0	Technical Support Analysts (Trainers)	7/01/2010
2.0	Technical Support Analysts (Trainers)	7/01/2010
4.0	Operations and Systems Analyst (Sys Aud)	4/01/2011
1.0	Technical Support Technician (User Admin)	7/01/2010
1.0	Technical Support Technician (User Admin)	4/01/2011

Budget Changes	\$8,060,088	R
	(\$624,677)	NR
Total Position Changes		27.50
Revised Total Budget	\$30,623,618	

Special Provisions

2010 Session: **SB 897**

Department: State Controller

Section: 27B.1

Title: **ADD OFFICE OF STATE PERSONNEL DIRECTOR TO BEACON PROJECT STEERING COMMITTEE**

Summary Adds the State Personnel Director as a member of the Beacon Project Steering Committee.

Section: 27B.2

Title: **PAYMENT CARD REBATE PROGRAM**

Summary Directs OSC to establish the Payment Card Rebate Program, and to report to the Joint Legislative Commission on Governmental Operations on the progress of implementing the payment card rebate program by October 1, 2010.

2010 Annotated Committee Report

Treasurer

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$17,565,400

Budget Changes

1110 General Administration

111 Internal Auditor Positions

\$74,692 R
 \$2,685 NR
 3.00

Provides an appropriation of \$77,377 and receipts of \$181,930 that total \$259,307 for the Department to employ three Internal Auditor positions. The positions were recommended by the Council of Internal Auditing in keeping with G.S. 143-746. The Internal Auditors will be responsible for developing and administering a comprehensive internal audit function for the Department. The three positions will include a Director of Internal Audit, and two additional internal auditors. The positions are supported by receipts.

\$250,307 Recurring
 \$ 9,000 Non-recurring

531211 Salaries	\$196,293 R
531511 Social Security	\$ 15,016 R
531521 Retirement	\$ 20,611 R
531561 Medical Insurance	\$ 14,787 R
532811 Telephone Service	\$ 1,800 R
533110 General Office Supplies	\$ 1,800 R
534511 Furniture - Office	\$ 4,500 NR
534521 Office Equipment	\$ 4,500 NR

1210 Investment Management

112 Operating Budget Reductions

(\$210,234) R

Reduces division's operating budget.

532120 Finan/Audit Services	(\$143,163)
532199 Misc Contractual Services	(\$32,071)
532712 Air - Out of State	(\$10,000)
532714 Transp - Ground - In State	(\$2,000)
532715 Transp - Ground - Out of State	(\$1,000)
532721 Lodging - In State	(\$3,000)
532722 Lodging - Out of State	(\$10,000)
532724 Meals - In State	(\$3,000)
532725 Meals - Out of State	(\$6,000)

1310 Local Government Operations

113 Operating Budget Reductions

(\$61,539) R

Reduces expenditure accounts.

532199 Misc Contractual Svs	(\$1,451)
32840 Postage	(\$53,088)
533110 General Office Supplies	(\$7,000)

1410 Retirement Operations

114 Service Credit Audit Team (SAT)

Allows Department to increase receipts by \$1,192,164 to provide the final year of funding for the Service Audit Team (SAT) in FY 2010-2011. For the past four years, SAT has worked to correct service data transferred from the legacy system. This funding completes work on all remaining unaudited pre-1997 active accounts that were targeted by the original RFP that had a five year plan. Funding is provided by receipts in expenditure account 538320 to support the following expenses:

532120 Financial Audit Svs	\$1,011,916
532140 Oth Information Tech Svs	\$ 5,833
532184 Janitorial Svs Agreement	\$ 7,583
532199 Misc Contractual Svs	\$ 5,833
532210 Enrg Ser - Electrical	\$ 16,333
532230 Enrg Ser - Water & Sewer	\$ 1,400
532513 Rent/Lease - Oth Fac	\$ 89,600
532811 Telephone Ser	\$ 49,000
533110 General Office Supplies	\$ 2,333
534511 Furn - Office	\$ 2,333

1510 Financial Operations - Banking

115 Operating Budget Reductions

(\$8,313) R

Reduces expenditure accounts.

532811 Telephone Service	(\$5,313)
532840 Postage	(\$3,000)

Budget Changes

(\$205,394) R

\$2,685 NR

Total Position Changes

3.00

Revised Total Budget

\$17,362,691

Special Provisions

2010 Session: SB 897

Department: Treasurer

Section:

Title: **No Special Provisions**

Summary

Treasurer - Retirement for Fire and Rescue

GENERAL FUND

Total Budget Approved 2009 Session	FY 10-11 \$10,804,671
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Budget Changes

116 NO LEGISLATIVE ACTION REPORTED

Budget Changes

Total Position Changes

Revised Total Budget \$10,804,671

Special Provisions

2010 Session: SB 897

Department: Treasurer - Retirement for Fire and Rescue

Section:

Title: **No Special Provisions**

Summary

TRANSPORTATION

**GENERAL FUND,
HIGHWAY FUND**

&

**HIGHWAY TRUST FUND
APPROPRIATIONS**

Highway Fund

HIGHWAY FUND

FY 10-11

Total Budget Approved 2009 Session

\$1,739,650,000

Budget Changes

Administration

- | | | |
|--|--|--------------------|
| <p>1 IT Budget Reductions</p> <p>Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.</p> | <p>(\$207,933)</p> | <p>R</p> |
| <p>2 IT Payment Card Industry Data Security Standard Compliance</p> <p>Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position (\$95,344) is funded and will serve as the compliance officer for the program.</p> | <p>\$254,406</p> <p>\$350,000
1.00</p> | <p>R</p> <p>NR</p> |
| <p>3 IT - Enterprise IP Telephone System</p> <p>Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.</p> | <p>\$544,289</p> <p>\$515,000</p> | <p>R</p> <p>NR</p> |

Aviation Division

4 Transfer of Department of Commerce Executive Aircraft Division \$500,000 R

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is \$989,658, including \$500,000 in General Fund appropriations and \$489,658 in receipts. The DOT Aviation budget will have additional receipts of \$127,315 from billing the Department of Commerce for use of the DOT aircraft. 4.00

The positions transferred include:

- 60080839 Executive Pilot II
- 60080840 Executive Pilot II
- 60080842 Aircraft Mechanic
- 60080838 Executive Pilot II

(S.B. 1168, H.B. 1823)

Department-wide

5 Vacant Positions (\$1,902,004) R

Eliminates 30 DOT positions vacant prior to January 1, 2010 that are supported by the Highway Fund and eliminates 400 vacant DOT positions funded through projects, receipts, or through federal funds. -30.00

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is \$416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is \$1,485,106. (S.L. 2010-31, Sec. 28.9)

Division of Motor Vehicles

6 Medical Certification Compliance

\$264,951 R
 \$7,550 NR
 5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions (\$27,544 each) and one Administrative Assistant 1 (\$29,502) for a total of five positions costing \$139,678 in salaries and \$52,673 in benefits. Additional recurring costs of \$72,600 for mailing and \$7,550 in nonrecurring costs for computers and office equipment are incurred.

7 DMV Security Measures

\$344,722 NR

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

8 Maintain Current Level of Service

\$11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

9 Maintenance Funds

(\$4,693,213) R

Decreases funds for maintenance of the State's highway infrastructure.

The total budget for maintenance is \$933,872,428 in FY 2010-11. Changes include:

	Adj (R)	Total
Primary System	\$0	\$186,055,224
Secondary System	\$0	\$269,153,619
Contract Resurfacing	\$0	\$300,000,000
System Preservation	\$0	\$100,000,000
General Maintenance Reserve	\$-4,693,213	\$ 78,343,585

S.L. 2010-123, Sec. 1.3A and Sec. 11.20, Budget Technical Corrections, increases the reduction in funds for General Maintenance Reserve from -\$4,373,213 to -\$4,693,213. The total budget for maintenance is \$933,552,428.

Rail Division

10 Grants to Short Line Railroads

\$2,000,000 NR

Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure. (H.B. 1628)

11 Pembroke Northeast Bypass Connector

\$4,325,000 NR

Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Statutory Adjustments

12 Secondary Road Improvement Program Funds

\$3,840,718 R

Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

13 Leaking Underground Storage Tank (LUST) Fund

(\$40,000) R

Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

14 Aid to Municipalities (\$785,319) R
 Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

15 DPI - Driver Education Program \$32,021,964 R
 Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review. (S.L. 2010-31, Sec. 28.2)

16 CCPS - VIPER matching funds \$4,700,000 NR
 Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

17 North Carolina Global TransPark Authority
 Reduces the Global TransPark Budget by 25 percent to a total of \$960,000. (S.L. 2010-31, Sec. 28.3)

 (S.L. 2010-123, Sec. 1.3A and Sec. 11.20, Budget Technical Corrections, eliminates this money item.)

18 Reduce Transfer to General Fund - Dept of State Treasurer (\$500,000) R
 Reduces the transfer to the General Fund by \$500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

Budget Changes	\$40,647,728	R
	\$12,242,272	NR
Total Position Changes	-20.00	
Revised Total Budget	\$1,792,540,000	

Highway Trust Fund

HIGHWAY TRUST FUND

FY 10-11

Total Budget Approved 2009 Session

\$920,990,000

Budget Changes

Highway Trust Fund

<p>19 Administration</p> <p>Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).</p>	<p>\$371,520</p>	<p>R</p>
<p>20 Aid to Municipalities</p> <p>Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).</p>	<p>\$524,109</p>	<p>R</p>
<p>21 Intrastate System</p> <p>Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).</p>	<p>\$4,995,162</p>	<p>R</p>
<p>22 Secondary Road Construction</p> <p>Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).</p>	<p>(\$170,627)</p>	<p>R</p>
<p>23 Urban Loops</p> <p>Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).</p>	<p>\$2,019,836</p>	<p>R</p>

Budget Changes	\$7,740,000	R
Total Position Changes		
Revised Total Budget	\$928,730,000	

Special Provisions

2010 Session: SB 897

Department: Highway Fund

Section: 28.1

Title: CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

Summary Sets forth boilerplate language that allows DOT to contract for payments beyond the biennium.

Section: 28.2

Title: DRIVER EDUCATION PROGRAM FUNDING STUDY

Summary Requires the Office of State Budget and Management to review the funding and efficacy of the Driver Education Program and make recommendations to the Governor and the General Assembly by November 1, 2010.

Section: 28.3

Title: GLOBAL TRANSPARK REPORT ON ANTICIPATED REPAYMENT SCHEDULE AND PROGRAM EVALUATION DIVISION REVIEW

Summary Requires the Global TransPark Authority to report on its strategic, business, and financial plans by December 31, 2010. Requires the Program Evaluation Division of the General Assembly to conduct a comprehensive program and financial review of the Global TransPark Authority and to report to the Joint Legislative Program Evaluation Oversight Committee no later than March 1, 2011.
(S.L. 2010-123, Sec. 8.1, Budget Technical Corrections, amends this provision to change the reporting date for the Program Evaluation Division from March 1, 2011 to May 1, 2011.)

Section: 28.4

Title: ADJUST ROAD NAMING POLICY

Summary Requires the Department of Transportation to remove the existing prohibition on naming State roads after specific military veterans and to adopt a policy for naming highways after specific military veterans.

Section: 28.7

Title: ESTABLISH NC MOBILITY FUND

Summary Establishes the North Carolina Mobility Fund to fund transportation projects of statewide and regional significance. The Mobility Fund is not subject to the equity formula in G.S. 136-17.2A. The initial project of the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge. Funding for the Mobility Fund is \$39 million in Fiscal Year 2010-11, \$31 million in Fiscal Year 2011-12, \$45 million in Fiscal Year 2012-13, and \$58 million in subsequent years. Also, the Highway Trust Fund transfer to the General Fund, G.S. 105-187.9(b), is phased out over this period.

Section: 28.8

Title: **EXEMPT YADKIN RIVER BRIDGE PHASE I "GARVEE" BONDS FROM EQUITY FORMULA**

Summary Exempts funds used in repayment of GARVEE bonds for the Yadkin River Bridge Phase I from the equity formula in G.S. 136-17.2A. (H.B. 1975, Sec. 1, Exempt DOT Equity Funds/GARVEE Bonds)

Section: 28.9

Title: **SEMIANNUAL PERSONNEL REPORT**

Summary Creates G.S. 136-12.2 to require the Department of Transportation to report on May 1 and November 1 to the General Assembly regarding personnel positions within the Department, detailing the Department's vacancies by funding source.

Section: 28.10

Title: **EXEMPT APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM FUNDS FROM EQUITY FORMULA**

Summary Amends G.S. 136-17.2A to exempt funds from the federal government for the Appalachian Development Highway System from the equity formula. (H.B. 1644)

Section: 28.11

Title: **VISITOR CENTER FUNDS**

Summary Amends G.S. 20-79.7(c) to add two visitor centers, one in the town of Fair Bluff in Columbus County and one on U.S. Highway 421 in Wilkes County, and appropriates \$100,000 annually to each from the Special Registration Plate Account for the purpose of operating assistance. (H.B. 1521)

**RESERVES,
DEBT SERVICE
&
ADJUSTMENTS**

GENERAL PROVISIONS

Statewide Reserves

GENERAL FUND

FY 10-11

Total Budget Approved 2009 Session

\$1,176,309,585

Budget Changes

B. Other Reserves

1 Job Development Incentive Grants Reserve

Reduces the continuation budget based on projected payment schedule.

(\$6,600,000) NR

C. Debt Service

2 Increase Debt Service

Increases debt service in anticipation of an additional \$175 million issuance of COPs for Repairs and Renovations and equipment for Universities and Community Colleges.

\$14,177,072 R

3 Adjust Debt Service Payments

Modifies budgeted debt service payments to correspond to projected payment schedules.

(\$15,845,385) R

Budget Changes

(\$1,668,313) R

(\$6,600,000) NR

Total Position Changes

Revised Total Budget

\$1,168,041,272

Special Provisions

2010 Session: SB 897

Department: Availability and Appropriations

Section: 1.1

Title: TITLE OF ACT

Summary: Sets forth the title of S.L. 2010-31, Appropriations Act of 2010.

Section: 1.1

Title: INTRODUCTION

Summary: Sets forth boilerplate components of S.L. 2010-31, Appropriations Act of 2010, including the parameters for appropriations pursuant to G.S. 143C-1-2(b). States that amounts appropriated in the act are maximum and savings shall revert to the appropriate fund at the end of the fiscal year.

Section: 2.1

Title: CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

Summary: Sets forth adjustments to the FY 2010-11 General Fund budget enacted during the 2009 legislative session in S.L. 2009-451, Appropriations Act of 2009. Adjustments represent net changes to the certified budget as enacted by the General Assembly.

(S.L. 2010-123, Sec. 1.1, Budget Technical Corrections, amends this provision to correct the amount appropriated for the UNC System.)

Section: 2.2

Title: GENERAL FUND AVAILABILITY STATEMENT

Summary: Sets forth the general purpose revenue and other resources available to support appropriations made in Section 2.1.

Subsection (a) repeals the Availability Statement in S.L. 2009-451, Sec. 2.2(a), Appropriations Act of 2009, and lists general purpose revenue as well as the other sources of availability.

Subsection (b) directs the Controller not to transfer funds to the Repairs and Renovation Account notwithstanding G.S. 143C-4-3.

Subsection (c) directs the Controller not to transfer funds to the Savings Reserve Account notwithstanding G.S. 143C-4-3.

Subsections (d-f), (h) and (j) direct the Controller to transfer funds from special revenue funds as follows:

Scrap Tire Disposal Account	\$2,500,000
White Goods Management Account	\$1,200,000
Health and Wellness Trust Fund	\$5,397,000
Mercury Pollution Prevention	\$2,250,000
Forestry - Bladen Lakes	\$150,000
Wildlife Resources-Special	\$3,000,000
DACS - NC State Fair	\$1,000,000
Brody School of Medicine	\$2,000,000

Subsection (g) repeals S.L. 2009-451, Sec. 2.2(g), Appropriations Act of 2009, as amended by S.L. 2009-575, Sec.2, Budget Technical Corrections.

Subsection (i) rewrites S.L. 2009-451, Sec. 2.2(h), Appropriations Act of 2009, to allow funds from the Tobacco Trust Fund to be transferred on or after April 20, 2011.

(S.L. 2010-123, Sec. 1.2, Budget Technical Corrections, amends this section to clarify that the diversion of funds from the Scrap Tire Disposal and White Goods Accounts is for the distributions taking place in FY 2010-11; to correct the amount transferred from the Brody School of Medicine from \$2 million to \$1 million; to transfer \$1 million from the Contingency and Emergency Fund to the State Fair Enterprise Fund; and to establish a reserve and appropriate \$671,893 for implementation of S.L. 2010-169 (H.B.916), Government Ethics and Campaign Reform Act of 2010.)

Section: 2.3

Title: EXTRAORDINARY MEASURES TO ADDRESS THE POTENTIAL LOSS OF FEDERAL FUNDS

Summary: Sets forth a contingency plan in the event the \$518.9 million in additional federal American Recovery and Reinvestment Act funds appropriated in S.L. 2010-31, Appropriations Act of 2010, are not forthcoming; and directs the Governor to backfill through the following means, in order of priority:

- Transfer \$30.0 million from the Disaster Relief Reserve Fund
- Transfer \$35.0 million of unclaimed lottery prize money and excess receipts
- Use \$50.0 million in interest earnings from governmental and proprietary funds
- Use \$23.5 million from the unappropriated General Fund balance
- Cut \$26.6 million in Medicaid provider rates
- Use \$37.3 million from the Savings Reserve Account
- Reduce by \$139.0 million contributions to the retirement system
- Reduce agency budgets by \$177.5 million, a 1% management flexibility reduction

(S.L. 2010-123, Sec. 1.3, Budget Technical Corrections, amends this section to correct the list of Medicaid providers that would not be affected by an additional rate reduction and makes other technical and clarifying changes.)

Section: 3.1

Title: CURRENT OPERATIONS/HIGHWAY FUND

Summary: Sets forth adjustments to the FY 2010-11 budget enacted during the 2009 legislative session. Adjustments represent net changes to the certified budget.

(S.L. 2010-123, Sec. 1.3A, Budget Technical Corrections, amends this section to correspond with changes made in the Department of Transportation appropriations pursuant to Section 11.20 of the Act.)

Section: 3.2

Title: HIGHWAY FUND AVAILABILITY

Summary: Repeals S.L. 2009-451, Sec. 3.2, Appropriations Act of 2009, and sets forth the \$1.8 billion in resources available from the Highway Fund to support the operations of the Department of Transportation for FY 2010-11. The other portion of availability is derived from the Highway Trust Fund.

Section: 4.1

Title: CURRENT OPERATIONS/HIGHWAY TRUST FUND

Summary: Sets forth adjustments to the FY 2010-11 budget enacted during the 2009 legislative session. Adjustments represent net changes to the certified budget.

Section: 4.2

Title: HIGHWAY TRUST FUND AVAILABILITY STATEMENT

Summary: Repeals S.L. 2009-451, Sec. 4.2, Appropriations Act of 2009, and sets forth the \$929 million in resources available from the Highway Trust Fund to support the operations of the Department of Transportation for FY 2010-11.

