

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

June 30, 2006

Senate Bill 1741

North Carolina General Assembly
2006 Session

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Budget Reform Statement General Fund Availability

	FY 2006-07
1 Unappropriated Balance from FY 2005-06 - S.L. 2005-276	117,227,875
2 Net Adjustments - S.L. 2005-345	(4,148,833)
3 Net Adjustments - S.L. 2005-435, S.L. 2005-406, S.L. 2005-376, S.L. 2005-391	(5,826,000)
4 Adjustment From Estimated to Actual 2005-06 Beginning Unreserved Balance	6,133,946
5 Revised Unappropriated Balance Remaining 2005-06	113,386,988
6	
7 Emergency Appropriation for Department of Correction, S.L. 2006-2	(15,000,000)
8 Projected Reversions from FY 2005-06	125,000,000
9 Projected Over Collections from FY 2005-06	1,072,100,000
10 Year End Unreserved Credit Balance before Earmarkings	1,295,486,988
11	
12 Less: Projected Credit to Savings Reserve	(323,871,747)
13 Less: Projected Credit to Repairs and Renovation Reserve Account	(222,229,189)
14 Revised Year End Unreserved Credit Balance	749,386,052
15	
16 Revenues Based on Existing Tax Structure	16,951,416,000
17	
18 Non-tax Revenues	
19 Investment Income	78,700,000
20 Judicial Fees	168,605,271
21 Disproportionate Share	100,000,000
22 Insurance	51,543,813
23 Other Non-Tax Revenues	202,719,921
24 Highway Trust Fund Transfer	252,663,009
25 Highway Fund Transfer	-
26 Subtotal Non-tax Revenues	854,232,014
27	
28 Total General Fund Availability	18,555,034,066
29	
30 Adjustments to Availability: 2006 Session	
31 Adjustment to Baseline Revenue Forecast	698,864,995
32 Reduce Sales Tax from 4.5% to 4.25% - December 1, 2006	(140,100,000)
33 Reduce Top Personal Income Tax Rate from 8.25% to 8.0%-January 1, 2007	(28,600,000)
34 Mill Rehabilitation Income Tax Credit	(2,800,000)
35 529 Savings Plan Income Tax Deduction	(1,000,000)
36 Logging Machinery Sales Tax Exemption	(2,870,000)
37 IRC Update	(5,100,000)
38 Joint Filing Options Under Personal Income Tax	(1,000,000)
39 Railroad Cars Tax Exemption	(400,000)
40 Bill Lee Act Wage Standard - Certain Manufacturers	(800,000)
41 Bill Lee Act Adjustment - Clayton Project	(800,000)
42 Extend Aviation Fuel Tax Credit	(90,000)
43 Extend Real Property Donation Tax Credit	(100,000)
44 Small Business Health Insurance Credit of \$250 - January 1, 2007	(7,200,000)
45 Internet Facility Sales Tax Exemption	(2,250,000)
46 Oyster Tax Credit	(23,000)
47 Gas Cap Reserve	(367,000)
48 Reduce Transfer to Highway Trust Fund	(195,176,407)
49 Adjust Transfer from Insurance Regulatory Fund	455,846
50 Adjust Transfer from Treasurer's Office	281,784
51 Subtotal Adjustments to Availability: 2006 Session	310,926,218
52	
53 Revised General Fund Availability for 2006-07 Fiscal Year	18,865,960,284
54	
55 Less: Total General Fund Appropriations for 2006-07 Fiscal Year	(18,865,960,284)
56	
57 Unappropriated Balance Remaining	-

SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

General Fund Appropriations

Fiscal Year 2006-07

2006 Session

	2006-07					2006-07
	Certified	Recurring	Nonrecurring	Net	Position	Revised
	Appropriation	Adjustments	Adjustments	Changes	Changes	Appropriation
Education:						
Community Colleges	767,295,886	29,342,577	34,817,450	64,160,027	5.00	831,455,913
Public Education	6,579,807,097	34,783,999	105,160,022	139,944,021	5.00	6,719,751,118
University System	2,120,397,081	126,039,967	2,617,930	128,657,897	511.95	2,249,054,978
Total Education	9,467,500,064	190,166,543	142,595,402	332,761,945	521.95	9,800,262,009
Health and Human Services:						
Office of the Secretary	118,880,919	(63,346,653)	8,183,417	(55,163,236)	3.00	63,717,683
Aging Division	29,495,139	5,535,886	0	5,535,886	8.00	35,031,025
Blind and Deaf / Hard of Hearing Services	9,681,220	0	75,000	75,000	0.00	9,756,220
Child Development	267,356,799	28,049,617	1,012,291	29,061,908	10.00	296,418,707
Education Services	34,281,895	778,548	218,235	996,783	23.00	35,278,678
Facility Services	15,959,466	0	200,000	200,000	0.00	16,159,466
Medical Assistance	2,751,209,159	(132,150,000)	24,600,000	(107,550,000)	0.00	2,643,659,159
MH/DD/SAS	602,556,655	53,733,357	6,505,000	60,238,357	93.00	662,795,012
NC Health Choice	51,882,902					51,882,902
Public Health	150,814,496	16,859,242	1,276,000	18,135,242	144.00	168,949,738
Social Services	190,679,285	15,219,957	462,607	15,682,564	0.00	206,361,849
Vocational Rehabilitation	42,142,193			0		42,142,193
Total Health and Human Services	4,264,940,128	(75,320,046)	42,532,550	(32,787,496)	281.00	4,232,152,632
Justice and Public Safety:						
Correction	1,048,492,502	17,657,493	17,254,211	34,911,704	153.00	1,083,404,206
Crime Control & Public Safety	35,153,488	2,024,324	3,929,956	5,954,280	16.00	41,107,768
Judicial Department	345,760,410	16,174,876	10,916,836	27,091,712	271.75	372,852,122
Judicial - Indigent Defense	88,648,414	1,657,191	5,025,938	6,683,129	1.00	95,331,543
Justice	78,697,271	1,435,897	3,270,941	4,706,838	16.00	83,404,109
Juvenile Justice & Delinquency Prevention	138,873,166	2,961,819	492,701	3,454,520	58.00	142,327,686
Total Justice and Public Safety	1,735,625,251	41,911,600	40,890,583	82,802,183	515.75	1,818,427,434

General Fund Appropriations

Fiscal Year 2006-07

2006 Session

	2006-07					2006-07
	Certified	Recurring	Nonrecurring	Net	Position	Revised
	Appropriation	Adjustments	Adjustments	Changes	Changes	Appropriation
<u>Natural And Economic Resources:</u>						
Agriculture and Consumer Services	51,032,884	2,224,113	1,359,449	3,583,562	31.00	54,616,446
Commerce	36,728,265	2,550,483	33,817,000	36,367,483	9.00	73,095,748
Commerce - State Aid	11,722,085	546,000	6,657,138	7,203,138	0.00	18,925,223
Environment and Natural Resources	168,451,089	2,364,324	12,487,638	14,851,962	25.00	183,303,051
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	0	0	0.00	100,000,000
Labor	14,434,925	413,894	200,000	613,894	3.50	15,048,819
NC Biotechnology Center	10,583,395	2,000,000	500,000	2,500,000	0.00	13,083,395
Rural Economic Development Center	25,052,607	(500,000)	0	(500,000)	0.00	24,552,607
Total Natural and Economic Resources	418,005,250	9,598,814	55,021,225	64,620,039	68.50	482,625,289
<u>General Government:</u>						
Administration	58,818,473	1,875,856	1,498,683	3,374,539	22.00	62,193,012
Auditor	10,840,918	57,564	0	57,564	0.00	10,898,482
Cultural Resources	62,917,147	1,374,034	4,046,982	5,421,016	31.00	68,338,163
Cultural Resources - Roanoke Island	1,783,374	0	0	0	0.00	1,783,374
General Assembly	46,965,432	0	38,284	38,284	0.00	47,003,716
Governor	5,344,528	100,000	0	100,000	0.00	5,444,528
NC Housing Finance Agency	4,750,945	0	17,437,500	17,437,500	0.00	22,188,445
Insurance	28,110,582	425,846	30,000	455,846	5.00	28,566,428
Insurance - Worker's Compensation Fund	4,500,000	0	0	0	0.00	4,500,000
Lieutenant Governor	753,037	88,433	0	88,433	1.00	841,470
Office of Administrative Hearings	2,969,712	269,578	11,789	281,367	2.00	3,251,079
Revenue	80,673,250	513,294	766,488	1,279,782	1.00	81,953,032
Secretary of State	9,369,633	441,217	26,850	468,067	5.25	9,837,700
State Board of Elections	5,069,307	585,044	201,576	786,620	31.00	5,855,927
State Budget and Management	6,021,795	240,438	169,500	409,938	3.00	6,431,733
State Budget and Management -- Special	5,111,429	755,232	598,021	1,353,253	0.00	6,464,682
State Controller	10,044,511	0	0	0	0.00	10,044,511
Treasurer - Operations	8,295,843	281,784	0	281,784	0.00	8,577,627
Treasurer - Retirement / Benefits	8,651,457	514,000	0	514,000	0.00	9,165,457
Total General Government	360,991,373	7,522,320	24,825,673	32,347,993	101.25	393,339,366
Transportation	0	0	0	0		0