Section: 5.1

Title: EDUCATION LOTTERY

Summary: Makes various temporary changes to the Education Lottery laws as follows:

Subsections (a - b) set forth the lottery net proceeds and the corresponding appropriations for the four education programs benefiting public schools and postsecondary institutions; and directs a one-time transfer of Lottery Reserve funds to support classroom teachers.

Subsections (c and d) waive G.S. 18C-164(f) to transfer most FY 2009-10 excess receipts to school capital and allow the remaining balance to be used for Scholarships for Needy Students.

Subsection (e) gives counties, for FY 2010-11 only, flexibility to use school capital allocations to support classroom teachers, at the request of the local school district and directs the allocation of school capital funding on the basis of student headcount for FY 2010-11;

Subsection (f) modifies scholarship funding to redirect \$26.6 million of lottery scholarship funds solely to UNC need-based aid; and

Subsection (g) waives G.S. 18C-164(f) to allow excess net revenues to be allocated solely for school capital on the basis of average daily membership.

(S.L. 2010-123, Sec. 1.4, Budget Technical Corrections, amends this section to clarify that only FY 2010-11 Lottery capital funds may be used for classroom teachers.)

(S.B. 2/H.B. 352 and H.B. 268)

Section: 5.2

Title: INFORMATION TECHNOLOGY AVAILABILITY AND APPROPRIATION

Summary: Rewrites S.L. 2009-451, Sec. 5.3(b), Appropriations Act of 2009, to adjust the amounts appropriated in the Information Technology Fund.

Section: 5.3

Title: APPROPRIATION OF CASH BALANCES

Summary: Amends S.L. 2009-451, Sec. 5.4(a)(2), Appropriations Act of 2009, to appropriate funds at the FY 2009-10 actual spending levels for those budget codes not listed in the Governor's Recommended Operating Budget 2009-2011; and restricts those affected State agencies' spending for the programs, purposes, objects, and line items to the FY 2009-10 budget level.

Section: 5.4

Title: OTHER RECEIPTS FROM PENDING GRANT AWARDS

Summary: Amends S.L. 2009-451, Sec. 5.6, Appropriations Act of 2009, to clarify that only the authorized, not the certified, budget can be changed after the enactment of the Appropriations Act.

2010 Session: **SB 1202**

Department: Availability and Appropriations

Section: 1.1.

Title: TECHNICAL CHANGES: GENERAL PROVISIONS

Summary: Amends S.L. 2010-31, Sec. 2.1, Appropriations Act of 2010, to correct the amount appropriated for the universities.

Section: 1.2

Title: BUDGET AND TECHNICAL CHANGES: VARIOUS CHANGES

Summary: Amends S.L. 2010-31, Sec. 2.2, Appropriations Act of 2010, as follows:

Subsections (a) and (b) clarify that the transfer of funds is from distributions to the Scrap Tire Disposal and White Goods Management Accounts during FY 2010-2011.

Subsection (c) reduces the transfer to General Availability from the Brody School of Medicine from \$2 million to \$1 million.

Subsection (d) amends the section to add a new subsection 2.2.(k) to transfer \$1 million from the Contingency and Emergency Fund to the Department of Agriculture, DACS-NC State Fair.

Subsection (e) amends the section to add a new subsection 2.2.(l), ESTABLISH RESERVE FOR SOFTWARE DEVELOPMENT FOR THE STATE BOARD OF ELECTIONS, to appropriate \$671,893 (recurring) to the Office of State Budget and Management in compliance with S.L. 2010-169; HB 961, the Government Ethics and Campaign Reform Act of 2010.

Section: 1.3

Title: TECHNICAL CHANGES: MEASURES TO ADDRESS POTENTIAL LOSS OF ENHANCED FMAP FUNDS

Summary: Rewrites S.L. 2010-31, Sec. 2.3, Appropriations Act of 2010, to make the following technical corrections and changes:

Subsections (b), (b1), (e) and (g) clarify that the contingency language in the section applies to both increases in availability or decreases in appropriations; adjusts amounts to reflect an additional appropriation made from the unappropriated balance in General Fund Availability; and appropriates the funds accordingly.

Subsection (f) corrects the list of Medicaid providers not effected by an additional rate reduction.

Subsection (i) states that if a management flexibility cut is required to backfill enhanced Medicaid FMAP funds, agencies are encouraged to take other steps before dismissing employees; also allows DHHS to reduce reimbursement rates ahead of time to avoid a larger cut; and clarifies that the management flexibility cut does not apply to Medicaid provider rates.

Section: 1.3A

Title: BUDGET CHANGE: ELIMINATE CUT TO GLOBAL TRANSPARK AUTHORITY

Summary: Amends S.L. 2010-31, Sec. 3.1, 2010 Appropriations Act, to reflect changes made in Section 11.20 of this Act, which adjusts Department of Transportation appropriations from the State Highway Fund by making an additional \$320,000 cut in General Maintenance Reserve and eliminating a cut to the Global TransPark Authority.

Section: 32.1

Title: STATE BUDGET ACT APPLIES

Summary: Reenacts the State Budget Act, Chapter 143C and incorporates the Act into the S.L. 2010-31, Appropriations Act of 2010, by reference.

Section: 32.2

Title: COMMITTEE REPORT

Summary: Sets forth how the Committee Report, also known as the money report, is to be used in conjunction with the annual Appropriations Act; directs that the Committee Report is to be used to construe the Appropriations Act as directed in G.S. 143C and is to be printed as part of the Session Laws; states that the FY 2010-11 budget adjustments are set forth in the Committee Report; and clarifies that the Appropriations Act supersedes the Committee Report in the event of a conflict between the two.

Section: 32.2A

Title: REPORT OF THE FISCAL RESEARCH DIVISION ON CHANGES TO THE 2010-2011

Summary: Allows the Fiscal Research Division to issue a revised Committee Report to include all legislatively enacted modifications to the FY 2010-11 budget, made prior to the adjournment of the 2009 Regular Session; and directs that, if a revised report is issued, it be sent to the Director of the Budget and posted on the General Assembly's website.

(S.L. 2010-123, Sec. 11.21, Budget Technical Corrections, amends this section to exclude pages N-1 and N-2, Information Technology Fund, that were inadvertently included in the Committee Report.)

Section: 32.3

Title: MOST TEXT APPLIES ONLY TO THE 2010-2011 FISCAL YEAR

Summary: Sets forth a boilerplate provision stating that provisions of S.L. 2010-31, Appropriations Act of 2010, apply to FY 2010-2011 only, unless the Act stipulates otherwise.

Section: 32.4

Title: EFFECT OF HEADINGS

Summary: States that the purpose of headings throughout S.L. 2010-31, Appropriations Act of 2010, are for reference and convenience purposes only.

Section: 32.5

Title: APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

Summary: States that the provisions enacted in S.L. 2009-451, Appropriations Act of 2009, and S.L. 2009-575, Budget Technical Corrections Act of 2009, for FY 2010-2011 remain in effect unless expressly repealed or amended; and stipulates that limitations and directions for appropriations made in S.L. 2009-451, Appropriations Act of 2009, and S.L. 2009-575, Budget Technical Corrections Act of 2009, for FY 2010-2011 remain in effect unless expressly repealed or amended.

Section: 32.6

Title: SEVERABILITY CLAUSE

Summary: Clarifies that a judicial ruling declaring a section or provision of the Appropriations Act unconstitutional or invalid, does not render the whole or any part of the Act invalid.

Section: 32.7

Title: EFFECTIVE DATE

Summary: Sets July 1, 2010 as the effective date of S.L. 2010-31, Appropriations Act of 2010, unless enacted otherwise.

Special Provisions

2010 Session: SB 1202

Department: General Provisions

Section: 11.21

Title: TECHNICAL CHANGE: COMMITTEE REPORT

Summary: Amends S.L. 2010-31, Sec. 32.2, Appropriations Act of 2010, to clarify that pages N-1 and N-2, Information Technology Fund, of the Committee Report are not to be considered part of the Appropriations Act.

Section: 1.4

Title: TECHNICAL CHANGE: EDUCATION LOTTERY FUNDS

Summary: Clarifies that only FY 2010-11 Education Lottery capital funding may be used for classroom teachers.

Special Provisions

2010 Session: SB 897

Department: General Provisions

Section: 6.1

Title: EXPENDITURE OF FUNDS IN RESERVES LIMITED

Summary: Restricts the use of funds appropriated specifically into a reserve to only the purposes for which the reserve was established.

Section: 6.2

Title: BUDGET CODE CONSOLIDATIONS

Summary: Allows the Office of State Budget and Management to adjust the enacted budget solely to consolidate budget and fund codes and/or close inactive budget and fund codes.

Section: 6.3

Title: BUDGET REALIGNMENT

Summary: Waives G. S. 143C-6-4(b) to allow the Office of State Budget and Management to correctly align authorized positions and associated operating costs with the appropriate purpose or program.

Section: 6.5

Title: ESTABLISHING OR INCREASING FEES PURSUANT TO THIS ACT

Summary: Provides the authority for State agencies to establish fees enacted in S.L. 2010-31, Appropriations Act of 2010, as follows:

Subsection (a) waives the G.S. 12-3-1 requirement allowing agencies to implement fee adjustments without prior consultation with the Joint Legislative Commission on Governmental Operations.

Subsection (b) waives G.S. 105B-21.1A(a) to allow State agencies to enact emergency rules, if required, to implement fees enacted in the Appropriations Act of 2010.

Section: 6.6

Title: LEGISLATIVE BUDGET PRIORITIES

Summary: Sets forth a list of the various initiatives and funds the General Assembly enacted during the 2010 session in support of job creation and economic development.

Section: 6.7

Title: AMEND ARRA FUNDS

Summary: Amends S.L. 2009-451, Sec. 6.6C(b), Appropriations Act of 2009, to require State agencies to report the receipt of new ARRA funds, not included in the 2010 Appropriations Act, within 30 days of notification; prior consultation with the Joint Legislative Commission on Governmental Operations before expending federal ARRA funds is no longer required.

Section:

Title: INFORMATION TECHNOLOGY SPECIAL PROVISIONS

Summary: NOTE: All summaries of information technology special provisions found in Part VI. GENERAL PROVISIONS of S.L. 2010-31, Appropriations Act or 2010, may be found in the Information Technology Section of this document.

CAPITAL

Capital

GENERAL FUND

FY 10-11

A. Department of Environment and Natural Resources

1 Water Resources Development Projects

Provides funds to allow the State to match \$27.3 million in federal funding for Water Resources Development Projects and provides the State match to local grant projects. Projects are specified in a special provision. (S.L. 2010-31, Sec. 30.2)

\$9,130,000 NR

B. Department of Crime Control and Public Safety

2 Phase I of State Highway Patrol Training Facility - Planning

Provides full capital planning funds for Phase I of the State Highway Patrol Training Facility in Wake County. Phase I shall include an armory, medical office, dorm facilities, and facilities for computer security purposes. The total cost of Phase I is \$25,543,000. The total square footage of the facility shall be no more than 94,800 square feet. (S.L. 2010-31, Sec. 30.1)

\$2,043,440 NR

C. State Facilities Special Indebtedness

3 Repair and Renovations Reserve

Authorizes issuance of certificates of participation to be allocated to the Reserve for Repairs and Renovation. The University of North Carolina System will receive 50 percent of the allocation. The Office of State Management and Budget will receive 50 percent of the allocation to be distributed to the various State agencies. The Office of State Management and Budget is directed to allocate \$500,000 to the Department of Crime Control and Public Safety to repair and renovate National Guard Armories. The total debt authorized is \$120,000,000. (S.B. 1378; S.L. 2010-31, Sec. 30.4 and 30.7)

D. Equipment Special Indebtedness

4 Education Equipment Special Indebtedness

Authorizes the issuance of certificates of participation to be allocated to the University of North Carolina System and the North Carolina Community College System for the purpose of acquiring equipment for education and research in fields related to health, science, engineering and technology programs. The total debt authorized is \$55,000,000. The North Carolina Community College System shall receive \$33,000,000 and the University of North Carolina System shall receive \$22,000,000. (S.B. 1378; S.L. 2010-31, Sec. 30.7 and 30.11).

Total Appropriation to Capital

\$11,173,440 NR

Special Provisions

2010 Session: SB 897

Department: Capital

Section: 30.1

Title: CAPITAL APPROPRIATIONS/GENERAL FUND

Summary: Appropriates \$11,173,440 million for capital improvement projects for the 2010-11 fiscal year as follows:

Department of Crime Control and Public Safety - \$2,043,440
Department of Environment and Natural Resources - \$9,130,000

Section: 30.2

Title: WATER RESOURCES DEVELOPMENT PROJECT FUNDS

Summary: 30.2(a) allocates \$9.13 million for the following projects:

Wilmington Harbor Deepening - \$900,000
Wilmington Harbor Maintenance - \$2,000,000
Morehead City Harbor Maintenance - \$100,000
B. Everett Jordan Lake Water Supply Storage - \$200,000
Dredging Contingency Fund - \$1,250,000
AIWW Dredging - \$1,000,000
Bogue Banks Shore Protection Study - \$5,000
John H. Kerr Dam and Reservoir Sec. 216 - \$50,000
Neuse River PED - \$0
Princeville Flood Damage Reduction - \$200,000
Currituck Sound Environmental Restoration Study - \$50,000
Belhaven Harbor - Cap - Sec. 1135 - \$350,000
Surf City/North Topsail Beach Protection Study PED - \$0
West Onslow Beach (Topsail Beach) PED - \$50,000
Silver Lake Harbor Disposal Area Maintenance - \$800,000
Manteo Old House Channel - CAP - Sec. 204 - \$25,000
Concord Streams Restoration - CAP - Sec. 206 - \$0
Planning Assistance to Communities - \$0
State-Local Projects - \$1,650,000
Aquatic Plant Control, Statewide and Lake Gaston - \$350,000
Cape Fear River Basin Model Update - \$150,000

30.2(b) Allows adjustment of the allocations among projects if actual costs vary from estimated costs. Provides for the use of available funds resulting from delayed projects. Requires reversion of funds that remain unexpended or unencumbered at the end of the 2011-12 fiscal year.

Allows the use of available funds for State-local projects; US Army Corps of Engineers feasibility studies; or to pay the State match for any additional federal water resource development funds that become available during the 2010-11 fiscal year. Forbids the use of fund availability to be used to fund the North Carolina International Terminal.

30.2(c) Requires semi-annual reports on the use of funds.

Section: 30.3

Title: NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

Summary: 30.3(a) Authorizes \$16.1 million in capital improvement projects funded by sources outside of the General Fund.

30.3(b) Transfers \$30,000 to the Department of Agriculture and Consumer Services for the Department's plant conservation program.

Capital

Section: 30.4

Title: REPAIRS AND RENOVATION RESERVE ALLOCATION

Summary: 30.4(a) Allocates funds in the Repairs and Renovations Reserve Account between the Board of Governors of the University of North Carolina System (UNC System) and the Office of State Budget and Management (OSBM). The UNC System and OSBM each receive 50% of funds in the Reserve.

30.4(b) Directs the transfer of \$120 million in debt proceeds authorized in Sec. 30.7(a)(1) to the Repairs and Renovation Reserve Account.

30.4(c) Directs the UNC System to continue installing fire sprinklers in campus dormitories.

30.4(d) Directs the UNC System to use funds from the Reserve to implement campus public safety projects eligible for Reserve funding.

30.4(e) Directs OSBM to transfer \$500,000 of their Reserve allocation to the Department of Crime Control and Public Safety for Armory Repair and Renovation.

Section: 30.5

Title: AMEND 2009 WILDLIFE RESOURCES COMMISSION NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

Summary: 30.5(a) Amends SL 2009-451, Sec. 27.4(a) to alter and add capital improvement projects funded by sources outside of the General Fund for the Wildlife Resources Commission.

30.5(b) Amends SL 2009-451 to add Sec. 27.4(a1) and specifies the procedure for expending funds from the Statewide Emergency Repair and Renovation.

Section: 30.6

Title: AMEND COPS AUTHORIZATION LANGUAGE/UNCG

Summary: 30.6 Amends SL 2008-107, Sec. 27.8(a) to allow UNC Greensboro to acquire property for the development and construction of a new railroad underpass.

Section: 30.7

Title: SPECIAL INDEBTEDNESS PROJECTS

Summary: 30.7(a) Authorizes the issuance of special indebtedness in the form of certificates of participation for the following:

30.7(a)(1) authorizes \$120 million to be allocated to the Reserve for Repair and Renovations in Sec. 30.4.

30.7(a)(2) authorizes \$55 million to acquire equipment at the University of North Carolina System and

Section: 30.8

Title: STATUTORILY DEFINE "SCOPE"

Summary: 30.8 Amends GS 143C-1-1(d) to add 16(a) to define an increase in scope of a capital improvement project. An increase in scope would entail increasing the square footage by 10% and/or programming new functions into the project.

Section: 30.9

Title: AMEND DEBT SERVICE FOR GREEN SQUARE COMPLEX PARKING CONSTRUCTION

Summary: 30.9 Amends SL 2009-451, Sec. 27.8 to state that the General Fund shall service the debt for the Green Square Complex parking deck until the debt is retired.

Section: 30.10

Title: PROHIBIT GENERAL FUND EXPENDITURES FOR THE NORTH CAROLINA INTERNATIONAL TERMINAL

Summary: 30.10 Prohibits the use of General Funds to fund the North Carolina International Terminal. This

Section: 30.11

Title: ALLOCATION AND USE OF PROCEEDS OF SPECIAL INDEBTEDNESS ISSUED FOR

Summary: 30.11(a) Allocates 40% of the special indebtedness authorized in Sec. 30.7 of this act to the Board of Governors of the University of North Carolina and the remaining 60% to the State Board of Community Colleges. The funds are to be used to purchase equipment for the constituent institutions for teaching and research in the fields of health, science, engineering, and technical educations.

30.11(b) Allows the State Board of Community Colleges to use funds to make improvements to capital facilities in order to effectively utilize the purchased equipment.

30.11(c) Requires the Board of Governors and the State Board of Community Colleges to report to the Joint Legislative Commission on Governmental Operations on the allocation and reallocation of funds in this section.

**INFORMATION
TECHNOLOGY
SERVICES**

Special Provisions

2010 Session: SB 897

Department: Information Technology Services

Section: 5.2

Title: INFORMATION TECHNOLOGY AVAILABILITY AND APPROPRIATIONS

Summary: Defines the uses of the Information Technology Fund for SFY 2010-2011, to include the following:

Information Technology Operations	
Center for Geographic Information and Analysis	\$740,000
Enterprise Security and Risk Management Office	\$1,101,296
Enterprise Project Management Office	\$1,795,000
Architecture and Engineering	\$648,000
Total Information Technology Operations	\$4,284,296
Information Technology Projects	
Enterprise Licensing	\$300,000
State Portal	\$500,000
Enterprise Identity Management	\$1,250,000
IT Consolidation	\$2,079,467
Electronic Forms/Digital Signatures	\$653,704
Total Information Technology Projects	\$4,783,171
Total	\$9,067,467

Section: 6.8

Title: INFORMATION TECHNOLOGY OPERATIONS

Summary: Establishes operating requirements for the State Chief Information Officer, to include preparing information technology budgets in sufficient time to allow State agencies to include adjustments in their budgets. obtaining prior written approval from State agencies before the SCIO enters into contracts for enterprise projects or contracts, allowing the Office of Information Technology Services to contracts for goods and services for up to three years, and establishing standards for support to agencies.

Section: 6.9

Title: COORDINATION OF INFORMATION TECHNOLOGY REQUIREMENTS AND GEOGRAPHIC INFORMATION SYSTEM EFFORTS

Summary: Requires the State Chief Information Officer, working with both the Enterprise Project Management Office and the Center for Geographic Information and Analysis, to adopt measure to avoid the duplication of information technology capabilities and resources across State agencies.

Section: 6.10

Title: CRIMINAL JUSTICE LAW ENFORCEMENT AUTOMATED DATA SERVICES (CJLEADS)

Summary: Continues the development and implementation of CJLEADS, begins the Statewide expansion of the system, and begins the transition of the system to the Department of Justice. CJLEADS is a program designed to integrate data found within the state's various criminal justice applications and will provide up-to-date criminal information in a centralized location via a secure connection for use by state and local government criminal justice professionals.

Section: 6.11

Title: ITS NETWORK INTEGRATION

Summary: Requires the Office of Information Technology Services and MCNC to identify areas in which it may be feasible to coordinate their operations and to develop a coordination plan by December 1, 2010.

Section: 6.12

Title: INFORMATION TECHNOLOGY CONTRACTED PERSONNEL

Summary: Requires State agencies to obtain approval from the Statewide Information Technology Procurement Office before hiring information technology contractors and to submit detailed monthly reports on information technology contractors.

Section: 6.14

Title: FUNDING FOR DATA INTEGRATION ENTERPRISE LICENSING AGREEMENTS

Summary: Limits the State Chief Information Officer to \$2,000,000 in data integration funds for data integration enterprise licenses and requires the SCIO to recover excess costs through cost allocation.

Section: 6.15

Title: NETWORK SECURITY ASSESSMENTS

Summary: Transfers responsibility for network security assessments from the Office of the State Auditor to the State Chief Information Officer.

Section: 6.17

Title: ENTERPRISE ELECTRONIC FORMS AND DIGITAL SIGNATURES

Summary: Directs the State Chief Information Officer to plan, develop, and implement a coordinated enterprise electronic forms and digital signatures capability.

Section: 6.18

Title: ADDRESS NEEDS FOR BROADBAND FOR EDUCATION AND ECONOMIC DEVELOPMENT/CREATE JOINT BROADBAND TASK FORCE

Summary: Creates a Joint Broadband Task Force to bring together public and private internet access providers, legislators, and other interested parties to advance last mile deployments of broadband.

Section: 6.19

Title: SMART CARDS FOR EFFICIENCY, ENHANCED SERVICES, AND REDUCED FRAUD

Summary: Allows the use of up to \$1,000,000 in E-procurement receipts to develop integrated circuit cards, or "smart cards," that have the capability to support financial and health services transactions.

2010 Session: SB 1202

Department: Information Technology Services

Section: 2.3

Title: BUDGET CHANGES: CONTINUING PILOT PROGRAM TO ALLOW PUBLIC-PRIVATE PARTNERSHIPS TO MEET DEPARTMENT OF REVENUE TECHNOLOGY NEEDS

Summary: Extends to June 30, 2015, the public-private partnership established by the Department of Revenue to provide funding for the Tax Information Management System and requires the Department to use appropriated funding for internal costs.

SALARIES & BENEFITS

Salaries

State Funded Compensation and Across-the-Board Compensation Changes

The State provides funding for salaries and salary increases for employees of State agencies and universities and a majority of the personnel employed by local public schools and community colleges. The General Fund payroll base is estimated to exceed \$10.96 billion for FY 2010-11. Total payroll is expected to exceed \$15.38 billion, including receipts from State agencies, universities, local public schools, and community colleges.

Salary Freeze

The 2010 Session of the General Assembly maintained the freeze on most salary increases for State employees as enacted during the 2009 Session. Section 26.1A of S.L. 2009-451 (2009 Appropriations Act), as amended by Section 21 of S.L. 2009-575 (2009 Technical Corrections Bill), by Section 29.7(c) of S.L. 2010-31 (2010 Appropriations Act), and by Section 9.2 of S.L. 2010-123 (2010 Technical Corrections Bill), reads as rewritten:

Section 26.1A.(a) The salaries of those officers and employees, whose salaries for the 2008-2009 fiscal year were set or increased in Sections 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 26.10, 26.11, 26.11A, 26.12, 26.12D, 26.13, 26.14, 26.18, and 26.19 of Session Law 2008-107, and in effect on June 30, 2009, or the last date in pay status during the 2008-2009 fiscal year if earlier, shall remain in effect and shall not increase for the 2009-2010 and 2010-2011 fiscal years, except:

- (1) As provided for by Section 29.20A of S.L. 2005-276.
- (2) For Community College faculty as otherwise provided in Section 8.1 of this act.
- (3) For University of North Carolina (i) faculty using funds from the Faculty Recruiting and Retention Fund, the Distinguished Professors Endowment Fund, or the University Cancer Research Fund in the case of faculty involved in cancer research supported by that fund and (ii) faculty, nonfaculty, and other employee adjustments funded from non-state funding sources.
- (3a) For Judicial Department employees for local supplementation as authorized under G.S. 7A-300.1.
- (4) Salaries may be increased for reallocations or promotions, in-range adjustments for job change, career progression adjustments for demonstrated competencies, or any other adjustment related to an increase in job duties or responsibilities, none of which are subject to the salary freeze otherwise provided by this subsection. All other salary increases are prohibited.

Section 26.1A.(b) The automatic salary step increases for assistant and deputy clerks of superior court and magistrates are suspended for the 2009-2010 and 2010-2011 fiscal years.

Section 26.1A.(c) The salary increase provisions of G.S. 20-187.3 are suspended for the 2009-2010 and 2010-2011 fiscal years.

Section 26.1A.(d) For the 2009-2010 and 2010-2011 fiscal years, the salaries of members and officers of the General Assembly shall remain the amounts set under G.S. 120-3 in 1994 by the 1993 General Assembly.

The 2010 Session of the General Assembly also maintained the freeze on public school teacher, principal, and assistant principal salaries (no experience based step increases) as enacted during the 2009 Session. Tables 1 and 2 are the experience based schedules in effect for the 2010-11 Fiscal Year.

Salaries

TABLE 1

FY 2010-11

Principal and Assistant Principal Base Salary Schedule

Yrs of Exp	Classification								
	Assistant Principal	Principal I (0-10)	Principal II (11-21)	Principal III (22-32)	Principal IV (33-43)	Principal V (44-54)	Principal VI (55-65)	Principal VII (66-100)	Principal VIII (101+)
0-6	\$3,781	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	\$3,931	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	\$4,074	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	\$4,189	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	\$4,243	\$4,243	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	\$4,298	\$4,298	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12	\$4,353	\$4,353	\$4,408	N/A	N/A	N/A	N/A	N/A	N/A
13	\$4,408	\$4,408	\$4,464	N/A	N/A	N/A	N/A	N/A	N/A
14	\$4,464	\$4,464	\$4,521	\$4,579	N/A	N/A	N/A	N/A	N/A
15	\$4,521	\$4,521	\$4,579	\$4,640	\$4,701	N/A	N/A	N/A	N/A
16	\$4,579	\$4,579	\$4,640	\$4,701	\$4,762	\$4,828	N/A	N/A	N/A
17	\$4,640	\$4,640	\$4,701	\$4,762	\$4,828	\$4,891	N/A	N/A	N/A
18	\$4,701	\$4,701	\$4,762	\$4,828	\$4,891	\$4,956	\$5,025	N/A	N/A
19	\$4,762	\$4,762	\$4,828	\$4,891	\$4,956	\$5,025	\$5,092	\$5,237	N/A
20	\$4,828	\$4,828	\$4,891	\$4,956	\$5,025	\$5,092	\$5,166	\$5,310	\$5,383
21	\$4,891	\$4,891	\$4,956	\$5,025	\$5,092	\$5,166	\$5,237	\$5,383	\$5,458
22	\$4,956	\$4,956	\$5,025	\$5,092	\$5,166	\$5,237	\$5,310	\$5,458	\$5,537
23	\$5,025	\$5,025	\$5,092	\$5,166	\$5,237	\$5,310	\$5,383	\$5,537	\$5,617
24	\$5,092	\$5,092	\$5,166	\$5,237	\$5,310	\$5,383	\$5,458	\$5,617	\$5,725
25	\$5,166	\$5,166	\$5,237	\$5,310	\$5,383	\$5,458	\$5,537	\$5,725	\$5,839
26	\$5,237	\$5,237	\$5,310	\$5,383	\$5,458	\$5,537	\$5,617	\$5,839	\$5,956
27	\$5,310	\$5,310	\$5,383	\$5,458	\$5,537	\$5,617	\$5,725	\$5,956	\$6,075
28	\$5,383	\$5,383	\$5,458	\$5,537	\$5,617	\$5,725	\$5,839	\$6,075	\$6,197
29	\$5,458	\$5,458	\$5,537	\$5,617	\$5,725	\$5,839	\$5,956	\$6,197	\$6,321
30	\$5,537	\$5,537	\$5,617	\$5,725	\$5,839	\$5,956	\$6,075	\$6,321	\$6,447
31	\$5,617	\$5,617	\$5,725	\$5,839	\$5,956	\$6,075	\$6,197	\$6,447	\$6,576
32	\$5,725	\$5,725	\$5,839	\$5,956	\$6,075	\$6,197	\$6,321	\$6,576	\$6,708
33	\$5,839	\$5,839	\$5,956	\$6,075	\$6,197	\$6,321	\$6,447	\$6,708	\$6,842
34	N/A	\$5,956	\$6,075	\$6,197	\$6,321	\$6,447	\$6,576	\$6,842	\$6,979
35	N/A	N/A	\$6,197	\$6,321	\$6,447	\$6,576	\$6,708	\$6,979	\$7,119
36	N/A	N/A	\$6,321	\$6,447	\$6,576	\$6,708	\$6,842	\$7,119	\$7,261
37	N/A	N/A	N/A	\$6,576	\$6,708	\$6,842	\$6,979	\$7,261	\$7,406
38	N/A	N/A	N/A	\$6,708	\$6,842	\$6,979	\$7,119	\$7,406	\$7,554
39	N/A	N/A	N/A	N/A	\$6,979	\$7,119	\$7,261	\$7,554	\$7,705
40	N/A	N/A	N/A	N/A	N/A	\$7,261	\$7,406	\$7,705	\$7,859
41	N/A	N/A	N/A	N/A	N/A	N/A	\$7,554	\$7,859	\$8,016
42	N/A	N/A	N/A	N/A	N/A	N/A	\$7,705	\$8,016	\$8,176
43	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$8,176	\$8,340

Salaries

TABLE 2

**Teacher Salary Schedule
For the 2010-11 School Year**

NBPTS Bonus = 12%, Master's 10.00% Higher Than Bachelor's

Years of Experience	"A" Teachers	NBPTS Certification	Years of Experience	"M" Teachers	NBPTS Certification
0	\$3,043	N/A	0	\$3,347	N/A
1	\$3,043	N/A	1	\$3,347	N/A
2	\$3,043	N/A	2	\$3,347	N/A
3	\$3,085	\$3,455	3	\$3,394	\$3,801
4	\$3,129	\$3,504	4	\$3,442	\$3,855
5	\$3,264	\$3,656	5	\$3,590	\$4,021
6	\$3,404	\$3,812	6	\$3,744	\$4,193
7	\$3,538	\$3,963	7	\$3,892	\$4,359
8	\$3,667	\$4,107	8	\$4,034	\$4,518
9	\$3,771	\$4,224	9	\$4,148	\$4,646
10	\$3,819	\$4,277	10	\$4,201	\$4,705
11	\$3,868	\$4,332	11	\$4,255	\$4,766
12	\$3,918	\$4,388	12	\$4,310	\$4,827
13	\$3,967	\$4,443	13	\$4,364	\$4,888
14	\$4,018	\$4,500	14	\$4,420	\$4,950
15	\$4,069	\$4,557	15	\$4,476	\$5,013
16	\$4,122	\$4,617	16	\$4,534	\$5,078
17	\$4,176	\$4,677	17	\$4,594	\$5,145
18	\$4,231	\$4,739	18	\$4,654	\$5,212
19	\$4,286	\$4,800	19	\$4,715	\$5,281
20	\$4,345	\$4,866	20	\$4,780	\$5,354
21	\$4,403	\$4,931	21	\$4,843	\$5,424
22	\$4,461	\$4,996	22	\$4,907	\$5,496
23	\$4,523	\$5,066	23	\$4,975	\$5,572
24	\$4,584	\$5,134	24	\$5,042	\$5,647
25	\$4,650	\$5,208	25	\$5,115	\$5,729
26	\$4,714	\$5,280	26	\$5,185	\$5,807
27	\$4,779	\$5,352	27	\$5,257	\$5,888
28	\$4,845	\$5,426	28	\$5,330	\$5,970
29	\$4,913	\$5,503	29	\$5,404	\$6,052
30	\$4,984	\$5,582	30	\$5,482	\$6,140
31	\$5,055	\$5,662	31	\$5,561	\$6,228
32	\$5,153	\$5,771	32	\$5,668	\$6,348
33+	\$5,255	\$5,886	33+	\$5,781	\$6,475

Salaries

Significant Special Provisions Session Law 2010-31 Senate Bill 897

SECTION 29.1 FURLOUGHS AUTHORIZED/PUBLIC SCHOOLS

Authorizes local boards of education to implement furloughs of State-funded public school employees to offset the LEA funding flexibility adjustment. A furlough is defined as a temporary period of leave from employment without pay that (i) is ordered by a local board of education and (ii) is not in connection with a demotion or other disciplinary action. The State Board of Education is directed to adopt rules in accordance with G.S. 150B-21.1A. Local boards of education must apply these rules in the implementation of furloughs. The rules shall provide at minimum, that:

- (1) Employees who work only on instructional days shall not be subject to furlough.
- (2) Employees who earn an annual salary of thirty-two thousand dollars (\$32,000) or less shall not be subject to furlough.
- (3) A furlough for other employees shall be for the same number of days for all such employees and shall be for a maximum of two days.
- (4) No teacher shall be subject to a furlough on an instructional day or a protected work day.
- (5) A local board of education shall have a public hearing and shall disclose the local school administrative unit's finances before the local board implements a furlough.
- (6) The local school administrative unit shall cut all bonus pay before it imposes a furlough.
- (7) A local school administrative unit may spread the salary or wage reduction for furloughed employees over the contract period in order to lessen the impact on the employees.
- (8) All savings realized as a result of a furlough shall be used to offset the LEA funding flexibility adjustment.
- (9) A county in which a local school administrative unit implements a furlough shall not supplant existing local current expense funds for schools.
- (10) Each local board of education shall report to the State Board of Education on the details of any furlough implemented by the local school administrative unit and certify that the furlough complied with the provisions of S.L. 2010-31, Section 29.1 and the rules adopted by the State Board.

Furloughed employees shall be held harmless as to their retirement and other benefits that normally accrue as a result of employment. The provision also requires public school employees who are not paid out of State funds to receive the same reduction in pay applicable to State-paid employees in the event a furlough is implemented by a local board of education.

SECTION 29.4 FURLOUGHS AUTHORIZED/UNC

Authorizes the President of the University of North Carolina to implement furloughs of university employees or to delegate furlough authority to a chancellor of a constituent institution. Savings realized as a result of a furlough shall be used to offset the \$70 million Management Flexibility Reduction for the University of North Carolina and may be used to offset the additional 1% Management Flexibility Reduction pursuant to S.L. 2010-31 (Appropriations Act of 2010), Section 2.3, and to meet reversion requirements. Furlough is defined as a temporary period of leave from employment without pay that (i) is ordered by the President of the University of North Carolina or a chancellor when delegated and (ii) is not in connection with a demotion or other disciplinary action. The Board of Governors of the University of North Carolina is directed to adopt policies to be applied by the President and the constituent institutions in implementing furloughs of university employees. The policies shall provide at minimum, that:

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- (1) The President may establish a salary threshold below which university employees shall not be subject to furlough. In no event may any full-time university employee, prorated for any part-time employee, earning an annual salary of thirty-two thousand dollars (\$32,000) or less be subject to furlough.
- (2) The scheduling of any furlough period shall be at the discretion of the President or the chancellor of the constituent institution when delegated.
- (3) Paid leave shall not be used to offset all or any portion of a furlough.
- (4) If a holiday falls during the mandatory furlough period, the university employee must be paid for the holiday.
- (5) All savings realized as a result of a furlough:
 - (a) Shall be used to offset the \$70 million Management Flexibility Reduction for The University of North Carolina.
 - (b) May, if it is necessary to implement an additional one percent (1%) Management Flexibility Reduction pursuant to Section 2.3 of S.L. 2010-31 to backfill enhanced FMAP funds, also be used to offset the additional 1% Management Flexibility Reduction and to meet reversion requirements.

Furloughed employees shall be held harmless as to their retirement and other benefits that normally accrue as a result of employment. (See also S.L. 2010-123, Sec. 9.1)

SECTION 29.5 MONITOR COMPLIANCE WITH FREEZE ON MOST SALARY INCREASES

Directs the Office of State Budget and Management and the Office of State Personnel to monitor State agencies, departments and institutions, the judicial branch and the University of North Carolina relative to compliance with the freeze on most salary increases. Requires quarterly reporting to the General Assembly beginning September 1, 2010 and specifies the contents of the quarterly reports.

SECTION 29.7 AUTHORIZE SUPPLEMENTATION BY LOCAL GOVERNMENTS OF THE SALARIES OF NONELECTED JUDICIAL DEPARTMENT OFFICERS AND EMPLOYEES IN ORDER TO ATTRACT AND RETAIN THE BEST QUALIFIED OFFICERS AND EMPLOYEES FOR THE JUDICIAL BRANCH OF GOVERNMENT

Authorizes the Administrative Office of the Courts to contract with a city or county for the provision of local funds to supplement the salaries of Judicial Department employees, other than elected officials and magistrates, who serve the superior court district, district court district, or prosecutorial district containing that unit of local government. The provision specifies that any such salary supplement is subject to the availability of local funds, may be discontinued at any time, and is not "compensation" for purposes of the Teachers' and State Employees' Retirement System or the Consolidated Judicial Retirement System. Also specifies that the provision applies only to (i) cities with a population of 300,000 or more, and (ii) counties with a population of 300,000 or over. Portions of this special provision were included in Senate Bill 1382.