General Fund Appropriations

Fiscal Year 2006-07

2006 Session

	2006-07					2006-07
	Certified	Recurring	Nonrecurring	Net	Position	Revised
	Appropriation	Adjustments	Adjustments	Changes	Changes	Appropriation
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	619,291,140	0	(50,000,000)	(50,000,000)		569,291,140
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	620,907,520	0	(50,000,000)	(50,000,000)	0.00	570,907,520
Statewide Reserves:						
Compensation Increases	235,185,705	673,523,862	14,970,657	688,494,519		923,680,224
Reserve for Contingent Appropriations	85,000,000			0		85,000,000
Salary Adjustment Fund: 2005-07 Biennium	4,500,000			0		4,500,000
Salary Adjustment Fund: 2004-05 Fiscal Year	4,500,000			0		4,500,000
Teachers' & State Employees Retirement Cont	13,810,800	27,107,200	0	27,107,200		40,918,000
Retirement System Payback	0	0	30,000,000	30,000,000		30,000,000
Death Benefit Trust	12,899,200			0		12,899,200
Disability Income Plan	6,586,500			0		6,586,500
State Health Plan	142,728,000			0		142,728,000
Contingency and Emergency	5,000,000			0		5,000,000
Information Technology Rate Adjustments	(2,300,000)			0		(2,300,000)
Information Technology Fund	8,025,000	7,559,349	34,527,880	42,087,229	52.75	50,112,229
Job Development Incentive Grants Reserve	12,400,000			0		12,400,000
Reserve for Heating and Cooling Assistance		0	10,000,000	10,000,000		10,000,000
Reserve for Legal Expenses			1,065,710	1,065,710		1,065,710
Trust Fund for MH/DD/SAS			14,390,000	14,390,000		14,390,000
State Emergency Response Account		0	20,000,000	20,000,000		20,000,000
Pending Ethics Legislation		401,871	21,000	422,871	4.00	422,871
Subtotal Statewide Reserves	528,335,205	708,592,282	124,975,247	833,567,529	56.75	1,361,902,734
Total Reserves and Debt Service	1,149,242,725	708,592,282	74,975,247	783,567,529	56.75	1,932,810,254
Total General Fund for Operations	17,396,304,791	882,471,513	380,840,680	1,263,312,193	1,545.20	18,659,616,984

General Fund Appropriations

Fiscal Year 2006-07

2006 Session

	2006-07 Certified Appropriation	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	Position Changes	2006-07 Revised Appropriation
<u>Other General Fund Expenditures:</u>						
Capital Improvements	0	0	206,343,300	206,343,300		206,343,300
Repairs and Renovations	0			0		0
Total Other General Fund Expenditures	0	0	206,343,300	206,343,300	0.00	206,343,300
Total General Fund Budget	17,396,304,791	882,471,513	587,183,980	1,469,655,493	1,545.20	18,865,960,284

EDUCATION
Section F

Public Education

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$6,579,807,097

Budget Changes

A. Adjustments & Transfers

- | | | |
|--|-----------------|---|
| 1 Average Daily Membership (ADM) | \$76,299,816 | R |
| <p>Revises projected increase in ADM for FY 2006-07 to reflect 18,363 more students than originally projected. Dollar amount of adjustment includes increases in all position, dollar, and categorical allotments.</p> <p>Total funded ADM for FY 2006-07 is 1,435,475, an increase of 38,103 over FY 2005-06.</p> <p>Due to a projected increase in ninth grade ADM, receipts from the Highway Fund budgeted for Driver's Education will increase by \$457,971.</p> | | |
| 2 Budgeted Average Salary | (\$71,776,440) | R |
| <p>Revises budgeted funding for certified personnel salaries based on actual salary data from May 2006. Adjustment does not reduce any salary paid to certified personnel.</p> | | |
| 3 Budget Receipts from NC Education Lottery for Class Size Reduction | (\$127,864,291) | R |
| <p>Budgets receipts from NC Education Lottery Fund to support class size reduction in accordance with statute.</p> | | |
| 4 Exceptional Children | (\$6,255,530) | R |
| <p>Revises budgeted funding for children with special needs to reflect actual April 1, 2006 headcount. Continuation budget was based on projected headcount. Adjustment does not reduce funding per student.</p> | | |
| 5 Transfer More at Four Program and Office of School Readiness | | |
| <p>Effective July 1, 2006, transfers the More at Four Program including all 22 existing positions, and the Office of School Readiness to the Department of Public Instruction (DPI). These transfers shall have all the elements of a Type I transfer, as defined by G.S. 143A-6.</p> | | |
| 6 Budget Receipts from NC Education Lottery for More at Four | | |
| <p>Budgets \$66,646,653 in receipts from NC Education Lottery Fund to support the More at Four program in accordance with statute. In addition, budgets an additional \$17,989,056 from Lottery proceeds to support the following program expansion: creation of 3,200 additional program slots, increased funding of \$200 per slot for all 18,653 slots, and establishment of five new receipt-supported staff positions (More at Four: Educational Development & Planning Consultant II, Educational Consultant II, and Education Processing Assistant; DPI: Accounts Payable Clerk I, and Accountant I) who will perform monitoring, technical assistance, and financial management functions.</p> | | |

<p>7 Adjust Projection of Receipts from Civil Penalties & Forfeitures</p> <p>Provides funds to address adjusted projection of collections in the Civil Penalties & Forfeitures Fund. Revised amount of receipts budgeted from the Fund to support public schools operations in 2006-07 is \$77,500,000.</p>	<p>\$30,000,000</p>	<p>R</p>
<p>8 Budget Receipts from Teaching Fellows Trust Fund</p> <p>Budgets receipts from Teaching Fellows Trust Fund to support administration of Teaching Fellows Program. Reduces General Fund appropriation to Public School Forum accordingly.</p>	<p>(\$340,657)</p>	<p>R</p>
<p>B. Expansion: State Public School Fund</p>		
<p>9 Restore Base Budget Funding</p> <p>Restores full base budget funding by eliminating the recurring LEA Discretionary Reduction.</p>	<p>\$44,291,248</p>	<p>R</p>
<p>10 Low Wealth Supplemental Funding</p> <p>Provides full funding for the Low Wealth Supplemental Funding allotment.</p>	<p>\$41,893,391</p>	<p>R</p>
<p>11 Disadvantaged Student Supplemental Funding (DSSF)</p> <p>Provides additional supplemental funding to be distributed to all LEAs to support their efforts to serve students who are the most at risk of academic failure. Beginning in 2006-07, all DSSF funds will be distributed based on a formula that takes into account each LEA's relative need. The sixteen LEAs receiving DSSF funds in 2005-2006 will receive no less than the DSSF amount allotted in 2005-2006.</p>	<p>\$27,002,670</p>	<p>R</p>
<p>12 Evaluate Effectiveness of DSSF and Low Wealth</p> <p>Provides additional funds to support comprehensive evaluation of: (i) the extent to which LEAs use DSSF and Low Wealth supplemental allotments to improve outcomes for students at-risk of school failure, and (ii) the extent to which DPI supports the LEAs in using DSSF and other supplemental allotments efficiently and effectively.</p>	<p>\$500,000</p>	<p>NR</p>
<p>13 Exceptional Children</p> <p>Increases funding per student by \$5.87 for the 170,240 students in the funded headcount of children with special needs. Revised funding per student is \$2,972.52.</p>	<p>\$1,000,000</p>	<p>R</p>
<p>14 ABC Bonuses</p> <p>Funds ABC bonuses for schools that met or exceeded expected growth in the 2005-06 school year.</p>	<p>\$90,000,000</p>	<p>NR</p>
<p>15 Learn and Earn Initiative</p> <p>Expands the Learn and Earn initiative into an additional 19 high schools (bringing the total to 34). Provides planning grants to 20 additional high schools.</p>	<p>\$8,232,388 \$1,433,360</p>	<p>R NR</p>

<p>16 Small Specialty High Schools</p> <p>Expands the small specialty high school initiative by creating 21 new small specialty schools-within-schools at 11 new sites (bringing the respective totals to 32 schools at 19 sites). Provides planning grants at 10 small schools that intend to design instruction around the following curricula: science, technology, engineering, and/or math (STEM). Provides \$261,680 to support four months of principal salary for each planning site prior to becoming operational in the 2007-08 school year. Any implementation grants for STEM schools shall come from non-State sources.</p>	<p>\$3,805,970 R \$661,680 NR</p>
<p>17 Virtual High School</p> <p>Provides funds to support implementation of the NC Virtual Public Schools initiative. Funds provide for seven administrative and support positions or contracted employees, 22 three-month positions, and both one-time and ongoing operating support.</p>	<p>\$2,588,722 R \$189,132 NR</p>
<p>18 School Connectivity</p> <p>Provides funds to be used to upgrade public school connectivity as part of efforts to establish a comprehensive PreK-20 NC Regional Education Network. Funds shall be used to expand the number of public schools serving pre-kindergarten through grade 12 with broadband connectivity; provide "last mile" connectivity to public schools and enhance development of regional broadband networks; infuse technology into schools' instructional efforts; maximize the use of e-Rate; and revise School Technology Plans. Funds that are not expended by June 30, 2007 shall be carried forward for expenditure in FY 2007-08.</p> <p>Up to \$300,000 may be transferred to the Office of the Governor to establish NC Virtual within the Education Cabinet. These funds may be used to contract for services to coordinate e-learning activities across all State educational agencies.</p>	<p>\$6,000,000 NR</p>
<p>19 Literacy Coaches</p> <p>Provides funds to support 100 school-based literacy coaches to be placed in 100 schools that contain an eighth grade. Coaches will provide research-based teaching practices and job-embedded professional development to assist teachers in the development of specialized curricula.</p>	<p>\$4,767,400 R</p>
<p>20 Salary Supplement Pilot for Math and Science Teachers</p> <p>Provides funds for a salary supplement pilot to be developed by the State Board of Education. Three pilot LEAs will receive funds to provide a salary supplement of \$15,000 for up to 10 newly hired math and/or science teachers at the middle and/or high school level.</p>	<p>\$515,115 R</p>
<p>21 NCWISE</p> <p>Provides funds to support new short-term contracts required to complete development of the statewide North Carolina Window of Information on Student Education (NCWISE) system</p>	<p>\$1,900,000 NR</p>

C. Expansion: Department of Public Instruction

22 Legacy System Migration and Upgrade

Provides a reserve of funds to be used to bring DPI's information technology applications into compliance with statewide architecture requirements. DPI must obtain approval from the State Chief Information Officer prior to the expenditure of funds for this project. Funds may be carried forward into FY 2007-08. Any unused funds will revert to the General Fund on June 30, 2008.

\$2,000,000 NR

23 Network Tool Replacement

Provides funds to support the cost of migrating DPI from a network tool not supported by ITS to a tool that is supported.

\$375,850 NR

24 Information Technology Security Analyst

Provides funds to support a half-time IT security analyst position. The analyst will assist in the development of a security program and the execution of the DPI security charter to ensure compliance with federal regulations and state law

\$40,000 R

0.50

25 Business Continuity Planning Analyst

Provides funds to support a half-time business continuity planning analyst position. The analyst will develop and perform business continuity planning and management to ensure that DPI is in compliance with state law

\$42,500 R

0.50

26 Business Technology Applications Analyst

Provides \$72,647 from federal receipts to support a business technology applications analyst. The analyst will serve exclusively on the Exceptional Children's project team

27 Purchasing Agent

Provides funds to support a Purchasing Agent II position. The agent will ensure accurate and efficient processing of all non-IT related service contracts requiring bids.

\$58,220 R

1.00

28 Director of High School Turnaround

Provides funds to establish a permanent position to coordinate technical assistance to school districts with high schools identified as critically low performing (performance composite below 60%).

\$122,350 R

1.00

29 Office of Charter Schools

Provides funds to support one fund-shifted administrative assistant, one new education planning and development consultant, and general operations of the Office of Charter Schools.

\$161,127 R

2.00

30 State Board of Education Operating Support

Provides additional funds to support operations of the expanded State Board of Education.

\$50,000 NR

31 NC Wise Owl

Provides funding to support increased cost of Statewide subscriptions to online library resources that are made available to all teachers and students.

\$200,000 R

D. Expansion: Pass-Through Funds

32 Communities in Schools

Provides additional funds to State-level non-profit program that supports local CIS programs' efforts to connect at-risk students and their families with resources that will help the students succeed in school. \$1,000,000 NR

33 NC Network

Provides additional funds to non-profit program that provides training to school-based management teams. \$50,000 NR

34 Teach for America

Provides additional funds to non-profit program that recruits recent college graduates in non-education majors to teach in hard-to-staff schools. \$200,000 NR

35 NC Humanities Council Teacher Institute Program

Provides funds to non-profit program focused on promoting teaching and learning that develops teachers' capacity to understand, empathize with, and relate to various cultures. \$100,000 NR

36 ExplorNet

Provides additional funds to non-profit program that promotes effective use of information technology in the public schools. \$100,000 NR

37 Futures for Kids

Provides additional funds to non-profit program that enhances schools' capacities to provide students with opportunities for career exploration. Funds will be disbursed once the Futures for Kids program has consolidated operations with the career exploration services provided by the College Foundation of North Carolina. Futures for Kids and CFNC shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Commission on Governmental Operations on a consolidation plan prior to execution of that plan. \$300,000 NR

38 Project Enlightenment

Provides additional funds for Wake County to assist Project Enlightenment in continuing its model Demonstration Preschool program and consultation and education services to children, families, and other professionals. \$50,000 NR

39 Kids Voting NC Funds

Provides funding to Kids Voting of North Carolina, Inc., a non-profit corporation, to support Kids Voting Programs. Up to \$50,000 may be used to implement new Kids Voting programs across the State. The remainder shall be allocated on the basis of the North Carolina Department of Public Instruction's Average Daily Membership with a minimum of \$2,500 for the following counties: Buncombe, Cabarrus, Catawba, Clay, Cumberland, Davie, Durham, Greene, Guilford, Haywood, Henderson, Iredell, Jackson, Lee, Madison, Mecklenburg, New Hanover, Onslow, Randolph, and Wake to assist those counties with their Kids Voting programs (HB 1919 and SB 1369). \$250,000 NR

Budget Changes	\$34,783,999	R
	\$105,160,022	NR
Total Position Changes		5.00
Revised Total Budget	\$6,719,751,118	

Total Budget Approved 2005 Session

\$2,120,397,081

Budget Changes

A. Base Budget Adjustments

40 Building Reserves Adjustment

Adjusts the building reserves for operating costs of new buildings due to a change in their completion dates. However, this change in reserves grants additional one-time funds to campuses for supplies, equipment, and moving costs for buildings that opened in FY 05-06, but were inadvertently cut in the 2005 Session. (\$9,595,070) NR
-91.80

41 NC A&T Inflationary Increases

Restores inflationary increases for library book acquisition (\$145,491) and utilities (\$17,786) that were left out of the base budget submitted by the Governor in the 2005 Session. \$163,277 R