Additional Legislation

S.L. 2010-105 (HB 1398) Determining Senior Resident Superior Court Judge

Amends G.S. 7A-41.1(b) authorizing the Chief Justice to designate a judge as senior resident superior court judge where there are two or more regular resident superior court judges for the district or set of districts. The senior resident superior court judge shall serve at the pleasure of the Chief Justice. The Chief Justice shall consider the seniority, experience, and management competence of the regular resident superior court judges and shall consult with the regular resident superior court judges, the chief district court judges, members of the

Salaries

district bar, clerks of court, district attorneys and public defenders within the district in making the designation. Previously, where there are two or more regular resident superior court judges for a district or set of districts, the senior resident superior court judge was the regular resident superior court judge with the most continuous service as a regular resident superior court judge, and if two judges had equal seniority, the oldest of those judges.

S.L. 2010-113 (SB 740) Flexibility In Setting Salary Of Community College Presidents

Amends G.S. 115D-5(a) to state that all salary caps set by the State Board of Community Colleges shall apply only to the State-paid portion of community college presidents' salaries. Also authorizes the State Treasurer to set the employer contribution rate, to the Teachers' and State Employees' Retirement System, on the local-paid portion of salary based upon actuarial recommendations (12.29% for FY 2010-11), and specifies the employer contribution rate paid on the local-paid portion of salary shall be paid from local funds.

S.L. 2010-136 (SB 1251) State Health Plan/Treat Teachers Equitably

G.S. 135-45.2(a)(8) provides noncontributory coverage for up to 12 months under the State Health Plan for employees, who have been employed for 12 or more months by an employing unit, whose jobs are eliminated due to a reduction in force provided the employee was covered by the Plan at the time of separation. The legislation amends G.S. 135-45.2(a)(8) to also extend noncontributory coverage to employees who have completed a contract term of employment of 10 or 11 months if the employing unit is a local school administrative unit. In addition, this act amends this law by adding that an employee shall not be eligible for coverage under this subdivision if the employee is provided health benefit coverage on a noncontributory basis by a subsequent employer.

S.L. 2010-139 (HB 213) Voluntary Shared Leave/Non-family Sick Leave Donations

Amends G.S. 126-8.3 and G.S. 115C-12.2 by directing the State Personnel Commission and the State Board of Education respectively to adopt rules and policies for the voluntary shared leave program to allow employees to donate sick leave to a non-family member employee. Under these rules and policies, sick leave may only be donated to a non-family member recipient in a State agency if the donor is a State agency employee or to a non-family member recipient in a public school if the donor is a public school employee. A donor of sick leave to a non-family member recipient is to be limited to no more than five days of sick leave per year to any one non-family member recipient. The combined total of sick leave donated to a recipient from non-family member donors shall not exceed 20 days per year. Donated sick leave may not be used for retirement purposes, and employees who donate sick leave must be notified in writing of the State retirement credit consequences of donating leave. This act also requires the State Personnel Commission, the State Board of Education, and the State Board of Community Colleges to report annually to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the Voluntary Shared Leave program.

S.L. 2010-169 (HB 961), Section 18 Government Ethics And Campaign Reform Act of 2010

Amends G.S. 126.23, G.S. 115C-320, G.S. 115D-28, G.S. 122C-158(b), G.S. 153A-98(b), G.S. 160A-168(b), and G.S. 162A-6.1(b) governing certain records open to inspection for employees of State agencies, public schools, community colleges, local area mental health authorities, counties, cities, towns, and water and sewer authorities, respectively. These amendments expand the records that must be open to inspection to include the following:

- (1) Date and amount of *each* (previously "most recent") increase or decrease in salary with that department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority.

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- (2) Date and type of *each* (previously "most recent") promotion, demotion, transfer, suspension, separation, or change in position classification with that department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority.
- (3) Date and general description of the reasons for each promotion with that department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority.
- (4) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority. If the disciplinary action was a dismissal, a copy of the written notice of the final decision setting forth the specific acts or omissions that are the basis of the dismissal.

These changes, in Section 18 of this Act, are effective October 1, 2010.

Salaries

ACROSS-THE-BOARD SALARY COST FOR EACH 1% INCREASE (MILLIONS)

YEAR	GENERAL FUND	HIGHWAY FUND
1971-72	8.40	\$1.17
1972-73	8.43	1.17
1973-74	10.13	1.35
1974-75	12.27	1.51
1975-76	No Increase Granted	
1976-77	13.91	1.73
1977-78	15.79	1.84
1978-79	17.44	2.01
1979-80	18.86	2.13
1980-81	21.29	2.26
1981-82	25.14 ^a	2.51 ^a
1982-83	No Increase Granted	
1983-84	25.97	2.57
1984-85	27.60	2.70
1985-86	32.10	2.50
1986-87	36.45	2.66
1987-88	40.84 ^b	2.72
1988-89	45.40	2.93
1989-90	47.75	2.93
1990-91	55.90	3.35
1991-92	No Increase Granted	
1992-93	54.11	3.39
1993-94	55.75	3.48
1994-95	58.28	3.64
1995-96	63.56	3.96
1996-97	66.77	3.98
1997-98	70.22	4.19
1998-99	75.33	4.64
1999-00	80.69	4.00
2000-01	86.45	4.33
2001-02	89.73	4.32
2002-03	91.05 ^c	4.19
2003-04	91.35 ^d	4.15
2004-05	95.13	4.37
2005-06	100.61	4.56
2006-07	106.89	4.79
2007-08	117.08	5.11
2008-09	124.93	5.37
2009-10	130.65 ^e	5.54 ^e
2010-11	129.73 ^e	5.40 ^e

^a Figure reflects annual cost, even though the increase was not effective until January 1, 1982.

^b Figure does not reflect adjustment to offset anticipated savings from the tax sheltering of employee Health Benefits from Social Security tax.

^c No across-the-board salary increases were funded by the General Assembly for employees in FY 2002-03 except for the salary step increases funded for teachers and school-based administrators.

^d No across-the-board salary increases were funded by the General Assembly for employees in FY 2003-2004 except for the salary step increases funded for teachers and school-based administrators and a one-half percent (.5%) average salary increase for Community College faculty and professional staff.

^e No across-the-board salary increases were funded by the General Assembly for employees or teachers in FY 2009-10 and FY 2010-11.

Salaries

LEGISLATIVE INCREASES

YEAR	STATE EMPLOYEES	TEACHERS
1970-71	2%	10%
1971-72	5%	5%
1972-73	5%	5% (employment extended 185 to 187 days = 1% salary increase)
1973-74	5% + (5% for those under \$2.75/hour)	5% + (employment extended 187 to 200 days = 7% salary increase and 1 step added to schedule)
1974-75	7.5%	7.5%
1975-76	-0-	-0-
1976-77	4% + \$300 (average 7.2%)	4% + \$300 (average 6.8%)
1977-78	6.5%	6.5%
1978-79	6%	6%
1979-80	5% + (\$200 one-time bonus payment)	5% + (\$200 one-time bonus payment)
1980-81	10%	10% + (Salary schedule changed = 2% to 10% added to each step of salary range)
1981-82	5% (effective 1-1-82)	5% (effective 1-1-82)
1982-83 ^a	-0-	-0-
1983-84 ^a	5%	5%
1984-85 ^a	10%	10% + 4.8% salary classification adjustment
1985-86 ^b	5% + 1 step increase (9.6%)	1-step increase (4.8%) second year teachers; 2-step increase (9.6%) third or more year teachers
1986-87	\$75 month (average 6%)	6.5%
1987-88	5%	5%
1988-89	4.5%	4.5%
1989-90	4% + 2% merit funds	6.65% average
1990-91	4% + 2% merit funds	6.15% average
1991-92	-0-	-0-

Salaries

LEGISLATIVE INCREASES (Continued)

YEAR	STATE EMPLOYEES	TEACHERS
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	2.50% COLA + 2% career growth	5.50%
1997-98 ^C	2% COLA + 2% career growth	4% - 9%
1998-99	1% COLA + 2% career growth + 1% one-time bonus	4% - 9%
1999-00	1% COLA + 2% career growth + \$125 Compensation Bonus	4%-11%
2000-01	2.2% COLA + 2% career growth + \$500 Compensation Bonus	2.5%-13.8%
2001-02	\$625	1.0% to 6.92% (2.86% average)
2002-03	-0-	0.0% to 5.85% (1.84% average)
2003-04	-0-	1.42% to 5.86% (1.81% average)
2004-05	Greater of a \$1,000 or 2.5% across-the-board increase	1.41% to 5.90% (2.5% average)
2005-06	Greater of a \$850 or 2.0% across-the-board increase	1.77% to 6.27% (2.24% average)
2006-07	5.5% across-the-board increase	6.45% to 14.05% (8.23% average)
2007-08	4.0% across-the-board increase	4.05% to 9.53% (5.0% average)
2008-09	Greater of \$1,100 or 2.74% across-the-board increase	2.39% to 6.63% (3.0% average)
2009-10	-0-	-0-
2010-11	-0-	-0-

a Salary increment program frozen

b Conditional upon continuous employment for one year

c Most teachers received between 4%-9%. Teachers receiving National Board of Professional Teaching Standards (NBPTS) certification were eligible for larger increases.

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AVERAGE SALARY OF EMPLOYEES SUBJECT TO THE PERSONNEL ACT

YEAR	AVERAGE SALARY ^{1,2}
1970-71	6,748
1972-73	7,680
1973-74	8,249
1974-75	9,013
1975-76	9,092
1976-77	9,431
1977-78	11,060
1978-79	11,756
1979-80	12,677
1980-81	14,233
1981-82	15,329
1982-83	15,329
1983-84	16,026
1984-85	17,587
1985-86	18,742
1986-87	20,290
1987-88	21,305
1988-89	22,272
1989-90	23,105
1990-91	23,397
1991-92	24,665
1992-93	25,152
1993-94	25,645
1994-95	26,605
1995-96	27,087
1996-97	27,473
1997-98	28,166
1998-99	30,332
1999-00	31,385
2000-01	32,803
2001-02	33,474
2002-03	33,556
2003-04	33,854
2004-05	35,151
2005-06	36,691
2006-07	38,743
2007-08	40,283
2008-09	41,769
2009-10	41,687

NOTE: (1) Prior to 1972, computations were made every two years.

(2) The average salary figures show all permanent SPA employees at a particular point in time. During these years, new programs were added and SPA coverage was extended to positions previously exempt. When new positions were added at salaries above the average or at salaries below the average, this resulted in an increase or decrease in average salary levels. **Therefore, changes in average salaries are not measures of salary increases or decreases.**

Retirement

State Retirement Systems

The State operates several retirement systems for public employees. The Teachers' and State Employees' Retirement System has the largest membership and assets of all the retirement systems and provides benefits to eligible employees of State agencies, departments, universities, local public schools, and local community colleges. As of December 31, 2009, the System had approximately 318,000 contributing members and paid retirement benefits of \$3.2 billion annually to 156,773 beneficiaries. As of December 31, 2009, the market value of assets totaled \$50.4 billion while the recognized assets totaled approximately \$55.8 billion. Recognized assets exceeded the market value of assets due to the five-year smoothing method used to smooth market fluctuations (i.e. the significant losses sustained during the 2008 calendar year). The System was, thus, considered 95% funded (i.e., \$0.95 in assets for each \$1.00 of liabilities) based upon the recognized assets as of December 31, 2009.

Due to the significant losses in the market value of assets during the 2008 calendar year, the actuarial valuations for December 31, 2008 reflected the need for increased employer contributions beginning July 1, 2010. The required additional increases from the General Fund amounted to \$175.9 million for the Teachers' and State Employees' Retirement System, \$2.8 million for the Consolidated Judicial Retirement System and \$2.2 million for the Firemen and Rescue Squad Workers' Pension Fund. Due to the projected revenue shortfall for the 2010-11 Fiscal Year, the General Assembly did not appropriate these additional funds.

The following table reflects the Employer Contribution Rates to the Teachers' and State Employees' Retirement System since the beginning of the decade.

Fiscal Year	Employer Rate
1999-2000	8.15%
2000-2001	5.33%
2001-2002	1.97%
2002-2003	Zero
2003-2004	0.22%
2004-2005	2.17%
2005-2006	2.34%
2006-2007	2.66%
2007-2008	3.05%
2008-2009	3.36%
2009-2010	3.57%
2010-2011	3.57% + 1.36% Reserve

Significant Special Provisions

Session Law 2010-31 Senate Bill 897

SECTION 2.3(H) RETIREMENT SYSTEMS EMPLOYER CONTRIBUTIONS

Amends S.L. 2009-16, State Health Plan/Good Health Initiatives, Section 6(c) to reset the contribution rates for the various retirement systems for the 2010-11 Fiscal Year. The contribution rate for the Teachers' and State Employees' Retirement System had been budgeted at 4.93% of payroll for retirement, 0.52% of payroll for the Disability Income Plan, 0.16% for the Death Benefit and 4.9% of payroll for retiree health benefits. During the 2010 Session, the General Assembly reset the rate at 3.57% of payroll for the Teachers' and State

Retirement

Employees' Retirement System and directed 1.36% of payroll, that was budgeted for the 2010-11 Fiscal Year, to a reserve in the Office of Budget and Management in the event the FMAP funds are not received from the federal government. If not needed, the reserve funds will go to the retirement system.

SECTION 29.7 AUTHORIZE SUPPLEMENTATION BY LOCAL GOVERNMENTS OF THE SALARIES OF NONELECTED JUDICIAL DEPARTMENT OFFICERS AND EMPLOYEES IN ORDER TO ATTRACT AND RETAIN THE BEST QUALIFIED OFFICERS AND EMPLOYEES FOR THE JUDICIAL BRANCH OF GOVERNMENT

Authorizes the Administrative Office of the Courts to contract with a city or county for the provision of local funds to supplement the salaries of Judicial Department employees, other than elected officials and magistrates, who serve the superior court district, district court district, or prosecutorial district containing that unit of local government. The provision specifies that any such salary supplement is subject to the availability of local funds, may be discontinued at any time, and is not "compensation" for purposes of the Teachers' and State Employees' Retirement System or the Consolidated Judicial Retirement System. Also specifies that the provision applies only to (i) cities with a population of 300,000 or more, and (ii) counties with a population of 300,000 or over. Portions of this special provision were included in Senate Bill 1382.

Additional Legislation

S.L. 2010-7 (HB 1934) Amend Charlotte Firefighters' Retirement

Authorizes the payment of any remaining contributions made by the member and the City of Charlotte plus 4% accrued interest to the designated beneficiary for the return of contributions after the death of a retiree and spouse if named. Under the existing law if a member selects a joint and survivorship option and both the retiree and beneficiary die before receiving the total contributions made by the member and the City of Charlotte plus 4% accrued interest, no remaining benefits are payable.

S.L. 2010-8 (HB 1935) Mecklenburg Law Enforcement Cap Upped/Stipend

Amends multiple local public laws to increase the payment from \$10,000 to \$25,000 in the event a law enforcement officer in Mecklenburg County is killed in the line-of-duty or is permanently and totally disabled in the line-of-duty. If the law enforcement officer is temporarily and totally disabled in the line-of-duty, they shall receive a disability supplement of \$500 per month up to a maximum of \$25,000, up from \$10,000. The bill increases the maximum college scholarship from \$10,000 to \$25,000 for children of a law enforcement officer in Mecklenburg County killed in the line-of-duty or permanently and totally disabled in the line-of-duty. The bill also provides for an annual \$100 stipend for each minor child of an officer killed in the line of duty until the child reaches 18 years of age.

Deletes provision allowing an increase in the maximum lump sum payments paid to the investment firm managing the fund, by up to 10% once every five years.

S.L. 2010-38 (HB 1998) Reciprocity For ORP Service

Permits members of the Teachers' and State Employees' Retirement System, who during their work history have been a member of both the Teachers' and State Employees' Retirement System and the Optional Retirement Program (available to EPA personnel in the university system), to use their service in the Optional Retirement Program to meet retirement service requirements in the Teachers' and State Employees' Retirement System.

Retirement

S.L. 2010-72 (HB 2054) Retirement Technical Corrections

Makes several technical corrections to various retirement systems and the State Health Plan. These changes are as follows:

- (1) Makes clear that a member may not change their election of optional payment plan or their beneficiary designation once the first retirement check has been cashed or after the 25th of the month following the month in which the first check is mailed.
- (2) Allows a new election of optional payment plan and/or beneficiary designation under Option 5 if the member divorces or their spouse dies. Allows a new election of optional payment plan and/or beneficiary under Option 6 (pop-up) if beneficiary dies prior to first payment.
- (3) Clarifies that in the event of the death of the member after the effective date of retirement but prior to receipt of a properly completed form 6-E or 7-E (choosing the optional payment plan), the designated beneficiary to receive the return of accumulated contributions may elect to receive a monthly benefit in lieu of the return of accumulated contributions provided only one beneficiary is eligible to receive the return of accumulated contributions.
- (4) Changes the Survivor's Alternate Benefit to be payable when there is one and only one person eligible to receive a refund of contributions. Currently, it is payable if the member has only named one principal beneficiary. The difference would arise when multiple beneficiaries are named and one or more predeceases the member.
- (5) Allows former employees who have been approved for Long Term Disability, but who are not yet technically receiving the benefit because they received a lump sum payment for their annual/bonus leave, to be covered by the State Health Plan.
- (6) Clarifies that anyone who qualifies for Long Term Disability with transferred service, but does not have five years of State membership service, will not be eligible for State Health Plan benefits while on Long Term Disability.
- (7) Allows a member who is on extended Short Term disability to be eligible for the active member Death Benefit.
- (8) Allows a retiree who returns to work in a contributing position, but does not complete three years of service to choose any of the following:
 - (a) Receive a retirement allowance on the additional service;
 - (b) Receive a refund of the additional employee contributions; or
 - (c) Leave the new account open pending another subsequent return to service.
- (9) Allows a retiree who returns for at least three years to choose a retirement allowance calculated on total service or a refund of the additional employee contributions.
- (10) Clarifies that elected officials convicted of certain offenses are always eligible for a return of member contributions and interest, if applicable.
- (11) Increases the time for failure to respond from 90 days to 120 days from the mailing of the election form or the effective date of retirement, whichever is later. This gives the agency more flexibility to work with the member before canceling their application for retirement due to the member's failure to respond.
- (12) Moves the timing of the reduction in Long Term Disability benefits due to Social Security increases from December to January to mirror the timing of increases in Social Security benefits paid. This will slightly increase the total benefits paid to these recipients.
- (13) Adds "wrongful demotion" as a valid reason for retroactive adjustment in reported compensation.

Retirement

- (14) Simplifies the calculation of a guaranteed refund of contributions in benefit created by the transfer of 401(k) balances to either the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System. These transfers are currently available to law-enforcement officers. Allows law-enforcement officers to transfer any portion of their 401(k) balance, rather than all or none.

S.L. 2010-113 (SB 740) Flexibility In Setting Salary/Community College Presidents

Amends G.S. 115D-5(a) to state that all salary caps set by the State Board of Community Colleges shall apply only to the State-paid portion of community college presidents' salaries. Also authorizes the State Treasurer to set the employer contribution rate, to the Teachers' and State Employees' Retirement System, on the local-paid portion of salary based upon actuarial recommendations (12.29% for FY 2010-11), and specifies the employer contribution rate paid on the local-paid portion of salary shall be paid from local funds.