42 NC School of Science and Math Textbook Increase

Increases the budget for textbooks for the North Carolina School of Science and Math. The school failed to request an increase in the 2005 Session that was sufficient to fund the increase in textbook prices. \$52,250 R

B. Expansion

43 Enrollment Growth for UNC Campuses

Funds enrollment growth for undergraduate and graduate students in regular term and distance education programs. Enrollment is anticipated to grow by 7,110 full-time equivalent (FTE) students in FY 06-07. \$78,993,129 R
575.00

44 Enrollment Growth for NC School of Science and Math

Increases the enrollment at the North Carolina School of Science and Math by 12 students. \$240,000 R
3.75

45 Need-Based Financial Aid

Increases need-based financial aid for an increase of 1,730 eligible students entering UNC institutions in the Fall of 2006. The increase will also help the 34,930 students now receiving financial aid with price increases in tuition, fees, room board, books, and supplies. \$21,587,990 R

46 Judicial College

Increases the operating funds for judicial training at the School of Government at UNC-Chapel Hill. The Judicial College was approved in the 2005 Session with an initial appropriation of \$250,000. \$750,000 R

47 ECSU Pharmacy Space

Pays the lease costs for six modular units that temporarily house the ECSU Pharmacy Program until a permanent facility is constructed. \$43,000 NR

<p>48 Graduate Nurse Scholarship Program for Faculty Production</p> <p>Creates a graduate nurse scholarship loan program to provide \$15,000 per year for up to two years for master's candidates in nursing education and up to three years for doctoral candidates. Each recipient is required to teach in either a public or private nursing education program in North Carolina for each year they receive a scholarship loan or they must repay the loan.</p>	<p>\$1,200,000</p>	<p>R</p>
<p>49 New Bachelor of Science in Nursing Programs</p> <p>Provides startup funds for new Bachelor of Science in Nursing programs at Fayetteville State University and UNC-Pembroke and a new RN to BSN program at Appalachian State University. FSU and UNCP will each receive \$300,000 and ASU will receive \$250,000.</p>	<p>\$850,000</p>	<p>NR</p>
<p>50 Area Health Education Centers (AHEC) Expansion</p> <p>Funds North Carolina Area Health Education Centers (AHEC) initiative to address health workforce shortages in Allied Health, Dentistry, Nursing, and Pharmacy. In Allied Health, adds new clinical teaching sites throughout the state with an emphasis on physical therapy, speech language pathology, and occupational therapy. Provides clinical training for PharmD students at ECSU. Supports rural training sites for dental students. Expands AHEC nursing grants program.</p>	<p>\$1,300,000</p>	<p>NR</p>
<p>51 AHEC Training of Psychiatrists and Other Mental Health Professionals</p> <p>Funds the NC Area Health Education Centers (AHEC) program to develop innovative models for educating psychiatry residents/fellows and other mental health professionals in rural and underserved areas of the state in order to improve placement and retention of these professionals in rural communities, and to strengthen the provision of psychiatry services to these communities.</p>	<p>\$500,000</p>	<p>R</p>
<p>52 Translational Medicine Program - UNC-CH School of Medicine</p> <p>Expands the Translational Medicine Program at the UNC-Chapel Hill School of Medicine that was begun in FY 05-06 with \$1 million. The program is designed to identify and train junior faculty members in translational research to speed the development of new drugs, therapeutic strategies, devices and/or diagnostics, and to train physicians to collaborate with research faculty to apply medical discoveries to patient care and patient observations in research programs to improve health care.</p>	<p>\$2,500,000</p>	<p>R</p>
<p>53 Perinatal Care Network</p> <p>Provides funds for the UNC Center for Maternal and Infant Health, to develop an ongoing statewide network of providers and professionals to focus on clinical and health systems in perinatal care, to create a database, and implement quality improvement initiatives with the goal of reducing infant mortality and morbidity.</p>	<p>\$75,000</p>	<p>NR</p>
<p>54 Kannapolis Research Campus</p> <p>Funds the first year cost of the University of North Carolina's involvement in the North Carolina Research Campus, located at the site of the old Cannon Mills headquarters in Kannapolis. The campus will be the centerpiece of a public-private partnership between the state of North Carolina and Mr. David Murdock and his companies, Dole Foods and Castle & Cooke.</p>	<p>\$5,000,000 \$1,000,000 25.00</p>	<p>R NR</p>

<p>55 NC A & T State University Matching Funds</p> <p>Increases the campus match of federal funds from 90% to 100% for agricultural research and extension programs as mandated by the Agricultural Research, Extension, and Education Reform Act of 1998. The funds are appropriated to the School of Agriculture and Environmental Science.</p>	<p>\$614,847</p>	<p>R</p>
<p>56 Biomanufacturing Research Institute and Technology Enterprise (BRITE)</p> <p>Provides operating support, curriculum development, and equipment for the BRITE program that will begin in Fall 2006 at NC Central University. Students and faculty will share space in the Mary M Townes Science Building until the BRITE facility is completed.</p>	<p>\$2,500,000</p>	<p>R</p>
<p>57 Biomanufacturing Training and Education Center (BTEC)</p> <p>Provides operating support, curriculum development, and equipment for the BTEC program at NC State University. BTEC academic courses will begin in the summer of 2006 even though the BTEC facility will not be completed until 2007.</p>	<p>\$2,000,000</p>	<p>R</p>
<p>58 Statewide Program for Infection Control and Epidemiology (SPICE)</p> <p>Provides operating support to the Statewide Program for Infection Control and Epidemiology (SPICE) at the UNC-Chapel Hill School of Medicine.</p>	<p>\$450,000</p>	<p>NR</p>
<p>59 Institute of Medicine</p> <p>Increases the Institute of Medicine's capacity to provide relevant health data and policy recommendations to the General Assembly and other state policy makers. Funding will enable the Institute to undertake two additional studies per year and to provide a rapid response for data analysis for state decision makers.</p>	<p>\$375,000</p>	<p>NR</p>
<p>60 Family House at UNC Hospitals</p> <p>Assists the effort to construct the Family House at UNC Hospitals. This two-story, 40 bedroom facility on Old Mason Farm Road in Chapel Hill will provide affordable housing to critically ill patients, their family members and caregivers when visiting UNC Hospitals for evaluation or treatment. Family House has raised \$4.3 million of the \$6.3 million construction cost and hopes to open by mid 2007.</p>	<p>\$1,000,000</p>	<p>NR</p>
<p>61 TEACCH</p> <p>Appropriates funds to the TEACCH Program in the Department of Psychiatry at UNC-CH as follows: (1) to increase the psychoeducational therapists' salaries and for additional fringe benefits; (2) for TEACCH clinicians and operations; and (3) for the TEACCH DX and Medical Consultant Clinic.</p>	<p>\$348,349</p>	<p>R</p>
<p>62 UNC-CH Cochlear Implant Program</p> <p>Appropriates funds to the UNC Board of Governors to fund CASTLE (Center for the Acquisition of Spoken Language Through Listening Enrichment) which is operated by the Carolina Children's Communicative Disorders Program of the UNC Health Care System. CASTLE shall use these funds to 1) train teachers and therapists across the state to work with deaf preschool-age children with cochlear implants and 2) provide oral preschool classes to these children.</p>	<p>\$350,000</p>	<p>NR</p>