S.L. 2010-124 (HB 2066) Special Retirement Allowances

Allows, effective January 1, 2011, members of the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System, to transfer any portion of their fund balances in either the Supplemental Retirement Income Plan or the Public Employee Deferred Compensation Plan on a one-time election at any time at or after retirement and receive a special retirement allowance which will be based on the amount of funds transferred and the age of the member.

The Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees Retirement System (Boards of Trustees) may establish a minimum amount that must be transferred. The Boards of Trustees shall adopt straight life annuity factors on the basis of yields on U.S. Treasury Bonds and mortality and other tables as may be necessary based upon actual experience. A single set of mortality and other tables will be used for all members based on the age of the member and the election of post-retirement allowance. The Boards of Trustees shall modify the mortality and such other tables every five years based upon the five-year experience study as required. A member shall be taxed for North Carolina State Income Tax purposes on the special retirement allowance the same as if that special retirement allowance had been paid directly by the Supplemental Retirement Income Plan of North Carolina or the Public Employee Deferred Compensation Plan.

This act also requires the Boards of Trustees to provide educational materials to members who apply for the one-time contributions transfer that describe the special retirement allowance, and explain the relationship between the transferred balance and the monthly benefit, and explain how the member's heirs may be impacted by the member's election, including any costs or fees. The bill also allows the Supplemental Retirement Board of Trustees to assess a one-time flat administrative fee not to exceed the actual cost required to administer the transfers.

The Boards of Trustees shall allow a member two payment plan options, the first to be for life with a guaranteed number of months and the second for life with a guaranteed return of the amount transferred.

Retirement

S.L. 2010-137 (SB 1256) Brevard Academy/Retirement Election

Allows the board of directors of Brevard Academy, a charter school, to make an irrevocable election to become a participating employer in the Teachers' and State Employees' Retirement System and/or the State Health Plan for Teachers' and State Employees' within 30 days after the act becomes law.

S.L. 2010-175 (SB 1212) Local Government Other Post-Employment Benefits

Repeals the laws which established the Local Government Other Post-Employment Benefits (OPEB) Fund consisting of funds contributed by local governments and other entities. OPEB Fund assets were used to pay other post-employment benefits to eligible former employees, or beneficiaries of those former employees, of an entity that contributed to the Fund. The new law will allow local governments and other entities to establish a Local Government Other Post-Retirement Benefits Trust for the purpose of paying post-employment benefits for which the entity is liable. Provides that the assets of that trust may be invested as provided in G.S. 159-30(c) or deposited with the State Treasurer for investment pursuant to G.S. 147-69.2(b4).

Amends G.S. 147-69.2(b4) to provide that funds deposited by a Local Government Other Post-Employment Benefits Trust, as well as interest or other investment income earned from those funds is to be prorated and credited to the contributing trust based on the contributed amounts and figured according to sound accounting principles.

Health Benefits

State Health Plan for Teachers and State Employees

The State Health Plan for Teachers and State Employees (Plan) administers health benefit coverage for active employees from employing units of State agencies and departments, universities, local public schools, and local community colleges. Eligible retired employees of authorized employing units may also access health benefit coverage under the Plan. Eligible dependents of active and retired employees are authorized to participate in the Plan provided they meet certain requirements.

Employees and retired employees of selected local governments may also participate in the Plan under certain conditions. Members of fire, rescue squads, and the National Guard may also obtain coverage under the Plan provided they meet certain eligibility criteria.

The State finances the Plan on a self-funded basis and administers benefit coverage under a Preferred Provider Option (PPO) arrangement. As of June 2010, enrollment in the Plan was 662,168 Plan members. Premiums for health benefit coverage are paid by (1) employing agencies for active employees, (2) the Retiree Health Benefit Fund for retired employees, and (3) employees and retirees who elect dependent coverage. Total requirements for the Plan were \$2.6 billion for FY 2009-10.

Financial Revision Note: Based on a revised financial projection (July 2010) by the Plan's consulting actuary, the Plan's estimated ending cash balance at the end of the 2009 Biennium (i.e., June 30, 2011) is projected to be \$118.0 million. This amount is approximately \$74.2 million less than the originally projected (April 2009) ending cash balance of \$192.2 million estimated during the 2009 Long Session of the General Assembly.

Significant Special Provisions Session Law 2010-31 Senate Bill 897

There were no special provisions that changed the Plan's financing, operations or benefit schedules.

Additional Legislation

S.L. 2010-2 (HB 589) Insurance/Cover Hearing Aids

Requires the Plan, and other health benefit plans subject to Chapter 58 of the General Statutes, to provide hearing aid equipment coverage for hearing impaired plan members up to the age of 22. The limit on coverage is \$2,500 per hearing aid per hearing impaired ear plus related services every 36 months per qualifying plan member. Application by the Plan of annual deductibles, coinsurance and other limitations for similar services would be allowed under the bill provided these same requirements are applied to other similar services.

S.L. 2010-3 (HB 1707) SHP/ Age-Out Dependents; Tobacco Use Testing

This Act made two changes to the Plan which are as follows:

- (1) Effective June 1, 2010 and repealed July 1, 2011, the bill removes the full-time student requirement for dependent children to remain eligible for benefit coverage under the Plan through the end of the month following their 26th birthday. The bill applies only to dependent children who were enrolled in the Plan as of May 1, 2010, and excludes certain dependent children from eligible coverage under the Plan if an

Health Benefits

- (2) otherwise eligible dependent child is eligible for other employer sponsored health benefit coverage; and
- (3) Requires the Plan's Executive Administrator to consult with the General Assembly's Committee on Employee and Hospital Medical Benefits before implementing a plan to verify use of tobacco products by plan members.

S.L. 2010-72 (HB 2054) Retirement Technical Corrections

The 2010 Session of the General Assembly enacted legislation to make several technical corrections to various retirement systems and the State Health Plan. These changes related to the State Health Plan are as follows:

- (1) Allows former employees who have been approved for Long Term Disability, but who are not yet technically receiving the benefit because they received a lump sum payment for their annual/bonus leave, to be covered by the State Health Plan.
- (2) Clarifies that anyone who qualifies for Long Term Disability with transferred service, but does not have five years of State membership service, will not be eligible for State Health Plan benefits while on Long Term Disability.

S.L. 2010-120 (SB1392) State Health Plan/Court-Ordered Guardianships

Amends the definition of "Dependent child" under G.S. 135-45.1(10) to include a child for which an employee enrolled in the Plan is a court-appointed guardian and who is legally responsible for the child's maintenance and support. The effect of the bill is to allow a minor child under a court-ordered guardianship to be eligible for health benefit coverage under the Plan.

S.L. 2010-136 (SB 1251) State Health Plan/Treat Teachers Equitably

G.S. 135-45.2(a)(8) provides noncontributory coverage for up to 12 months under the State Health Plan for employees, who have been employed for 12 or more months by an employing unit, whose jobs are eliminated due to a reduction in force provided the employee was covered by the Plan at the time of separation. The legislation amends G.S. 135-45.2(a)(8) to also extend noncontributory coverage to employees who have completed a contract term of employment of 10 or 11 months if the employing unit is a local school administrative unit. In addition, this act amends this law by adding that an employee shall not be eligible for coverage under this subdivision if the employee is provided health benefit coverage on a noncontributory basis by a subsequent employer.

S.L. 2010-137 (SB1256) Brevard Academy/Retirement Election

Allows the board of directors of Brevard Academy, a charter school, to make an irrevocable election to become a participating employer in the Teachers' and State Employees' Retirement System and/or the State Health Plan for Teachers' and State Employees' within 30 days after the act becomes law.

**NC'S ECONOMY &
STATE REVENUE AND
SUMMARY OF
REVENUE/FEE BILLS**

Special Provisions

2010 Session: SB 897

Department: Finance

Section: 31.1

Title: **IRC UPDATE**

Summary Subsection (a) amends G.S. 105-228.90(b)(1b) to update North Carolina's Income Tax reference to the Federal Internal Revenue Code. The change applies to State tax provisions from May 1, 2009, to May 1, 2010. Small businesses are defined as those with gross receipts equal to or below \$1 million.

Subsection (b) modifies G.S. 105-134.6 to extend the five-year carryback for net operating losses sustained in 2009 for small businesses. The bill does not make the five-year carryback available to large businesses.

This section reduces General Fund availability by \$7 million in FY 2010-11 and increases availability by \$1 million in FY 2011-12.

Section: 31.1A

Title: **SMALL BUSINESS TAX RELIEF**

Summary Amends Article 3B of Chapter 105 of the General Statutes to add a new section, G.S.105-129.16J. The new subsection, temporary unemployment insurance refundable tax credit, provides a refundable income tax credit to small business taxpayers whose gross receipts for the taxable year are less than \$1 million. The credit amount is equal to 25 percent of the amount of the unemployment insurance contributions the taxpayer paid during the calendar year on wages paid to an individual. The provision is effective January 1, 2010, and reduces General Fund availability by \$34.1 million per fiscal year in FY 2010-11 and FY 2011-12.

Section: 31.3

Title: **LOWER SALES TAX COMPLIANCE BURDEN ON SMALL RETAILERS**

Summary Rewrites G.S. 105-164.16(b1) and (b2) to decrease the number of retailers required to submit a sales tax pre-payment. Under prior law, a retailer consistently liable for at least \$10,000 in monthly sales tax revenue had to make a prepayment of the next month's sales tax liability. This legislation raises the threshold from \$10,000 to \$15,000 in monthly tax liability for businesses required to submit a prepayment effective October 1, 2010, and from \$15,000 to \$20,000, effective October 1, 2011. This section reduces General Fund availability by \$7 million in FY 2010-11 and by \$12 million in FY 2011-12.

Section: 31.4

Title: **RELIEVE ANNUAL REPORT COMPLIANCE BURDEN ON SMALL BUSINESSES**

Summary Amends G.S. 55-16-22(c) to stipulate that the first annual report of an LLC is due April 15 following its year of organization. The provision is effective January 1, 2010, and reduces General Fund Availability by \$400,000 per fiscal year.

Section: 31.5

Title: **EXTEND SUNSET ON EXPIRING TAX INCENTIVE INCOME TAX CREDITS AND SALES TAX REFUNDS**

Summary Subsection (a) amends G.S. 105-129.75 to extend the sunset on the tax credit for rehabilitating vacant historic manufacturing sites from January 1, 2011, to January 1, 2014. This change has no fiscal impact in FY 2010-11 and reduces General Fund availability by \$1.5 million in FY 2011-12. The provision has a negative General Fund impact of roughly \$3 to \$5 million in subsequent fiscal years.

Subsection (b) amends G.S. 105-163.015 to extend the sunset from January 1, 2011, to January 1, 2013, on the income tax credit on qualified business ventures. The goal of the credit is to stimulate early stage investments that help move new technologies from universities and other research laboratories to commercialization. The credit, equal to 25 percent of the amount invested, is allowed for an individual taxpayer who invests in a qualifying business venture. Extending the sunset reduces General Fund availability by \$3.5 million in FY 2010-11 and by \$7.5 million in FY 2011-12.

Subsection (c) amends G.S. 105-164.14(a1) to extend the sunset on the sales tax refund provided to interstate passenger air carriers. The refund is equal to the net amount of sales and use tax paid by the company on fuel during a calendar year in excess of \$2.5 million. The extension changes the repeal date of the refund from January 1, 2011, to January 1, 2013, and has no fiscal impact in FY 2010-11, but reduces General Fund availability by \$2.4 million in FY 2011-12.

Subsection (d) amends G.S. 105-164.14(1) to extend the sunset for the sales tax refund on aviation fuel used during a motorsports event. This provision extends the credit from January 1, 2011, to January 1, 2013, and has no fiscal impact in FY 2010-11. The change reduces General Fund availability by \$100,000 in FY 2011-12 and subsequent fiscal years.

Section: 31.6

Title: **MODERNIZE SALES TAX ON ACCOMMODATIONS**

Summary Amends G.S. 105-164.4(a)(3) requiring online travel companies (OTC) to collect and remit sales and use and occupancy taxes on compensation received from internet hotel bookings.

Subsection (a) imposes a tax on a facilitator, the agency or company that provides the service of booking a hotel room online.

Subsection (b) modifies G.S. 105-164.4B to add a new subsection providing that the rental of an accommodation is sourced to the location of the accommodation for sales tax purposes.

Subsection (c) modifies G.S. 153A-155(c) to clarify that all agencies required to remit sales tax under G.S. 105-164.4(a)(3) are also required to collect and remit occupancy taxes to the counties using the same price basis used to determine the sales and use tax due.

Subsection (d) amends G.S. 153A-155(g) to clarify that the new tax collection requirements for online travel companies/facilitators apply in all counties levying an occupancy tax.

Subsection (e) amends G.S. 160A-215(c) to clarify much of the administration associated with collecting and disbursing the occupancy tax for cities.

Subsection (f) amends G.S. 160A-215(g) to specify which cities levy an occupancy tax and are thereby recipients of remitted occupancy tax collections.

S.L. 2010-123, Sec. 10.2, Budget Technical Corrections, amends this provision to clarify that the section becomes effective January 1, 2011, and applies to gross receipts derived from the rental of an accommodation that a consumer occupies or has the right to occupy on or after that date. This change has no fiscal impact.

Section: 31.7

Title: **MODERNIZE ADMISSIONS TAX AND RESTORE AMENITIES EXCLUSION**

Summary Amends G.S. 105-37.1 and G.S. 14-344.1 to extend the 3% privilege tax imposed on the gross receipts on amusements to the Internet resale of amusement admission tickets. The applicable subsection becomes effective January 1, 2011, and applies to charges for admission received on or after that date. The provision also amends those statutes to exclude from tax charges for amenities that are bundled with a ticket purchase, effective for charges for admission received on or after August 1, 2010. This section is expected to reduce General Fund revenues by \$700,000 annually.

Section: 31.7A

Title: **GIVE TAXPAYERS NOTICE OF REVISED TAX INTERPRETATIONS**

Summary Amends G.S. 105-264(c) to require that a revised interpretation may not become effective until the sooner of the following: (1) the first day of a month at least 90 days after the issuance of the revised interpretation, for a tax that is payable on a monthly or quarterly basis; or (2) the first day of a tax year after the issuance of the revised interpretation for a tax that is payable on an annual basis. This section became effective June 30, 2010.

Section: 31.8

Title: **IMPROVE TAX AND DEBT COLLECTION PROCESS**

Summary Amends G.S. 147-86.20(1), G.S. 147-86.22, G.S. 147-86.25, G.S. 105A-2, G.S. 105A-3(c), G.S. 105A-14(a), G.S. 105-259(b)(18), G.S. 105-242(b), G.S. 105-242.1, and G.S. 53B-4(2) to improve the tax and debt collection process of the Department of Revenue by expanding the use of the Setoff Debt Collection Act, authorizing the use of electronic process for sending notice of garnishment, providing for a data match between the Department and financial institutions holding accounts of delinquent taxpayers, and expanding the Statewide Accounts Receivable Program. This section became effective June 30, 2010 and is expected to generate \$3 million per fiscal year.

Section: 31.9

Title: **REDUCE FRANCHISE TAX BURDEN ON CONSTRUCTION COMPANIES**

Summary Rewrites Section 2 of S.L. 2009-422, Franchise Tax-Overbilling Out of Capital Base, to make the act retroactively effective on January 1, 2007 instead of January 1, 2010. The change allows companies to exclude from a corporation's franchise tax base all billings in excess of costs. The change assists in clarifying DOR audits in which some companies were assessed additional tax for excluding billings in excess of costs from their capital base. This change reduces General Fund revenues by \$1.5 million in FY 2010-11, and became effective June 30, 2010.

Section: 31.10

Title: **FAIR TAX PENALTIES**

Summary Amends G.S. 105-236(a)(4) and (a)(5), G.S. 105-241.22, G.S. 105-130.6, G.S. 105-130.14, and G.S. 105-262 to provide that a taxpayer may not be assessed a penalty for understatement of tax due when it complies with the Secretary of Revenue's request to file a consolidated or combined return. The provision also clarifies that a failure to pay a penalty does not apply to a taxpayer who has requested a hearing on the tax liability used as the basis for the penalty. It requires a corporation to file a consolidated or combined return when the corporation's facts and circumstances meet those described in a permanent rule adopted by the Department of Revenue or when they meet those described in a letter of written advice provided by the Secretary to the corporation at the request of the corporation. This section does not impact General Fund revenues. This section became effective June 30, 2010.

Special Provisions

2010 Session: SB 1202

Department: Finance

Section:

Title:

Summary

Section: 10.2

Title: **TECHNICAL CHANGE: TAX CHANGES**

Summary Amends Section 31.6(g) S.L. 2010-31 to clarify that the section becomes effective January 1, 2011, and applies to gross receipts derived from the rental of an accommodation that a consumer occupies or has the right to occupy on or after that date. This change has no fiscal impact.

Other Finance Legislation

2010 Session: HB 1829

Title: **RENEWABLE ENERGY INCENTIVES**

Summary Amends G.S. 105-129.16D(d), G.S. 105-129.16F(b) extending the tax credit for constructing renewable fuel facilities and the credit for biodiesel producers from January 1, 2010 to January 1, 2013. Effective January 1, 2010, the legislation modifies the credit for investing in a renewable energy property by amending G.S. 105-129.15, G.S. 105-129.16A and G.S. 105-259(b). The act also adds a new section, G.S. 105-129.16I, effective January 1, 2014, to reinstate and expand the credit for a renewable energy property facility. Amendments to G.S. 153A-455, G.S. 153A-149(c), G.S. 160A-459.1, and G.S. 160A-209(c) clarify that local governments have the authority to finance energy programs. The revision of G.S. 105-130.34(a) and G.S. 105-151.12(a) clarify that real property donated for conservation purposes can be used only for the conservation purpose. The last amendment, rewriting G.S. 143-341(3), clarifies who is responsible for making the allocation of the Federal §179D tax deduction. The act will reduce General Fund revenues by \$700,000 in FY 2010-11 and except as otherwise noted became effective August 2, 2010. The law applies to taxable years beginning on or after 2010.

Other Finance Legislation

2010 Session: HB 1973

Title: **Various Economic Incentives**

Summary Part I of the bill extends and revises tax credits for growing businesses by amending G.S. 105-129.82(a), G.S.-143B 437.010(a), G.S.-105 129.81, G.S.-105 129.83(e) and (i), G.S.143B-437.02(g), G.S. 143B-437.012(h). These amendments modify Article 3J extending the sunset from January 1, 2011 to January 1, 2013. Secondly, this section makes a technical change to the definition of "agrarian growth zone." The final change in this section clarifies the types of environmental events that disqualify a company for certain economic incentives.

Part II of the bill expands tax credits for film production companies through amendments to G.S. 105-130.47, G.S. 105-151.29, G.S.-105 187.51. These amendments make four substantive changes: 1) increases the applicable percentage of qualifying expenses eligible for a refundable tax credit from 15% to 25%, 2) allows the taxpayer to include as qualifying expenses employee fringe contributions per diems, stipends, and living allowances, 3) increases the cap of the tax credit from \$7.5 million to \$20 million, and 4) clarifies which items can be defined as mill machinery under the privilege license tax.