63 Focused Growth Campus Funds	Provides additional funds to be evenly divided among the seven focused growth institutions (ECSU, FSU, NCA&T, NCCU, UNC-P, WCU, and VSSU).	\$1,000,000	NR
64 Special Needs Institutions	Provides funds to UNC-Asheville (\$453,334), the NC School of the Arts (\$453,334), and the NC School of Science and Math (\$93,332).	\$1,000,000	NR
65 North Carolina Progress Board	Provides funding for the increased research efforts of the Progress Board.	\$200,000	NR
66 NCSU Center for Universal Design	Provides funding to this Center that designs products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.	\$300,000	NR
67 North Carolina Engineering Technology Center	Helps establish the North Carolina Engineering Technology Center and supports the use of two adjoining buildings in Hickory for the development of engineering technology programs.	\$300,000	NR
68 Legislative Tuition Grant Increase	Increases the Legislative Tuition Grant from \$1,800 per student in private colleges to \$1,900.	\$3,149,000	R
69 State Contractual Scholarship Fund Increase	Increases the State Contractual Scholarship Fund from \$1,150 per student in private colleges to \$1,250. These funds are used for financially needy students.	\$3,116,125	R
70 LTG and SCSF Expansion	Expands the Legislative Tuition Grant and the State Contractual Scholarship Fund to part-time students that are lateral entry teachers or are nurses seeking additional certification.	\$1,500,000	R
71 NC LIVE for Private Colleges	Funds a portion of the costs charged to private colleges for their participation in NC LIVE (North Carolina Libraries for Virtual Education), the state's electronic library that provides access to magazine articles, national and local newspapers, business and professional journals, reference sources and research material.	\$250,000	NR
72 UNC-NCCCS 2+2 Joint E-Learning Initiative	Provides funds to continue the UNC-NCCCS 2+2 E-Learning Initiative which began in 2005-06. This funding will be used to continue to build online capacity, teacher education courses, and accessibility for students in 2+2 teacher education programs.	\$1,000,000	NR
73 UNC-Chapel Hill DESTINY Traveling Science Lab	Provides funds for the DESTINY Traveling Science Lab program to support personnel and other costs associated with the program that will no longer be supported by grant funds.	\$500,000	R

74 Principals' Executive Program Initiative

Provides funds to the Principals' Executive Program (PEP) for an initiative focused on improving the management and leadership skills of principals in high need schools. PEP shall provide a customized professional development program and a coaching/mentoring component that provides assistance at the school level.

\$250,000 NR

75 Expand Prospective Teacher Scholarship Loan Program

Provides funds for an additional 400 Prospective Teacher Scholarship Loans (PTSL). Priority for the additional awards shall be given to students seeking teacher licensure in middle and high school mathematics and science as well as students participating in a 2+2 teacher education program between the constituent institutions in the University of North Carolina and the NC Community College System

\$1,000,000 R

76 North Carolina in the World Project

Provides funds to continue the NC in the World Project which began in FY 05-06. This project is an initiative of the NC Center for International Understanding and is focused on improving students knowledge and skills about the world.

\$200,000 NR

77 A+ Schools

Provides funds to the A+ Schools program affiliated with the University of North Carolina at Greensboro to expand the number of public schools participating in the program. The program assists schools in implementing school reform by integrating arts into the curriculum

\$100,000 NR

78 Math and Science Education Network Pre-College Program Expansion

Provides additional funds for the NC Math and Science Education Network to expand the number of Pre-College Programs. These programs help prepare under-represented students to pursue college studies in math and science.

\$670,000 NR

79 Hunt Institute

Provides additional operating support for the James B. Hunt, Jr. Institute for Educational Leadership and Policy in Chapel Hill. These funds will enable the Institute to sponsor a number of new initiatives focused on improving science and math instruction, encouraging extracurricular programs for students, and expanding the Institute's reach to vested interests in educational improvement such as mayors and chambers of commerce.

\$500,000 NR

80 NC Teacher Academy Training of Literacy Coaches

Provides funds to the NC Teacher Academy to train literacy coaches who will each be assigned to schools with an eighth grade to provide professional development in literacy skills. Funds shall be used to design, develop, and implement both face-to-face and online training for these coaches

\$1,000,000 NR

81 Expand Future Teachers of North Carolina Scholarship Loan Program

Provides funds for an additional 75 scholarship loans each year. This program awards scholarship loans to juniors and seniors in North Carolina public and private colleges that agree to become certified to teach math, science, special education, or English as a Second Language in NC public schools. The scholarship loan award is \$6,500 per year.

\$325,000 R

Budget Changes	\$126,039,967	R
	\$2,617,930	NR
Total Position Changes	511.95	
Revised Total Budget	\$2,249,054,978	

Community Colleges

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$767,295,886

Budget Changes

A. Access

- 82 Enrollment Growth**

Fully funds the community college enrollment request. Enrollment increased by 2,277 FTE, from 190,750 to 193,027, an increase of 1.19%

\$7,125,475

R
- 83 Multi-Campus College Enrollment Growth**

Provides funds to accommodate enrollment growth at 12 multi-campus locations. Total supplemental funding for multi-campus colleges will be \$10,916,638, distributed on a formula basis to 16 colleges for 23 sites.

\$601,171

R
- 84 Enrollment Growth Reserve**

Provides funds for an Enrollment Growth Reserve to assist colleges that experience high growth in the Fall semester. Funds shall be distributed to colleges that realize an increase greater than 5% over the previous Fall semester.

\$1,900,000

NR
- 85 Need Based Financial Aid for Teaching and Nursing**

Provides funds for financially needy students enrolling in teacher prep or nursing programs. This program will be funded through the Lottery Scholarship program beginning in FY 07-08.

\$500,000

NR
- 86 Associate Director of Financial Aid**

Provides funding in the System Office budget for an Associate Director of Financial Aid to provide guidance, leadership, and training to assist college financial aid offices. The General Assembly encourages the State Board of Community Colleges to develop and implement a comprehensive financial aid professional development program for college financial aid staff.

\$73,466
\$4,150
1.00

R
NR
- 87 Community College Financial Aid Staff**

Provides one position in the base allotment for administration for additional financial aid staff at each college. These funds are restricted to use for student services positions and may not be transferred or used for any other purpose.

\$3,557,430

R

B. Improving Instruction

- 88 Equipment**

Provides additional funds for the purchase of instructional equipment at all 58 community colleges. The State Board of Community Colleges may use up to \$94,973 of these funds in FY 06-07 for furniture and equipment at the System Office. The remainder of the funds shall be distributed to the colleges in accordance with the existing equipment formula.

\$10,000,000

NR

89 Director of Joint High School - Community College Programs	\$83,950	R
Provides funds in the System Office budget for the creation of a Statewide director of joint high school - community college programs, including Learn and Earn, Middle College, Huskins, and dual enrollment.	\$4,150	NR
	1.00	
90 State Board Reserve Funds		
Provides additional funding to the State Board Reserve to provide one-time grants to colleges starting new programs.	\$500,000	NR
91 Faculty & Professional Staff Salaries		
Funds are included in the Salary Reserve Section of this budget to provide a 6% permanent annual salary increase and a 2% one-time bonus to community college faculty and professional staff.		
92 Additional Funding for Nursing Programs	\$1,000,000	R
Allows the State Board of Community Colleges to fund nursing programs at the colleges on a weighted FTE basis. Colleges may use these funds for nursing equipment and supplies, or to supplement the salaries of nursing faculty.		
93 Community College Facilities, Equipment, and Allied Health		
Provides \$15,000,000 for grants for community college facilities and equipment needs, and \$5,000,000 for community college allied health projects.	\$20,000,000	NR
C. Workforce Development		
94 BioNetwork Capstone Center		
Provides additional funds for specialized supplies needed at the BioNetwork Capstone Center.	\$310,000	NR
95 Kannapolis Research Campus	\$2,203,564	R
Funds the Rowan-Cabarrus Community College Biotechnology Training Center and Greenhouse at the North Carolina Research Campus in Kannapolis. Funds will be used for equipment, faculty and staff, building operations, and lease expense.		
96 BioNetwork Industry Liaison	\$125,000	R
Provides funds for the creation of a new position in the System Office to assist in the development of NET, FIT, and IT services to meet the needs of the biotechnology industry.	\$4,150	NR
	1.00	
97 Regional Customized Training Directors	\$148,470	R
Provides funds for 2 additional Regional Customized Training Directors, for a total of 7 - one for each economic development region in the State.	\$5,000	NR
	2.00	
98 NC REAL Enterprises		
Provides funding for NC REAL. This program was formerly supported by the Worker Training Trust Fund.	\$250,000	NR

99 NC Military Business Center

Provides funds for the continued operation of the NC Military Business Center (NCMBC), a program run by Fayetteville Tech in conjunction with Craven CC, Coastal Carolina CC, and Wayne CC, to foster statewide business development originating from the five military bases in the State and to sustain MatchForce.org, the State's website for matching NC businesses with federal contract opportunities.

\$1,000,000 NR

D. Technology

100 Course Management System & Learning Objects Repository

Provides funds for an online teaching and learning platform for distance education.

\$1,370,850 R

101 Online Help Desk

Provides funds to establish an online help desk for students enrolled in distance education courses.

\$605,000 R
\$20,000 NR

102 NC Information Highway Expansion

Provides \$15,000 each to 8 colleges for the purchase of mobile ("rollabout") videoconferencing equipment.

\$120,000 NR

103 Virtual Learning Community Development Centers

Provides funding for 2 centers for the development of distance education courses.

\$300,000 R
\$200,000 NR

E. Technical Adjustments

104 Hospitalization Insurance

Appropriates hospitalization insurance at the FY 06-07 rate.

\$1,398,201 R

105 Tuition Receipts Adjustment

Provides funds to replace under-realized tuition receipts.

\$10,750,000 R

F. Receipt Supported Positions

106 Business & Technology Applications Analyst

Allows for the creation of a Business & Technology Applications Analyst position in the System Office, Administration Division to assist with Basic Skills needs, including federal literacy reporting requirements. The total requirement for this position is \$85,713, to be funded entirely from Federal Adult Education Funds.

Budget Changes

\$29,342,577 R

\$34,817,450 NR

Total Position Changes

5.00

Revised Total Budget

\$831,455,913

**HEALTH
&
HUMAN SERVICES
Section G**

Health and Human Services

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$4,264,940,128

Budget Changes

(1.0) Division of Medical Assistance

1 Revised Medicaid Forecast	(\$150,000,000)	R
Reduces state appropriations for the Medicaid program based upon a revised forecast.		
2 Ticket-To-Work Date Change	(\$150,000)	R
Reduces funding for the Ticket-To-Work Program for FY 2006-07 because the implementation date has been changed to July 1, 2007.		
3 Medicaid Reserve Fund	(\$3,000,000)	NR
Transfers funding from the G.S. 143-23.2 reserve to support current services and reduce State appropriations.		
4 Inflationary Increases	\$12,000,000	R
Provides funding for inflationary increases for Medicaid providers. Effective January 1, 2007.		
5 CAP-MR/DD Slots	\$3,000,000	R
Provides full funding for additional slots for the Community Alternatives Program for the Mentally Retarded/Developmentally Disabled.		
6 Reimbursement Rates for Skilled Nursing Facilities	\$1,500,000	R
Provides funding to make adjustments to case-mix reimbursement rates for skilled nursing facilities. Effective January 1, 2007.		
7 In-Home Services Rate Adjustment	\$1,500,000	R
Provides funding for rate increases for home health and personal care services providers. Effective January 1, 2007.		
8 Health Care Access Study	\$100,000	NR
Provides funding to support the development of a plan to expand health care access for uninsured North Carolinians through the use of public/private partnerships, federal flexibility and resources, and promotion of charity care by health care providers.		
9 Provider Rate Study	\$100,000	NR
Provides funding to contract with independent consultants and financial experts to assist the Division in developing a proposal for an equitable standard to provide inflationary increases and other cost related increases to service providers in the Medicaid program.		
10 One-Time Cap On County Medicaid Share	\$27,400,000	NR
Provides nonrecurring funding for one-time assistance so that all 100 counties' portion of Medicaid service costs for FY 2006-07 does not exceed the amount paid in FY 2005-06.		

(3.0) Division of Public Health

11 Eye Exams	(\$1,500,000)	R
Reduces funding for the Governor's Mission Care Program		
12 Early Intervention	\$7,103,147	R
Provides funding to expand the capacity of the Early Intervention program for children ages birth to three in response to the increase in the number of children referred for services. Also authorizes the use of receipts to support 56 full-time equivalent positions.		
	141.00	
13 Universal Vaccine Program	\$5,526,095	R
Provides funding to expand coverage of the influenza and pertussis vaccines.		
14 Dental Preventive Services	\$390,000	R
Provides funding for dental preventive services to children at high risk for tooth decay. Funds support the fluoride mouthrinse program in public schools, community water fluoridation and laboratory testing, the provision of dental sealants, and other needed dental care. Funding is also provided for a Public Health Program Manager I position.		
	1.00	
15 School Nurse Funding	\$3,250,000	R
Provides recurring funding to support 65 school nurse positions previously supported on a time-limited basis by federal block grants.		
16 Women's Health Services	\$200,000	NR
Provides funding for family planning services to uninsured women who are not eligible for Medicaid.		
17 Health Disparities Initiative	\$2,000,000	R
Provides funding for grants-in-aid awarded through the Community-Focused Eliminating Health Disparities Initiative (CFEHI). Also, provides funds to support one position to manage the program		
	1.00	
18 Healthy Start Foundation	\$300,000	NR
Provides a grant-in-aid to the Healthy Start Foundation.		
19 Prevention of Pre-term Births	\$150,000	NR
Provides funding to provide education to women on the benefits of progesterone for those who have had preterm births and to purchase medication for eligible minority and low-income women.		
20 Child Maltreatment	\$90,000	R
Provides funding for one position and support costs to coordinate the implementation of NC Institute of Medicine recommendations for initiatives to prevent the occurrence of child maltreatment.		
	1.00	
21 Antiviral Purchase for Pandemic Flu	\$400,000	NR
Provides funding for the state match for federal funds to purchase and store 27,300 courses of influenza antiviral medication. 10,000 courses will be for the state's first responders and the remaining 17,300 courses will be for front-line healthcare workers.		

22 Private Well Water Safety Program

Provides funding for equipment and supplies to test the anticipated additional private well water samples due to increased standards for newly constructed wells. Authorizes three positions to be supported through fee receipts, estimated at \$915,530. Authority for the fees is included in Section 10.20 of this bill.

\$226,000 NR

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

23 ADATC

Provides funding for personnel and operating support associated with the expansion of the acute units at the Walter B. Jones and R. J. Blackley Alcohol and Drug Abuse Treatment Centers.

\$3,969,719 R

93.00

24 Developmental Therapies for DD

Provides funding for a state-funded service to replace services lost due to changes in federal policy and cuts in federal support.

\$26,000,000 R

25 Mental Health Services

Provides funding for mental health services to be distributed to the Local Management Entities (LMEs) such that each LME receives a percentage of the total allocation that is equal to that LME's percentage of the State's total population below the poverty level.

\$7,200,000 R

26 Substance Abuse Services

Provides funding for substance abuse services to be distributed to the LMEs such that each LME receives a percentage of the total allocation that is equal to that LME's percentage of the State's total population below the poverty level.

\$7,200,000 R

27 Housing Trust Fund - 400 Apartment Initiative

Provides \$10,937,500 in non-recurring funding to the North Carolina Housing Trust Fund for a 400 independent- and supportive-living apartment initiative recommended by the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. These funds are for the financing of the portion of the 400 apartments not able to be financed within the existing means of the North Carolina Housing Finance Agency. Operating assistance for the 400 apartments will be provided from the funds in the next item. The apartments shall be for individuals with disabilities and shall be affordable to those with incomes at the Supplemental Security Income (SSI) level.

The funds for this item are located in the Housing Finance Agency section of this report.

28 Operating Cost Subsidy - 400 Apartment Initiative

Provides recurring operating cost subsidy for 400 independent- and supportive-living apartments for individuals with disabilities financed by the North Carolina Housing Finance Agency as described in the previous item. The apartments shall be affordable to those with incomes at the Supplemental Security Income (SSI) level.