Part III of the bill, tax credits for developing interactive digital media, modifies G.S. 105-129.50, G.S. 105-129.51, G.S. 150-129.52, and G.S. 105-128.54. The legislation also adds a new section, G.S. 105-129.56. The aforementioned amendments enhance several of North Carolina's existing economic development tools and create new incentives.

Part IV modifies G.S. 105-13.48(f) and G.S. 105-151.30(f) to extend the sunset for the Article 3J and oyster shell recycling tax credits.

Part V creates economic development incentives and favorable tax treatment for Eco-Industrial Parks by amending G.S. 143B-437.08, G.S. 143B-437.4, G.S. 143B-437.52(b), G.S. 105-129.16A(c), and G.S. 105-129.55. These amendments grant all eco-industrial parks in the state a tier one designation for purposes of economic development programs. Secondly, an applicant or project in an Eco-Industrial Park has priority over non-Eco-Industrial Park projects for purposes of selecting applicants for the Job Development Grant Program and selecting projects in a priority area for the NC Green Business Fund. Thirdly, Eco Industrial Parks are not required to provide matching funds nor subject grant limits imposed by the Department of Commerce on funds awarded through the NC Green Business Fund. Lastly, the bill provides a 35% income tax credit for qualified research expenses on research performed in an Eco-Industrial Park.

Part VI exempts certain wood chippers from sales tax, effective July 1, 2009, making amendments to G.S. 105-164.13.

Part VII amends G.S. 7A-304(a) to create a new \$2 court fee for the support and services of the SBI DNA database and appropriates the funds from the fee to the Department of Justice (DOJ). This section also directs the DOJ to use funds available to the Department to implement the provisions of the DNA Database Act of 2010.

Part VIII encourages the Department of Administration to consider the use of multiple award schedule contracts when issuing requests for proposals for State contracts.

The act does not have a fiscal impact in FY 2010-11, but reduces General Fund Availability by \$26.8 million in FY 2011-12. Except as otherwise noted, this act became effective July 22, 2010.

Other Finance Legislation

2010 Session: SB 1171

Title: **KEEPING NC COMPETITIVE ACT**

Summary Amends G.S. 105-164.3(8e), G.S. 105-164.3(23a), G.S. 105-164.13(55), G.S. 105-164.14(j)(3), G.S. 105-187.50, G.S. 105-187.51C(a)(1), G.S. 105-187.51C, and G.S. 143B-437.59(b) to make several tax law changes. The bill reduces General Fund availability by \$8.85 million in FY 2010-11 and by \$13.70 million in FY 2011-12. Unless otherwise noted, this bill became effective July 1, 2010, and applies to purchases made on or after that date.

Part I of this act broadens the definition of an eligible Internet datacenter to include not only a facility that operates Web search portals but also facilities engaged in software publishing. This change became effective July 1, 2010, and applies to sales made on or after that date.

Part II of the act updates the NAICS reference used in the sales and use tax statutes to the most recent edition of NAICS. The Office of Management and Budget updates NAICS every five years. As part of this update, the 2002 NAICS classification for "Internet Service Providers and Web Search Portals," Industry 51811, was changed in the 2007 edition of NAICS to "Internet Publishing and Broadcasting and Web Search Portals," Industry 519130.

Part III also makes a conforming change in language that was based upon the wording used in the 2002 edition of NAICS.

Part IV expands the list of industries allowed an annual sales and use tax refund to include paper-from-pulp manufacturing and turbine manufacturing. This change became effective July 1, 2010, and applies to sales made on or after that date.

Parts V through Parts VII of the act make the following stylistic and clarifying changes to Article 5F: 1) incorporates the investment threshold, as well as the wage and health insurance requirements, in the statute providing the lower tax rate for a datacenter so that all of the provisions governing the applicable tax may be found in one statute, 2) removes the investment, wage, and health insurance requirements from the definitional statute for Article 5F, 3) clarifies that the excise tax does not apply to equipment and machinery of an eligible Internet datacenter or software used in an eligible Internet datacenter that is exempt from sales tax. This provision is effective January 1, 2010.

Part VIII of the act authorizes the economic investment committee charged with administering the JDIG Program to extend a business' base period by up to four years if the business has created and maintained at least 1,000 jobs. The current law remains in place if the business creates fewer than 1,000 jobs, which means that the committee may extend the base period for up to two years. The act makes clear that under no circumstances may the base period be extended by more than four years. This section became effective when the Governor signed the act into law on July 11, 2010, and applies to all agreements in effect on or entered into after that date. This section expires January 1, 2013.

Other Finance Legislation

2010 Session: SB 1215

Title: **ECONOMIC INCENTIVES ALIGNMENT AND CHANGES**

Summary Amends various statutes [G.S. 105-129.6(b); G.S. 105-129.19, G.S. 105-129.26(e), G.S. 105-129.38; G.S. 105-129.44, G.S. 105-129.54, G.S. 105-129.75A, G.S. 105-129.85(b), G.S. 105-129.98, G.S. 105-130.41(c1); G.S. 105-130.45(f), G.S. 105-130.46(k), G.S. 105-130.47(h), G.S. 105-151.22(c1), and G.S. 105-151.29(h)].

The legislation also repeals G.S. 105-164.14(a1), (f-h) and (j-o) replacing the repealed statutes with a new section G.S. 105-164.14A. The bill also adds new sections G.S. 105-164.14B and G.S. 105-164.29B and adds a new subdivision to G.S. 105-256(a).

The bill amends G.S. 105-129.25, G.S. 105-129.26, and G.S. 105-129.27 deleting obsolete economic incentives related to large recycling facilities. The final amendments make conforming changes to G.S. 75-29(a), G.S. 105-129.2(8a), G.S. 105-164.3, G.S. 105-187.18(b), G.S. 105-187.23, G.S. 105-187.33, G.S. 105-259(b), and G.S. 105-467(b).

The aforementioned statutory changes harmonize sunset and reporting features and requirements across the State's various economic incentives. The legislation creates a single, unified economic incentives report that contains information currently reported separately for each economic incentive. Under previous law, many of the economic incentives enacted under Article 3, the income tax credits in Article 4, and the sales and use tax benefits in Article 5 had reporting requirements and sunset provisions; however, those requirements were not uniformly set out in each incentive. Where reporting requirements were set out, there were inconsistencies with respect to itemization by taxpayer, itemization by credit, the reporting entity, and other miscellaneous differences.

The bill also deletes two underutilized or unnecessary economic incentives. The legislation eliminates the credit in Article 3C for large recycling facilities, which was intended for Wisconsin Tissue. That company never located in North Carolina. The second underutilized tax credit deleted by this legislation was included under Article 3G. The credit applied to major computer manufacturing facilities. Other than Dell, the facility for which the incentive was enacted, the credit was not utilized.

Effective July 1, 2010, the act does not have a fiscal impact in FY 2010-11 and increases General Fund availability by \$1.04 million in FY 2011-12.

APPENDICES

Total State Budget By Source of Funds

PENDING

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

Fiscal Year	Total Authorizations *	% Change vs. Prior Year	Capital Improvements				Total Adjustments	Total Current Operations	% Change vs. Prior Year
			Direct Appropriations Includes FRS	Earmarking of Unreserved Credit Balance	Savings Reserve Direct Appropriations	Other			
1980-1981	3,255,104,769	14.80%	104,141,290	0	0	0	104,141,290	3,150,963,479	14.54%
1981-1982	3,432,556,046	5.45%	30,861,142	0	0	0	30,861,142	3,401,694,904	7.96%
1982-1983	3,626,915,248	5.66%	65,772,358	0	0	0	65,772,358	3,561,142,890	4.69%
1983-1984	3,857,564,088	6.36%	59,782,244	0	0	25,800,000	85,582,244	3,771,981,844	5.92%
1984-1985	4,532,103,411	17.49%	212,535,238	0	0	0	212,535,238	4,319,568,173	14.52%
1985-1986	5,130,563,978	13.20%	253,503,234	0	0	0	253,503,234	4,877,060,744	12.91%
1986-1987	5,531,345,878	7.81%	297,667,245	0	0	0	297,667,245	5,233,678,633	7.31%
1987-1988	5,978,265,764	8.08%	173,020,035	0	0	0	173,020,035	5,805,245,729	10.92%
1988-1989	6,561,392,895	9.75%	258,659,030	0	0	0	258,659,030	6,302,733,865	8.57%
1989-1990	7,266,680,455	10.75%	150,092,738	0	0	0	150,092,738	7,116,587,717	12.91%
1990-1991	7,973,824,802	9.73%	106,400,195	0	141,000,000	0	247,400,195	7,726,424,607	8.57%
1991-1992	7,825,732,308	-1.86%	0	0	400,000	0	400,000	7,825,332,308	B 1.28%
1992-1993	8,209,537,916	4.90%	95,205,570	0	0	0	95,205,570	8,114,332,346	C 3.69%
1993-1994	9,317,906,610	13.50%	135,371,704	57,000,000	0	0	192,371,704	9,125,534,906	12.46%
1994-1995	10,268,424,627	10.20%	189,391,450	60,000,000	66,700,000	0	316,091,450	9,952,333,177	9.06%
1995-1996	10,031,584,878	-2.31%	113,522,500	125,000,000	0	0	238,522,500	9,793,062,378	-1.60%
1996-1997	10,654,778,229	E 6.21%	157,267,000	0	D 0	47,100,000	F 204,367,000	10,450,411,229	6.71%
1997-1998	11,635,189,516	G 9.20%	152,991,120	174,260,955	0	49,354,893	H 376,606,968	11,258,582,548	7.73%
1998-1999	13,111,623,293	12.69%	192,199,500	145,000,000	0	447,397,819	I 784,597,319	12,327,025,974	9.49%
1999-2000	14,237,669,453	8.59%	77,059,168	90,000,000	J 0	629,000,000	K 796,059,168	13,441,610,285	9.04%
2000-2001	14,383,516,932	1.02%	114,974,172	L 0	120,000,000	270,000,000	M 504,974,172	13,878,542,760	N 3.25%
2001-2002	14,863,745,843	3.34%	157,936,000	0	0	0	O 157,936,000	14,705,809,843	N 5.96%
2002-2003	14,351,822,876	-3.44%	31,158,000	0	0	0	31,158,000	14,320,664,876	-2.62%
2003-2004	14,914,222,783	Q 3.92%	27,601,000	15,000,000	0	0	42,601,000	14,871,621,783	3.85%
2004-2005	16,024,170,294	7.44%	45,192,000	76,797,361	0	4,500,000	R 126,489,361	15,897,680,933	6.90%
2005-2006	17,341,821,310	S 8.22%	54,960,000	125,000,000	0	0	179,960,000	17,161,861,310	7.95%
2006-2007	19,102,281,272	10.15%	206,343,300	222,229,189	0	0	428,572,489	18,673,708,783	8.81%
2007-2008	20,817,042,249	T 8.98%	230,741,100	145,000,000	0	0	375,741,100	20,441,301,149	9.47%
2008-2009	21,437,970,761	2.98%	129,082,062	69,839,238	0	0	198,921,300	21,239,049,461	3.90%
2009-2010	19,039,174,596	U,V -11.19%	4,875,000	0	0	0	4,875,000	19,034,299,596	-10.38%
2010-2011	18,985,738,843	W -0.28%	11,173,440	0	0	0	11,173,440	18,974,565,403	-0.31%

* Includes Local Government Hold Harmless Revenue; additional information is available from the Department of Revenue at http://www.dor.state.nc.us/publications/hold_harmless_2009.pdf

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations	Education								Health & Human Services		All Other	
		Public Schools		Community Colleges		University		as % of Total	Amount	Percent	Amount	Percent	
		Amount	Percent	Amount	Percent	Amount	Percent						
1970-71	Authorization	981,127,808	510,055,771	52.0%	44,935,256	4.6%	147,326,678	15.0%	71.6%	131,483,760	13.4%	147,326,343	15.0%
	Expenditure	939,311,030	496,905,842	52.9%	43,642,139	4.6%	138,608,501	14.8%	72.3%	122,069,070	13.0%	138,085,478	14.7%
	Reversion	41,816,778	13,149,929	31.4%	1,293,117	3.1%	8,718,177	20.8%	55.4%	9,414,690	22.5%	9,240,865	22.1%
	% Unexpended	4.26%	2.58%		2.88%		5.92%			7.16%		6.27%	
1971-72	Authorization	1,073,289,571	533,536,652	49.7%	55,958,450	5.2%	163,331,175	15.2%	70.1%	160,607,710	15.0%	159,855,584	14.9%
	Expenditure	1,031,353,080	527,938,182	51.2%	55,954,999	5.4%	148,864,864	14.4%	71.0%	148,919,439	14.4%	149,675,596	14.5%
	Reversion	41,936,491	5,598,470	13.3%	3,451	0.0%	14,466,311	34.5%	47.9%	11,688,271	27.9%	10,179,988	24.3%
	% Unexpended	3.91%	1.05%		0.01%		8.86%			7.28%		6.37%	
1972-73	Authorization	1,187,443,130	575,012,350	48.4%	63,193,535	5.3%	179,910,706	15.2%	68.9%	180,762,164	15.2%	188,564,375	15.9%
	Expenditure	1,139,500,642	569,792,945	50.0%	60,636,067	5.3%	166,208,535	14.6%	69.9%	168,819,831	14.8%	174,043,264	15.3%
	Reversion	47,942,488	5,219,405	10.9%	2,557,468	5.3%	13,702,171	28.6%	44.8%	11,942,333	24.9%	14,521,111	30.3%
	% Unexpended	4.04%	0.91%		4.05%		7.62%			6.61%		7.70%	
1973-74	Authorization	1,520,694,407	718,947,864	47.3%	99,582,404	6.5%	222,838,796	14.7%	68.5%	224,614,625	14.8%	254,710,718	16.7%
	Expenditure	1,433,241,642	702,789,400	49.0%	92,458,946	6.5%	207,225,420	14.5%	69.9%	198,201,121	13.8%	232,566,755	16.2%
	Reversion	87,452,765	16,158,464	18.5%	7,123,458	8.1%	15,613,376	17.9%	44.5%	26,413,504	30.2%	22,143,963	25.3%
	% Unexpended	5.75%	2.25%		7.15%		7.01%			11.76%		8.69%	
1974-75	Authorization	1,698,417,672	789,391,908	46.5%	109,218,752	6.4%	280,638,400	16.5%	69.4%	270,434,740	15.9%	248,733,872	14.6%
	Expenditure	1,627,703,631	772,145,444	47.4%	106,413,517	6.5%	267,090,160	16.4%	70.4%	246,757,184	15.2%	235,297,326	14.5%
	Reversion	70,714,041	17,246,464	24.4%	2,805,235	4.0%	13,548,240	19.2%	47.5%	23,677,556	33.5%	13,436,546	19.0%
	% Unexpended	4.16%	2.18%		2.57%		4.83%			8.76%		5.40%	
1975-76	Authorization	1,737,659,496	800,937,335	46.1%	105,465,494	6.1%	270,526,549	15.6%	67.7%	282,548,220	16.3%	278,181,898	16.0%
	Expenditure	1,670,011,262	792,213,250	47.4%	99,816,634	6.0%	249,604,282	14.9%	68.4%	274,169,121	16.4%	254,207,975	15.2%
	Reversion	67,648,234	8,724,085	12.9%	5,648,859	8.4%	20,922,767	30.9%	52.2%	8,379,099	12.4%	23,973,424	35.4%
	% Unexpended	3.89%	1.09%		5.36%		7.73%			2.97%		8.62%	
1976-77	Authorization	1,962,976,606	899,151,043	45.8%	116,481,854	5.9%	307,123,340	15.6%	67.4%	335,842,343	17.1%	304,378,026	15.5%
	Expenditure	1,890,839,697	888,449,745	47.0%	110,824,929	5.9%	289,972,146	15.3%	68.2%	313,022,287	16.6%	288,570,590	15.3%
	Reversion	72,136,909	10,701,298	14.8%	5,656,925	7.8%	17,151,194	23.8%	46.5%	22,820,056	31.6%	15,807,436	21.9%
	% Unexpended	3.67%	1.19%		4.86%		5.58%			6.79%		5.19%	
1977-78	Authorization	2,193,405,714	997,654,527	45.5%	114,065,103	5.2%	357,790,592	16.3%	67.0%	368,169,434	16.8%	355,726,058	16.2%
	Expenditure	2,131,150,750	988,189,540	46.4%	113,168,528	5.3%	337,633,079	15.8%	67.5%	351,655,302	16.5%	340,504,301	16.0%
	Reversion	62,254,964	9,464,987	15.2%	896,575	1.4%	20,157,513	32.4%	49.0%	16,514,132	26.5%	15,221,757	24.5%
	% Unexpended	2.84%	0.95%		0.79%		5.63%			4.49%		4.28%	
1978-79	Authorization	2,452,011,095	1,098,173,958	44.8%	139,794,869	5.7%	394,767,166	16.1%	66.6%	412,559,917	16.8%	406,715,185	16.6%
	Expenditure	2,358,332,842	1,092,015,308	46.3%	133,975,021	5.7%	379,305,638	16.1%	68.1%	372,632,422	15.8%	380,404,453	16.1%
	Reversion	93,678,253	6,158,650	6.6%	5,819,848	6.2%	15,461,528	16.5%	29.3%	39,927,495	42.6%	26,310,732	28.1%
	% Unexpended	3.82%	0.56%		4.16%		3.92%			9.68%		6.47%	
1979-80	Authorization	2,750,988,834	1,230,099,474	44.7%	145,243,264	5.3%	436,949,552	15.9%	65.9%	473,705,994	17.2%	464,990,550	16.9%
	Expenditure	2,660,272,288	1,230,099,473	46.2%	145,243,264	5.5%	414,751,963	15.6%	67.3%	429,814,253	16.2%	440,363,335	16.6%
	Reversion	90,716,546	1	0.0%	0	0.0%	22,197,589	24.5%	24.5%	43,891,741	48.4%	24,627,215	27.1%
	% Unexpended	3.30%	0.00%		0.00%		5.08%			9.27%		5.30%	

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

A - 4

Notes

- A \$25.8 million transferred to the Highway Fund
- B Amount shown is net after transfer of \$6.6 million to EHNR operating budget
- C Amount shown is net after transfer of \$4.4 million to EHNR operating budget
- D Repairs/Renovations of \$130 million were funded directly from earmarked reserve as was \$39,519,567 additional items by transferring funds appropriated from the General Fund for the Fiscal Year 1995-96 to a capital improvement reserve
- E Adjusted to reflect supplemental appropriation for Community Colleges for 1996-97 as appropriated by the 1997 Session
- F \$47.1 million for the Clean Water Management Trust Fund and Wetlands Restoration Fund earmarked from year-end credit balance
- G Adjusted to reflect Year 2000 Conversion appropriation made for 1997-98 by 1998 Session
- H \$49.4 million for the Clean Water Management Trust Fund earmarked from year-end credit balance
- I Includes \$400 million for Bailey/Emory/Patton Reserve and \$47.4 million for Clean Water Management Trust Fund earmarked from year-end credit balance
- J Originally \$150 million but \$60 million was transferred to the Hurricane Floyd Disaster Relief Fund; this redirection of funds does not affect current operations amount
- K Includes \$399 million for Bailey/Emory/Patton Reserve; \$200 million for Intangibles Settlement Reserve; and \$30 million for Clean Water Management Trust Fund earmarked from year-end credit balance
- L Includes \$100 million direct appropriation to R & R, due to insufficient year-end credit balance for earmarking
- M Includes \$240 million transfer to the Reserve for Intangibles Tax Settlement effective June 30, 2000 and \$30 million direct appropriation to Clean Water Management Trust Fund, due to insufficient year-end credit balance for earmarking
- N Amounts for FY 2000-01 and FY 2001-02 differ from amounts published in the Overview document for the 2000 and 2001 Sessions. The amounts shown for "Total Authorizations" and "Total Current Operations" have been revised.
- O Effective July 1, 2001, the General Assembly established an annual General Fund appropriation for the Clean Water Management Trust Fund; as such funding for this program is included in the Total Current Operations amount for FY 2001-02 and all subsequent fiscal years.
- Q Includes \$24 million in economic development funding appropriated in S.L. 2003-435 and \$64.1 million in emergency funding appropriated in S.L. 2004-88
- R Statutorily established the "JDIG Reserve Fund" to make annual appropriations to the Job Development Investment Grants Program. In response to the Governor's appropriation limit, appropriations made to this Reserve in the FY 2004-05 are not considered to be part of the current operating budget.
- S Includes an additional \$15 million in emergency funds appropriated mid-year for the Department of Corrections as per S.L. 2006-2 (HB 1868).
- T Total Authorizations include additional funding passed in HB 265 (Establish High-Risk Pool), HB1517 (Voter-Owned Elections Pilot); and Extra Session: HB 4 (Job Maintenance and Capital Development Fund).
- U S.L. 2007-323, Sec. 31.16.3.(c) changed the calculation of the Hold Harmless Distribution effective January 1, 2008.
- V Total Authorizations include additional funding passed in S.L. 2009-475 (Budget Technical Corrections).
- W Total Authorizations include additional funding passed in S.L. 2010-123 (Budget Technical Corrections).

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations		Education							Health & Human Services		All Other	
			Public Schools		Community Colleges		University			Amount	Percent	Amount	Percent
	Amount	Percent	Amount	Percent	Amount	Percent	as % of Total	Amount	Percent				
1990-91	Authorization	7,249,630,710 A	3,329,171,720	45.9%	387,611,956	5.3%	1,143,216,957	15.8%	67.0%	1,098,228,128	15.1%	1,291,401,949	17.8%
	Expenditure	6,877,865,221	3,176,190,223	46.2%	374,186,097	5.4%	1,089,669,672	15.8%	67.5%	1,071,202,135	15.6%	1,166,617,094	17.0%
	Reversion	371,765,491	152,981,497	41.1%	13,425,859	3.6%	53,547,285	14.4%	59.2%	27,025,993	7.3%	124,784,857	33.6%
	% Unexpended	5.13%	4.60%		3.46%		4.68%			2.46%		9.66%	
1991-92	Authorization	7,357,101,134 A	3,293,699,663	44.8%	344,131,858	4.7%	1,121,976,740	15.3%	64.7%	1,237,322,428	16.8%	1,359,970,445	18.5%
	Expenditure	7,184,089,741	3,235,476,119	45.0%	338,050,542	4.7%	1,092,166,393	15.2%	64.9%	1,223,468,038	17.0%	1,294,928,649	18.0%
	Reversion	173,011,390	58,223,544	33.7%	6,081,316	3.5%	29,810,346	17.2%	54.4%	13,854,390	8.0%	65,041,794	37.6%
	% Unexpended	2.35%	1.77%		1.77%		2.66%			1.12%		4.78%	
1992-93	Authorization	7,881,908,182 A	3,435,634,234	43.6%	398,689,471	5.1%	1,170,947,533	14.9%	63.5%	1,410,255,601	17.9%	1,466,381,343	18.6%
	Expenditure	7,552,787,565	3,399,653,728	45.0%	391,402,904	5.2%	1,140,308,136	15.1%	65.3%	1,222,683,543	16.2%	1,398,739,254	18.5%
	Reversion	329,120,617	35,980,506	10.9%	7,286,567	2.2%	30,639,398	9.3%	22.5%	187,572,058	57.0%	67,642,088	20.6%
	% Unexpended	4.18%	1.05%		1.83%		2.62%			13.30%		4.61%	
1993-94	Authorization	8,888,710,752 A	3,634,055,711	40.9%	450,882,941	5.1%	1,299,865,905	14.6%	60.6%	1,759,286,096	19.8%	1,744,620,099	19.6%
	Expenditure	8,575,733,017	3,587,786,193	41.8%	447,100,088	5.2%	1,266,772,749	14.8%	61.8%	1,647,826,530	19.2%	1,626,247,457	19.0%
	Reversion	312,977,735	46,269,518	14.8%	3,782,403	1.2%	33,093,156	10.6%	26.6%	111,459,566	35.6%	118,373,092	37.8%
	% Unexpended	3.52%	1.27%		0.84%		2.55%			6.34%		6.79%	
1994-95	Authorization	9,715,509,023 A	4,082,959,317	42.0%	455,651,184	4.7%	1,296,558,991	13.3%	60.1%	1,948,639,177	20.1%	1,931,700,354	19.9%
	Expenditure	9,482,528,320	4,048,929,070	42.7%	453,927,375	4.8%	1,265,809,673	13.3%	60.8%	1,902,007,678	20.1%	1,811,854,524	19.1%
	Reversion	232,980,703	34,030,247	14.6%	1,723,809	0.7%	30,749,318	13.2%	28.5%	46,631,499	20.0%	119,845,830	51.4%
	% Unexpended	2.40%	0.83%		0.38%		2.37%			2.39%		6.20%	
1995-96	Authorization	9,793,062,378	3,998,978,216	40.8%	470,880,697	4.8%	1,301,040,079	13.3%	58.9%	2,049,069,520	20.9%	1,973,093,866	20.1%
	Expenditure	9,570,832,269	3,951,497,059	41.3%	467,105,237	4.9%	1,275,618,898	13.3%	59.5%	1,991,088,366	20.8%	1,885,522,709	19.7%
	Reversion	222,230,109	47,481,157	21.4%	3,775,460	1.7%	25,421,181	11.4%	34.5%	57,981,154	26.1%	87,571,157	39.4%
	% Unexpended	2.27%	1.19%		0.80%		1.95%			2.83%		4.44%	
1996-97	Authorization	10,450,411,229	4,301,626,282	41.2%	501,802,184	4.8%	1,385,611,961	13.3%	59.2%	2,189,874,842	21.0%	2,071,495,960	19.8%
	Expenditure	10,309,508,861	4,267,252,095	41.4%	495,543,157	4.8%	1,382,794,052	13.4%	59.6%	2,153,564,048	20.9%	2,010,355,509	19.5%
	Reversion	140,902,368	34,374,187	24.4%	6,259,027	4.4%	2,817,909	2.0%	30.8%	36,310,794	25.8%	61,140,451	43.4%
	% Unexpended	1.35%	0.80%		1.25%		0.20%			1.66%		2.95%	
1997-98	Authorization	11,258,582,548 B	4,697,892,305	41.7%	534,873,175	4.8%	1,489,866,397	13.2%	59.7%	2,422,884,666 C	21.5%	2,113,066,005	18.8%
	Expenditure	11,108,886,722	4,693,184,126	42.2%	528,107,909	4.8%	1,475,180,196	13.3%	60.3%	2,359,194,346	21.2%	2,053,220,145	18.5%
	Reversion	149,695,826 D	4,708,179	3.1%	6,765,266	4.5%	14,686,201	9.8%	17.5%	63,690,320	42.5%	59,845,860	40.0%
	% Unexpended	1.33%	0.10%		1.26%		0.99%			2.63%		2.83%	
1998-99	Authorization	12,327,025,974	5,068,634,951	41.1%	587,542,475	4.8%	1,628,888,154	13.2%	59.1%	2,663,571,595	21.6%	2,378,388,799	19.3%
	Expenditure	12,177,442,547	5,038,223,817	41.4%	582,222,727	4.8%	1,626,641,628	13.4%	59.5%	2,598,933,047	21.3%	2,331,421,328	19.1%
	Reversion	149,583,427 E	30,411,134	20.3%	5,319,748	3.6%	2,246,526	1.5%	25.4%	64,638,548	43.2%	46,967,471	31.4%
	% Unexpended	1.21%	0.60%		0.91%		0.14%			2.43%		1.97%	
1999-00	Authorization	13,441,610,285	5,497,075,780 F	40.9%	589,634,008	4.4%	1,682,143,914	12.5%	57.8%	2,797,755,988	20.8%	2,875,000,595	21.4%
	Expenditure	13,297,649,285 G	5,450,607,364	41.0%	582,151,546	4.4%	1,679,203,122	12.6%	58.0%	2,776,740,143	20.9%	2,808,947,110	21.1%
	Reversion	143,961,000	46,468,416	32.3%	7,482,462	5.2%	2,940,792	2.0%	39.5%	21,015,845	14.6%	66,053,485	45.9%
	% Unexpended	1.07%	0.85%		1.27%		0.17%			0.75%		2.30%	

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations			Education						Health & Human Services		All Other		
		Amount	Percent	Public Schools		Community Colleges		University		Amount	Percent	Amount	Percent	
				Amount	Percent	Amount	Percent	Amount	Percent					as % of Total
2000-01	Authorization	13,785,142,760		5,792,274,120	42.0%	644,032,372	4.7%	1,802,069,274	13.1%	59.8%	2,954,057,035	21.4%	2,592,709,959	18.8%
	Expenditure	13,220,036,214		5,671,631,385	42.9%	624,550,046	4.7%	1,767,873,649	13.4%	61.0%	2,884,925,899	21.8%	2,271,055,235	17.2%
	Reversion	565,106,546 H		120,642,735	21.3%	19,482,326	3.4%	34,195,625	6.1%	30.8%	69,131,136	12.2%	321,654,724	56.9%
	% Unexpended	4.10%		2.08%		3.03%		1.90%			2.34%		12.41%	
2001-02	Authorization	14,372,409,843		5,922,450,405	41.2%	650,075,770	4.5%	1,801,953,447	12.5%	58.3%	3,403,041,641	23.7%	2,594,888,580	18.1%
	Expenditure	13,708,199,020		5,815,381,127	42.4%	603,705,902	4.4%	1,647,270,569	12.0%	58.8%	3,273,742,131	23.9%	2,368,099,291	17.3%
	Reversion	664,210,823 H		107,069,278	16.1%	46,369,868	7.0%	154,682,878	23.3%	46.4%	129,299,510	19.5%	226,789,289	34.1%
	% Unexpended	4.62%		1.81%		7.13%		8.58%		3.80%		8.74%		
2002-03	Authorization	14,323,937,462		5,932,964,494	41.42%	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	42.48%	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	12.01%	47,162,132	9.4%	83,696,275	16.8%	38.2%	244,975,728	49.0%	63,729,002	12.8%
	% Unexpended	3.49%		1.01%		7.07%		4.73%		6.82%		2.70%		
2003-04	Authorization	14,835,621,783		6,182,040,462	41.7%	683,286,314	4.6%	1,821,404,924	12.3%	58.6%	3,391,464,938	22.9%	2,757,425,145	18.6%
	Expenditure	14,676,583,520		6,166,536,283	42.0%	671,326,024	4.6%	1,793,421,536	12.2%	58.8%	3,344,888,536	22.8%	2,700,411,141	18.4%
	Reversion	159,038,263		15,504,179	9.7%	11,960,290	7.5%	27,983,388	17.6%	34.9%	46,576,402	29.3%	57,014,004	35.8%
	% Unexpended	1.1%		0.3%		1.75%		1.54%		1.37%		2.07%		
2004-05	Authorization	15,873,167,528		6,519,008,204	41.1%	751,146,236	4.7%	1,959,240,757	12.3%	58.1%	3,812,042,289	24.0%	2,831,730,042	17.8%
	Expenditure	15,753,167,545 I		6,483,369,051	41.2%	748,369,052	4.8%	1,953,902,429	12.4%	58.3%	3,785,482,228	24.0%	2,782,044,785	17.7%
	Reversion	119,999,983		35,639,153	29.7%	2,777,184	2.3%	5,338,328	4.4%	36.5%	26,560,061	22.1%	49,685,257	41.4%
	% Unexpended	0.8%		0.5%		0.37%		0.27%		0.70%		1.75%		
2005-06	Authorization	17,141,460,791		6,880,737,717	40.1%	827,719,984	4.8%	2,151,799,848	12.6%	57.5%	4,057,141,594	23.7%	3,224,061,648	18.8%
	Expenditure	16,977,479,186		6,867,308,952	40.4%	824,876,346	4.9%	2,146,047,180	12.6%	57.9%	4,025,185,595	23.7%	3,114,061,113	18.3%
	Reversion	163,981,605		13,428,765	8.2%	2,843,638	1.7%	5,752,668	3.5%	13.4%	31,955,999	19.5%	110,000,535	67.1%
	% Unexpended	1.0%		0.2%		0.34%		0.27%		0.79%		3.41%		
2006-07	Authorization	18,659,616,984		7,403,293,531	39.7%	935,718,292	5.0%	2,444,487,725	13.1%	57.8%	4,282,975,588	23.0%	3,593,141,848	19.3%
	Expenditure	18,455,735,426		7,377,354,362	40.0%	931,214,004	5.0%	2,435,690,255	13.2%	58.2%	4,233,479,600	22.9%	3,477,997,205	18.8%
	Reversion	203,881,558		25,939,169	12.7%	4,504,288	2.2%	8,797,470	4.3%	19.2%	49,495,988	24.3%	115,144,643	56.5%
	% Unexpended	1.1%		0.4%		0.48%		0.36%		1.16%		3.20%		
2007-08	Authorization	20,428,846,612		8,055,773,246	39.4%	990,523,754	4.8%	2,752,879,241	13.5%	57.8%	4,656,473,863	22.8%	3,973,196,508	19.4%
	Expenditure	20,145,647,198		7,977,135,139	39.6%	980,870,382	4.9%	2,713,732,194	13.5%	57.9%	4,633,261,552	23.0%	3,840,647,931	19.1%
	Reversion	283,199,414		78,638,107	27.8%	9,653,372	3.4%	39,147,047	13.8%	45.0%	23,212,311	8.2%	132,548,577	46.8%
	% Unexpended	1.4%		1.0%		0.97%		1.42%		0.50%		3.34%		
2008-09	Authorization	21,226,885,372		8,365,862,894	39.4%	1,016,658,560	4.8%	2,895,358,623	13.6%	57.8%	4,956,587,127	23.4%	3,992,418,168	18.8%
	Expenditure	19,629,407,644		8,141,898,009	41.5%	924,402,451	4.7%	2,573,160,635	13.1%	59.3%	4,353,279,435	22.2%	3,636,667,114	18.5%
	Reversion	1,597,477,728 J		223,964,885	14.0%	92,256,109	5.8%	322,197,988	20.2%	40.0%	603,307,692	37.8%	355,751,054	22.3%
	% Unexpended	7.5%		2.7%		9.07%		11.13%		12.17%		8.91%		
2009-10	Authorization	19,010,057,199		7,544,465,541	39.7%	1,011,884,279	5.3%	2,738,558,775	14.4%	59.4%	3,912,766,229	20.6%	3,802,382,375	20.0%
	Expenditure	18,507,766,990		7,486,556,464	40.5%	945,298,841	5.1%	2,600,397,012	14.1%	59.6%	3,888,458,569	21.0%	3,587,056,104	19.4%
	Reversion	502,290,209 K		57,909,077	11.5%	66,585,438	13.3%	138,161,763	27.5%	52.3%	24,307,660	4.8%	215,326,271	42.9%
	% Unexpended	2.6%		0.8%		6.58%		5.05%		0.62%		5.66%		

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Notes

- A Amounts Adjusted; see Total General Fund Authorizations as Adjusted to Determine Total Current Operations
- B Adjusted to include Year 2000 Appropriation for 1997-98 made by 1998 Session
- C Adjusted for Reorganization reflecting transfer of Health Services to Department of Health and Human Services
- D Reversions for 1997-98 of \$55,027,680 were earmarked for expenditure in Section 9 of SB 1366 (SL1998-212), reducing net reversions to \$94,668,146
- E Reversions of \$37 million were earmarked: \$30 million for Aquariums Capital and \$7 million for Warren County
- F Total includes \$240 million transfer from 11th/12th month payroll funds to Intangibles Reserve and additional \$11 million transfer to General Fund
- G Total includes \$225.7 million in "targeted reversions" transferred from state agencies to the Reserve for Hurricane Floyd Disaster Relief. (Amounts transferred to the Floyd Reserve by: Public Schools = \$45,545,171; Community Colleges = \$5,797,721; UNC System = \$13,607,225; DHHS = \$96,758,305)
- H Reversion totals higher for FY 2000-01, 2001-02 and 2002-03 due to budget balancing measures directed by the Governor.
- I Total includes \$91 million in "targeted reversions" transferred from state agencies to the Disaster Relief Reserve Fund.
- J The \$1.6 billion shown as "reversions" reflects reduced spending authorizations due to a significant revenue shortfall (see Special Topics section).
- K The \$502.3 million shown as "reversions" reflects reduced spending authorizations due to a revenue shortfall.

Earmarking of the Unreserved Fund Balance by Fiscal Year
(Includes Earmarkings / Transfers / Appropriations Directly from Year End Balance)

Fiscal Year	June 30th Unreserved Fund Balance b/f Earmarking A	Statutory Earmarkings, Transfers and Appropriations of Year-end Fund Balance							Unreserved Fund Balance for Subsequent FY Beginning July 1st
		Savings Reserve Account	Repairs & Renovations Account	Clean Water Management Trust Fund B	Tax Relief/ Tax Refunds	Other Earmarking	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 C	146,305,569 D		28,100,000 E			387,411,138	292,611,137
1995-96	726,581,754	77,342,026	130,000,000	47,100,000 F	26,200,000 G		39,803,567 H	320,445,593	406,136,161
1996-97	759,306,050		174,260,955	49,354,893	156,000,000 I	61,000,000 J		440,615,848	318,690,202
1997-98	784,224,890	21,568,903	145,000,000	47,397,819		400,000,000 L	55,027,680 K	668,994,402	115,230,488
1998-99	514,756,178		150,000,000	31,054,152			37,000,000 M	218,054,152	296,702,026
1999-00	3,869,243	967,311	2,901,932		0 N			3,869,243	0
2000-01	6,350,587				0 M		6,350,587 O	6,350,587	0
2001-02	3,785,997 P							0	25,000,000 p
2002-03	415,543,840 Q	150,000,000	15,000,000					165,000,000	250,543,840 Q
2003-04	482,842,037 R	116,666,064	76,797,361					193,463,425	289,378,612 R
2004-05	802,633,946 S	199,125,000	125,000,000					324,125,000	478,508,946 S
2005-06	1,287,766,872 T	316,151,631 U	222,229,189					538,380,820	749,386,052 T
2006-07	1,541,181,489 V	175,000,000 W	145,000,000					320,000,000	1,221,181,489 V
2007-08	668,876,937 X		69,839,238 Y					69,839,238	599,037,699 X
2008-09	92,237,091 Z							0	92,237,091
2009-10	236,902,394							0	236,902,394 AA

Notes

- A June 30th unreserved fund balance according to the Office of State Budget and Management and the Office of the State Controller.
- B Effective July 1, 2001, the General Assembly repealed the required earmarking of the year end credit balance for the Clean Water Management Trust Fund and established an annual appropriation for the trust fund.
- C Includes direct transfer to the Savings Reserve Account of \$66,700,000.
- D Only \$125,000,000 was appropriated by the General Assembly for Repairs/Renovations; the balance of \$21,305,569 was appropriated by the 1996 Session of the General Assembly for Special Projects.
- E Funds reserved for Future Tax Relief.