\$1,205,000 R

29 Supportive Services for HUD 811 Projects	\$635,000	R
Provides funding for on-going operations and start-up expenses to support 12 group home beds and 80 apartments financed through the United States Department of Housing and Urban Development.	\$330,000	NR
30 Mental Health Trust Fund		
Provides \$14,390,000 in funding for the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs to be used in accordance with G.S. 143-15.3D.		
The funds for this item are located in the Statewide Reserves section of this report.		
31 Start-Up Funding for Crisis Services	\$5,250,000	NR
Provides funding for start-up costs for crisis services to be used by LMEs to establish a continuum of regional crisis facilities and local crisis services for persons with mental illness, developmental disabilities, and substance abuse addictions.		
32 State Service Dollars for Crisis Services	\$7,000,000	R
Provides funding for crisis services to be distributed to LMEs such that each LME receives a percentage of the total allocation that is equal to that LME's percentage of the State's total population below the poverty level. LMEs may use these funds to pay for mental health, developmental disabilities, or substance abuse crisis services provided to non-Medicaid eligible adults and children who are indigent and have no other third-party payment source.		
33 Consultants to Aid the Division and LMEs	\$925,000	NR
Provides funding for consultants to aid the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and the LMEs with planning for crisis services, strategic planning, developing performance indicators, standardization, and capacity-building.		
34 Child and Family Teams	\$523,638	R
Provides funding for LMEs to hire 18 Care Coordinators to work with Child and Family Teams.		
(5.0) Division of Facility Services		
35 State Regional Advisory Committees	\$200,000	NR
Provides funding for the State's eight Regional Advisory Committees.		
(7.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing		
36 Accessible Electronic Information for Blind and Disabled Persons	\$75,000	NR
Provides funding to continue accessible electronic information services for blind and disabled persons.		

(8.0) Division of Child Development

37 Child Care Subsidy	\$14,096,395	R
<p>Provides funding to maintain existing caseload and implement rate adjustments, by region, as defined in the 2005 Child Care Market Rate Study. (SB 1741, Section 10.34) Additional funding in the Temporary Assistance for Needy Families (TANF) Block Grant for child care subsidy will remove 3,096 children from the waiting list.</p>		
38 Smart Start	\$13,500,000	R
<p>Provides funding for local Smart Start initiatives, including subsidized child care. \$400,000 shall be allocated to the North Carolina Partnership for Children, Inc., for operating support.</p>		
39 Improve Regulatory Oversight	\$453,222	R
<p>Provides funding to create 10 positions in the Division of Child Development's Licensing Unit. Additional staff will reduce caseloads and allow for more frequent monitoring visits.</p>		
	\$12,291	NR
		10.00
40 T.E.A.C.H. Program		
<p>Provides funding to the North Carolina T.E.A.C.H. Early Childhood® Project.</p>		
	\$1,000,000	NR

(9.0) Division of Education Services

41 Early Intervention Teachers for the Deaf and Hard of Hearing	\$293,493	R
<p>Provides funding to create eight additional teaching positions in the Early Intervention Program for Children who are Deaf or Hard of Hearing Program</p>		
		8.00
42 Early Intervention Teachers for the Blind and Visually Impaired	\$233,533	R
<p>Provides funding for five additional teaching positions and one Orientation and Mobility Specialist at the Governor Morehead School for the Blind's Preschool.</p>		
		6.00
43 Language Interpreters	\$121,771	R
<p>Provides funding to create one language interpreter position at the North Carolina School for the Deaf in Morganton, one language interpreter position at the Governor Morehead School in Raleigh, and two language interpreter positions in the Early Intervention Program for Deaf and Hard of Hearing.</p>		
		4.00
44 Dormitory Supervisors at North Carolina School for the Deaf in Morganton	\$39,730	R
<p>Provides funding to create two additional Residential Life Attendants for the North Carolina School for the Deaf in Morganton.</p>		
		2.00
45 Housekeeper at North Carolina School for the Deaf in Morganton	\$20,358	R
<p>Provides funding to create one additional housekeeping staff at the North Carolina School for the Deaf in Morganton.</p>		
		1.00
46 Behavior Specialists for Eastern North Carolina School for the Deaf	\$45,663	R
<p>Provides funding for two additional Behavior Programming Technicians at the Eastern North Carolina School for the Deaf for the Positive Behavior Support Program</p>		
		2.00

47 Telemedicine for Children in Residential Schools	\$24,000	R
Provides funding to implement telemedicine programs at the Western North Carolina School for the Deaf in Morganton and the Governor Morehead School for the Blind in Raleigh.	\$50,000	NR
48 Beginnings for Parents of Children Who Are Deaf or Hard of Hearing, Inc.		
Provides funding for family support services.	\$168,235	NR
(10.0) Division of Social Services		
49 Work First Cash Assistance		
Reduces funding for Work First Cash Assistance payments for Fiscal Year 2006-07.	(\$2,287,393)	NR
50 Foster Care and Adoption Assistance Payments	\$10,206,898	R
Provides funding to support the increased cost of the Foster Care and Adoption Assistance Programs.		
51 Federal Budget Impact on Foster Care Services	\$2,040,755	R
Provides funding to support the projected cost of additional foster care maintenance payments to be made to people caring for their relatives' children who choose to become licensed.		
52 Paternity Testing for Child Support Enforcement	\$151,500	R
Provides funding to support the loss of federal funds for paternity testing expenses.		
53 Child and Family Teams	\$420,804	R
Provides funding for positions to facilitate Child and Family Team meetings in county DSSs that will support the statewide implementation of the Multiple Response System		
54 Food Banks		
Provides funding to be equally distributed to the regional network of food banks in North Carolina.	\$750,000	NR
55 State/County Special Assistance Rate Adjustment	\$2,400,000	R
Provides funding for an increase in the State/County Special Assistance monthly rate from \$1,118 per month to \$1,148 per month effective January 1, 2007.		
56 Child Support Enforcement Call Center		
Provides funding to replace the Voice Response Unit and upgrade the telephone system for the Child Support Enforcement Call Center in Martin County.	\$2,000,000	NR
(11.0) Division of Aging and Adult Services		
57 Home and Community Care Block Grant	\$4,000,000	R
Provides funding for the Home and Community Care Block Grant Program		

58 LTC Quality Improvement	\$492,136	R						
<p>Provides funding for eight long-term care ombudsman positions including benefits and travel and \$100,000 for a contract for the Quality Improvement Program authorized in Section 10.40A(p) of S.L. 2005-276.</p>								
	8.00							
59 Adult Day Care Rates	\$1,043,750	R						
<p>Provides funding to increase the daily rates for adult day care and adult day health care programs by \$5.00. \$556,556 will be allocated to the State Adult Day Care Fund and \$487,194 shall be allocated to the Home and Community Care Block Grant Program</p>								
(12.0) Office of the Secretary								
60 Transfer More At Four Program to DPI	(\$66,646,653)	R						
<p>Transfers funding for the More At Four program to the Department of Public Instruction.</p>								
61 Utility and Fuel Cost Reserve	\$585,417	NR						
<p>Provides funding to support the increased cost of utility services and fuel for state institutions operated by the Department of Health and Human Services.</p>								
62 MMIS Implementation								
<p>Transfers funding from the GS 143-23.2 reserve to continue to fund the state share of implementing the new Medicaid Management System (MMS).</p>								
<table border="0" style="width: 100%;"> <tr> <td>Total Requirements</td> <td style="text-align: right;">\$5,004,504</td> </tr> <tr> <td>Transfer From Medicaid Reserve Fund</td> <td style="text-align: right;">(\$5,004,504)</td> </tr> <tr> <td>State Appropriation</td> <td style="text-align: right;">0</td> </tr> </table>			Total Requirements	\$5,004,504	Transfer From Medicaid Reserve Fund	(\$5,004,504)	State Appropriation	0
Total Requirements	\$5,004,504							
Transfer From Medicaid Reserve Fund	(\$5,004,504)							
State Appropriation	0							
63 Public Awareness of Safe Surrender of Infants Campaign	\$98,000	NR						
<p>Provides funding to inform the public of the Safe Surrender Act (S.L. 2001-291).</p>								
64 Psychiatrist Access	\$3,000,000	R						
<p>Provides funding to improve psychiatrist access for public consumers.</p>								
	\$1,500,000	NR						
65 Strategic LME Team	\$300,000	R						
<p>Provides funding to be used for three positions to create a Local Management Entity (LME) Strategic Assistance Team. The Team shall assist LMEs develop, implement, and maintain their statutory responsibilities.</p>								
	3.00							
66 Community Health Center Grants	\$3,000,000	NR						
<p>Provides additional funding for grants-in-aid awarded through the Community Health Center Grant Program</p>								
67 Rural Hospital Operations and Maintenance	\$3,000,000	NR						
<p>Provides funding for small rural hospitals in need of assistance with operations and infrastructure maintenance.</p>								