Earmarking of the Unreserved Fund Balance by Fiscal Year
(Includes Earmarkings / Transfers / Appropriations Directly from Year End Balance)

A - 9

- F \$9.2 million was transferred to the Wetlands Restoration Fund in accordance with Section 27.6(d) of Chapter 18 of the 1996 Extra Session Laws.
- G Reserve for Federal Retirees Refund (\$25 million) and Federal Retiree Administration (\$1.2 million).
- H Appropriation of additional 1996-97 capital improvements of \$39,519,567 made by re-appropriating 1995-96 unexpended appropriations and the appropriation of 1995-96 reversion of \$284,000 for library grants (Library grant was not re-appropriated but held in reserve).
- I Funds reserved for Intangible Tax Remedy/Refunds.
- J Investment in North Carolina Railroad stock.
- K Appropriation of 1997-98 reversions for FY 1997-98 in accordance with S.L. 1998-212, Sec. 9.
- L Funds reserved for Bailey/Emory/Patton Reserve.
- M \$30 million appropriation for Aquariums capital improvement; \$7 million appropriated for Warren County Landfill.
- N Year-end credit balance insufficient for earmarking; General Assembly appropriated \$30 million directly to the Clean Water Management Trust Fund.
- O Transferred to the Reserve for Disaster Relief .
- P The beginning unreserved fund balance recognized by the General Assembly and included in General Fund availability for the FY 2002-03 is \$25 million, as specified in S.L. 2002-126, Sec. 2.2.(a).
- Q The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$409.2 million and \$244.2 million, respectively.
- R The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$466.7 million and \$273.2 million, respectively.
- S The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$796.5 million and \$472.4 million, respectively.
- T The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$1.296 billion and \$749.4 million, respectively.
- U Pursuant to G.S. 143-15.3, Savings Reserve earmarking is adjusted to reflect final unreserved fund balance; earmarking recognized by General Assembly in S.L. 2006-66 was \$323,871,747.
- V The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$1.493 billion and \$1.173 billion, respectively.
- W Pursuant to S.L. 2007-323, Sec. 2.2.(c1), Savings Reserve earmarking recognized by the General Assembly was \$175,000,000.
- X The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$576.1 million and \$506.2 million, respectively.
- Y Pursuant to S.L. 2008-107, Sec. 2.2.(c1), Savings Reserve earmarking recognized by the General Assembly was \$0.
- Z The unreserved fund balance recognized by the General Assembly was \$91,967,011.
- AA The unreserved fund balance recognized by the General Assembly was \$3,972,262. As per the Office of State Budget and Management, Medicaid reimbursements anticipated for the first quarter of FY 2010/11 were drawn down and deposited into the FY 2009/10 budget.

Savings Reserve Account at Fiscal Year Ending June 30th

Fiscal Year	Prior Fiscal Year Current Operations Appropriation*	Statutory Goal: 8% of Prior Fiscal Year Operations Appropriation**	Unreserved Fund Balance at Fiscal Year End June 30th	Current Year Earmarking / Appropriation to Savings Reserve	Withdrawals and Adjustments	Savings Reserve Account Balance
1990-1991				141,000,000	A	0
1991-1992	7,726,343,007	386,317,150	164,773,001	41,593,253		41,593,253
1992-1993	7,825,507,308	391,275,365	537,330,259	134,332,565		175,925,818
1993-1994	8,114,332,336	405,716,617	622,712,983	155,678,246	(121,000,000) B	210,604,064
1994-1995	9,125,084,906	456,254,245	586,422,276	213,005,569		423,609,633
1995-1996	10,019,033,177	500,951,659	726,581,754	77,342,029	0	500,951,662
1996-1997	9,793,062,378	489,653,119	759,306,050	0	0	500,951,662
1997-1998	10,450,411,229	522,520,561	784,224,890	21,568,899	0	522,520,561
1998-1999	11,258,582,548	562,929,127	515,077,350	0	F (200,000,000) G	322,520,561
1999-2000	12,327,025,974	616,351,299	3,869,243	967,311	(285,965,824) I	37,522,048
2000-2001	13,441,610,285	672,080,514	6,350,587	120,000,000	J	157,522,048
2001-2002	13,878,542,760	693,927,138	3,785,997	90,000,000	M, N K (247,522,048) L	0
2002-2003	14,705,809,843	735,290,492	415,543,840	150,000,000	O	150,000,000
2003-2004	14,320,664,876	716,033,244	482,842,037	116,666,064	391,343 Q	267,057,407
2004-2005	14,871,621,783	743,581,089	802,633,946	199,125,000	(153,541,447) S	312,640,960
2005-2006	15,897,680,933	794,884,047	1,287,766,872	316,151,631	T 0	628,792,591
2006-2007	17,161,861,310	858,093,066	1,541,181,489	175,000,000	(17,142,913) V	786,649,678
2007-2008	18,673,708,783	933,685,439	668,876,937	0	0	786,649,678
2008-2009	20,441,301,149	1,635,304,092	92,237,091	0	(636,649,678) X	150,000,000
2009-2010	21,239,049,461	1,699,123,957		0	0	150,000,000
2010-2011						

* Includes Local Government Shared Revenues/Reimbursements

** Effective July 1, 2007, the State Budget Act (S.L. 2006-323) sets a Savings Reserve Account balance goal equal to at least 8% of the prior year operations appropriations. Prior to FY 2008-2009, there was a statutory cap of 5% of the prior year operations appropriations.

Notes

A The General Assembly appropriated \$141 million; this reserve was used to offset a shortfall in revenue for 1990-91

B The General Assembly authorized the transfer of \$121 million to be used for the purpose of restoring the June 30 paydate.

Savings Reserve Account at Fiscal Year Ending June 30th

A - 11

- C Includes direct appropriation to Savings Reserve Account (\$66.7 million) and Local Government Shared Revenue (\$236.8 million).
- D Adjusted to reflect Emergency Appropriation made to the Dept. of Community Colleges for 1996-97 by the 1997 Session.
- E Adjusted to reflect Emergency Appropriation for Year 2000 Conversion for 1997-98 (\$20,506,367) as approved by 1998 Session.
- F The 1999 General Assembly directed that no funds be transferred to the Savings Reserve Account for the fiscal year ending June 30, 1999.
- G Funds appropriated from the Savings Reserve Account to comply with the lawsuit settlement on the Intangible Tax Refunds.
- H Adjusted for \$6.5 million in Juvenile Justice Reserve transferred to Capital Improvements.
- I Funds appropriated from the Savings Reserve Account to the Hurricane Floyd Reserve Fund (Office of State Budget Disaster Relief Fund).
- J Funds appropriated directly to the Savings Reserve Account, due to insufficient year-end credit balance for earmarking.
- K Includes funds credited directly to the Savings Reserve Account from anticipated revenues, due to insufficient year-end credit balance for earmarking. Includes \$181 million credited per S.L. 2001-424, Appropriations Act and \$750,000 per S.L. 2001-514, Turfgrass Research. Due to a revenue shortfall during FY 2001-02, the Director of the Budget credited only \$90 million to the Savings Reserve Account.
- L \$8,180,351 transferred to terrorism defense initiatives and \$239,341,697 transferred to General Fund availability to cover revenue shortfall as authorized by the General Assembly.
- M Per the Office of State Budget and Management (OSBM). The beginning unreserved credit balance recognized by the General Assembly and included in General Fund availability for FY 2002-03 is \$25 million, as specified in Section 2.2(a) of S.L. 2002-126.
- N The General Assembly directed that no funds be credited to the Savings Reserve Account from the FY 2001-02 year-end credit balance.
- O Per OSBM and Office of the State Controller (OSC). The unreserved credit balance recognized by the General Assembly prior to earmarkings was \$409.2 million.
- P Per OSBM. The unreserved credit balance recognized by the General Assembly prior to earmarkings was \$466.7 million.
- Q \$391,343 in unexpended funds for FY 2001-02 terrorism defense initiatives reverted to the Savings Reserve Account.
- R June 30th credit balance per the Office of State Budget and Management and Office of the State Controller. The unreserved credit balance recognized by the General Assembly prior to earmarkings was \$796.5 million.
- S Senate Bill 7 appropriated \$123.5 million from the Savings Reserve Account pursuant to the Hurricane Recovery Act of 2005 (S.L. 2005-1) and \$30 million for mitigation efforts recommended by the Governor.
- T June 30th credit balance and final Savings Reserve earmarking per the Office of State Budget and Management and Office of the State Controller. Estimated unreserved credit balance and Savings Reserve earmarking recognized by the General Assembly (S.L. 2006-66) was \$1.296 billion and \$323.9 million respectively.
- U June 30th credit balance and final Savings Reserve earmarking per the Office of State Budget and Management and Office of the State Controller. Estimated
- V S. L. 2006-66, Sec. 2.2.(g) Directed the State Treasurer to transfer funds from the Savings Reserve to hold Highway Fund and the Highway Trust Fund harmless from the cap on the Motor Fuels Tax.
- W Effective with the FY 1992-93 budget, the Executive Budget Act required an earmarking of the lesser of 25% of the year-end unreserved credit balance or the amount required to reach the 5% statutory cap. Effective July 1, 2007, G.S. 143C-4-2 of the State Budget Act now requires that 25% of the year-end unreserved fund balance be reserved to the Savings Reserve Account. The goal is to maintain a balance in the SRA that is at least 8% of the prior year operations appropriations. The State Budget Act (S.L. 2006-203) repealed and replaced the Executive Budget Act as of July 1, 2007.
- X S.L. 2009-16 appropriated \$250,000,000 from the Savings Reserve Account to the State's Health Plan to cover a projected shortfall in the Plan for FY 2008-09. Additionally, S.L. 2009-215 appropriated funds to the extent needed to balance the FY 2008-09 General Fund budget; in total, Governor Purdue withdrew \$386.6 million from the Savings Reserve for this purpose.

Actual Tax Revenues Collected by Major Schedules

Fiscal Year	Individual Income Tax	Corporate Income Tax	Total Income Tax	Sales & Use	Franchise	Inheritance	Beverage	Insurance	Cigarette/ Tobacco	Soft Drinks	Other	Total Tax Revenue
1970-71	301,755,720	111,841,025	413,596,745	285,893,056	61,924,665	18,808,807	56,382,987	32,368,226	16,361,491	18,550,517	17,558,198	921,444,692
1971-72	361,816,480	122,034,298	483,850,778	324,824,018	71,073,722	22,164,706	60,583,412	35,927,677	18,891,365	19,192,153	15,391,871	1,051,899,702
1972-73	431,222,164	135,086,285	566,308,449	368,746,184	80,622,288	34,030,814	63,957,863	40,802,936	20,228,597	19,724,564	19,575,349	1,213,997,044
1973-74	504,319,052	148,748,753	653,067,805	409,393,909	91,658,623	29,196,269	67,751,142	44,764,328	20,531,733	20,200,510	21,621,149	1,358,185,468
1974-75	549,927,432	165,473,944	715,401,376	423,006,813	111,742,188	26,202,077	70,042,026	47,999,930	20,753,314	18,110,432	17,925,944	1,451,184,100
1975-76	604,792,720	155,685,814	760,478,534	464,756,311	130,193,042	28,280,942	73,323,247	54,809,184	21,473,062	19,765,341	18,765,791	1,571,845,454
1976-77	782,092,041	203,397,684	985,489,725	510,295,335	146,139,025	31,038,176	75,216,249	56,609,311	20,307,632	20,119,909	24,751,396	1,869,966,758
1977-78	848,247,311	228,693,809	1,076,941,120	578,960,737	162,348,177	35,122,343	79,809,085	63,957,032	19,415,339	22,071,726	21,856,189	2,060,481,748
1978-79	996,226,723	252,704,464	1,248,931,187	646,729,888	181,454,337	37,709,225	85,115,511	71,109,177	18,826,236	23,047,831	24,294,753	2,337,218,145
1979-80	1,180,507,067	290,632,136	1,471,139,203	691,902,227	200,814,972	40,077,397	90,461,024	80,258,938	18,031,230	21,970,740	24,558,259	2,639,213,990
1980-81	1,303,517,221	279,803,897	1,583,321,118	737,098,123	235,280,325	43,433,565	95,389,760	86,188,075	18,247,220	22,278,966	24,716,296	2,845,953,448
1981-82	1,449,370,198	277,447,978	1,726,818,176	777,449,131	269,764,189	43,480,619	99,640,685	92,817,199	18,277,757	21,882,630	27,582,451	3,077,712,837
1982-83	1,550,107,336	306,517,039	1,856,624,375	823,400,004	298,560,505	44,071,761	100,343,420	98,116,843	15,618,474	21,829,242	20,460,219	3,279,024,843
1983-84	1,784,986,813	367,823,717	2,152,810,530	998,987,392	326,787,458	66,412,027	101,192,377	106,523,346	14,970,694	23,667,499	23,026,280	3,814,377,603
1984-85	2,023,463,495	489,955,619	2,513,419,114	1,155,845,141	310,142,987	71,203,186	105,075,395	116,107,705	14,907,150	24,607,217	25,414,359	4,336,722,254
1985-86	2,206,749,074	510,675,054	2,717,424,128	1,380,409,070	197,594,803	82,020,611	108,981,903	134,814,850	14,895,376	25,712,882	32,667,227	4,694,520,850
1986-87	2,565,878,217	563,528,678	3,129,406,895	1,451,612,941	206,523,263	73,540,356	112,514,998	139,229,389	11,616,044	24,828,396	31,289,835	5,180,562,117
1987-88	2,686,832,223	625,972,626	3,312,804,849	1,555,266,971	234,779,520	60,728,032	122,479,873	186,461,390	8,484,073	27,365,786	42,918,379	5,551,288,873
1988-89	3,002,323,870	549,432,007	3,551,755,877	1,681,724,768	236,296,779	67,154,138	127,614,668	187,071,844	7,952,400	27,912,071	41,059,561	5,928,542,106
1989-90	3,390,389,817	557,763,530	3,948,153,347	1,762,717,987	262,760,974	72,871,272	145,690,616	176,714,976	15,315,186	28,987,047	148,211,757	6,561,423,162
1990-91	3,534,474,150	493,213,262	4,027,687,412	1,682,340,881	372,888,415	76,790,835	153,753,340	193,240,504	15,190,478	29,752,060	140,861,252	6,692,505,177
1991-92	3,583,017,675	606,195,418	4,189,213,093	2,161,362,545	406,952,650	87,676,257	158,075,821	203,829,955	40,362,907	32,417,808	158,554,573	7,438,445,609
1992-93	3,992,016,392	429,848,526	4,421,864,918	2,344,073,330	419,986,494	89,618,065	159,142,463	198,811,590	42,880,901	34,461,373	172,177,426	7,883,016,560
1993-94	4,254,506,549	487,796,660	4,742,303,209	2,578,846,239	439,287,031	106,533,229	161,133,617	219,439,488	37,925,056	36,538,688	194,749,199	8,516,755,756
1994-95	4,665,474,733	649,389,838	5,314,864,571	2,781,683,390	458,058,989	109,865,448	163,188,783	236,215,989	44,635,750	37,958,080	219,345,056	9,365,816,056
1995-96	4,800,034,948	673,837,774	5,473,872,722	2,958,132,813	355,918,036	112,912,290	145,517,853	242,652,553	46,697,736	39,805,998	83,245,228	9,458,755,229
1996-97	5,329,990,261	717,750,574	6,047,740,835	3,127,673,443	387,811,674	132,068,325	150,208,567	258,503,720	46,677,349	31,347,645	57,115,919	10,239,147,477
1997-98	6,028,870,217	696,338,557	6,725,208,774	3,255,372,048	407,256,555	138,124,663	153,723,510	283,763,234	47,177,218	23,078,645	58,741,873	11,092,446,520
1998-99	6,606,500,278	848,509,669	7,455,009,947	3,376,206,664	409,558,340	169,935,220	158,026,529	291,230,879	44,852,542	12,349,253	48,094,529	11,965,263,904
1999-00	7,080,106,177	903,241,974	7,983,348,151	3,354,897,708	306,979,197	163,327,319	166,372,353	273,367,118	43,663,205	1,285,949	97,737,509	12,390,978,509
2000-01	7,391,342,524	460,315,086	7,851,657,610	3,435,558,577	580,431,850	123,165,443	172,698,910	305,791,331	42,025,877	51,202	61,678,611	12,573,059,411
2001-02	7,134,629,832	409,322,539	7,543,952,371	3,705,769,832	446,270,680	104,750,885	174,644,725	340,785,358	41,531,347	1,855	86,953,961	12,444,661,014
2002-03	7,088,526,873	840,499,824	7,929,026,697	3,922,821,877	429,128,005	112,504,407	170,896,551	408,873,354	41,998,713	0	101,981,180	13,117,230,784
2003-04	7,509,898,086	776,964,847	8,286,862,933	4,222,201,842	445,294,486	128,479,443	182,392,509	423,405,050	43,732,769	0	98,357,842	13,830,726,874
2004-05	8,409,288,618	1,193,529,164	9,602,817,782	4,477,159,178	498,681,391	135,211,344	189,308,658	431,664,202	42,981,044	0	99,734,304	15,477,557,903
2005-06	9,400,167,970	1,204,102,940	10,604,270,910	4,893,911,220	477,055,108	133,379,473	200,845,242	431,729,295	171,636,758	0	107,687,797	17,020,515,803
2006-07	10,507,966,531	1,451,399,198	11,959,365,729	4,995,570,841	531,412,140	161,586,810	212,608,231	475,545,413	241,174,320	0	135,776,844	18,713,040,328
2007-08	10,902,299,190	1,111,668,852	12,013,968,042	4,981,673,149	574,460,805	158,764,850	225,125,416	492,698,607	237,377,533	0	148,954,250	18,833,022,652
2008-09	9,470,227,521	835,457,592	10,305,685,113	4,677,961,056	651,888,376	104,300,000	228,489,902	466,634,797	227,077,126	0	116,517,120	16,778,553,490
2009-10	9,047,631,700	1,197,863,000	10,245,494,700	5,565,041,905	724,521,700	71,879,400	282,330,700	486,905,100	251,735,400	0	116,893,311	17,744,802,216