Budget Changes	(\$75,320,046)	R
	\$42,532,550	NR
Total Position Changes	281.00	
Revised Total Budget	\$4,232,152,632	

**NATURAL
&
ECONOMIC
RESOURCES
Section H**

Agriculture and Consumer Services

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$51,032,884

Budget Changes

Administration

- | | | | |
|----------|--|----------|----|
| 1 | Human Resources | \$97,382 | R |
| | Provide funding for one (1.0) Personnel Technician position in Human Resources. | | |
| | | 1.00 | |
| | Salary and Benefits | \$40,590 | |
| | Other Expenses | \$56,792 | |
| 2 | Public Affairs - Agricultural Review | | |
| | Provide increased funding for the Agricultural Review to address rising operational costs. | \$40,000 | NR |

Emergency Programs

- | | | | |
|----------|--|-----------|---|
| 3 | Emergency Preparedness - Staffing Support | \$337,000 | R |
| | Provide General Fund appropriation to establish two (2.0) new positions and to fund shift two (2.0) existing positions from receipt-support: | | |
| | | 4.00 | |
| | Veterinarian | 1.0 | |
| | Animal Health Technician II | 1.0 | |
| | Application Analyst II | 2.0 | |
| | Salaries and Benefits | \$283,252 | |
| | Equipment and Supplies | \$ 15,248 | |
| | Other Expenses | \$ 38,500 | |
| 4 | Emergency Preparedness - Operating Expenses | \$300,000 | R |
| | Provide additional funding for operating expenses associated with the Multi-Hazard Threat Database. | | |

Food and Drug

- | | | | |
|----------|---|-----------|----|
| 5 | Emergency Preparedness - Food Safety | \$538,257 | R |
| | Provide funding for eleven (11.0) positions to address staffing shortages in food protection, compliance and regulations: | | |
| | | 11.00 | |
| | Chemist II | 2.0 | |
| | Ag Microbiologist II | 2.0 | |
| | Food Compliance Officer I | 1.0 | |
| | Food Regulatory Specialist I | 6.0 | |
| | Salaries and Benefits | \$442,890 | |
| | Purchased Services | \$ 60,742 | |
| | Other Expenses | \$ 34,625 | |
| 6 | Emergency Preparedness - Replace Distillation System | | |
| | Provide funding for the replacement of the water distillation system at Constable Laboratory. | \$100,000 | NR |

7 Emergency Preparedness - Purchase/Replace Lab Equipment

Provide funding for the purchase and replacement of Lab equipment. \$500,000 NR

8 Pesticide Staffing Support

Provide three (3.0) additional positions to the Pesticide Section: \$194,429 R
\$6,149 NR
3.00

Environmental Toxicologist 1.0
 Bilingual Pesticide Specialist 1.0
 Pesticide Environmental Investigative Specialist 1.0

Salaries and Benefits \$147,713
 Purchased Services \$ 29,996
 Supplies \$ 16,140
 Other Expenses \$ 6,729

9 Restore Funding for the Pesticide Disposal Program

Restore General Fund reduction to the Pesticide Disposal Program made in FY 05/06. \$222,407 R

Markets

10 Domestic Marketing

Provide additional funding for the "Got to be NC" agriculture marketing initiative. Also provides one (1.0) Agricultural Marketing Specialist position. \$40,000 R
\$240,300 NR
1.00

Meat and Poultry

11 Emergency Preparedness - Food Safety and Security Mandates

Provide funding for 50 percent of six (6.0) meat inspector positions to match US Department of Agriculture funding. \$163,000 R
6.00

Salaries and Benefits \$134,400
 Other Expenditures \$ 28,600

Plant Industry

12 Export Certification Program

Provide funding to establish two (2.0) Export Certification positions required to respond to the increased demand for issuance of phytosanitary certificates in North Carolina. \$145,310 R
2.00

Export Certification Specialist 2.0

13 Reduce Unrealized Fertilizer Receipts

Replace a portion of unrealized fertilizer receipts. \$100,000 NR

Research Stations

14 Replace Unrealized Research Station Receipts

Replace unrealized Research Stations receipts with a General Fund appropriation. \$350,000 NR

Standards

15 Standards Inspectors

Provide funding for two (2.0) additional Standards Inspectors to be assigned to inspect retail motor fuel dispensers and retail weights and measures devices.

\$39,156 R
\$23,000 NR
2.00

Salaries and Benefits \$32,946
Equipment and Supplies \$25,240
Other Expenses \$ 3,970

Veterinary Services

16 Emergency Preparedness - Director of Laboratory Operations position

Establish one (1.0) Director of Laboratory Operations position.

\$147,172 R
1.00

Salary and Benefits \$128,376
Purchased Services \$ 11,900
Equipment and Supplies \$ 5,696
Other Expenses \$ 1,200

Budget Changes

\$2,224,113 R
\$1,359,449 NR

Total Position Changes

31.00

Revised Total Budget

\$54,616,446

Labor

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$14,434,925

Budget Changes

Administration

17 Fund Travel and Office Space

\$213,894 R

Provide funds for field staff to travel and for existing field office space.

Elevator and Amusement Device Bureau

18 Establish Receipt-Supported Positions

Establish two (2.0) receipt-supported positions to inspect elevator and amusement devices.

Elevator Inspectors 2.0 \$111,696

Salaries and Benefits \$98,166

Travel and Phone \$12,748

Other \$ 782

Labor Standards and Inspections

19 Replace Appropriations for Mine and Quarry Program

\$200,000 R

Provide funds to offset unrealized safety training fee receipts. Fund shift 3.5 positions from receipt supported.

3.50

Mine Safety & Health Representative 3.5

Salaries and Benefits \$199,669

Travel \$ 331

Occupational Safety and Health

20 Fund Operating

Fund various operating line items in Occupational Safety and Health.

\$200,000 NR

Budget Changes

\$413,894 R

\$200,000 NR

Total Position Changes

3.50

Revised Total Budget

\$15,048,819

Environment & Natural Resources

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$168,451,089

Budget Changes

(2.0) CGIA

21 Fund NC OneMap

\$70,000 R

Provide funds to enhance NC OneMap system to provide 24-7 access and to provide technical assistance to local governments who connect to NC OneMap. Provide funds for one (1.0) new position.

\$80,000 NR
1.00

Business & Technology Applications Specialist 1.0

Salary and Benefits \$70,000
Computer and Software \$80,000

(2.0) Coastal Management

22 Create New Coastal Habitat Protection Compliance Positions

\$249,757 R

Provide funds to establish four (4.0) Compliance Coordinator positions, one in each Division of Coastal Management district to provide compliance and enforcement services.

\$27,770 NR
4.00

Environmental Specialist III 4.0

Salaries and Benefits \$204,338
Rent \$ 6,668
Travel \$ 22,600
Supplies \$ 16,151
Furniture & Computers \$ 27,770

(2.0) Environmental Health

23 Fund Private Well Water Safety Program

\$271,079 R

Provide funds for technical support and enforcement assistance to counties as they enforce state wide private water supply well construction standards. Provide funds for five (5.0) new positions.

\$827,550 NR
5.00

Environmental Health Regional Specialist 4.0
Administrative Assistant I 1.0

Salaries and Benefits \$234,454
Travel and Rent \$ 30,625
Supplies \$ 6,000
Furniture and Computers \$ 27,550

24 Protection of Drinking Water Supplies

Increase the existing community water system operating permit fees, charge a new operating permit fee on non-community non-transient water systems, and charge new plan review fees. New fee revenue will fund nineteen (19.0) additional positions for field response, inspections, technical assistance, compliance oversight, laboratory support and review and approval of plans to protect public drinking water supplies. Positions will be funded as fee revenue is generated with seven (7.0) positions funded in FY06-07 and the remaining positions funded in FY07-08.

Environmental Engineer II 4.0
 Environmental Engineer I 14.0
 Environmental Technician V 1.0

25 Emergency Drinking Water Funds

Provide funds to pay for notification, to the extent practicable, of persons aged 18 and older who reside in any dwelling unit and the senior official in charge of any business at which drinking water is supplied from a private drinking water well that is located within 1,500 feet of known groundwater contamination. Provide funds to cover the costs of testing private drinking water wells for contamination and for the provision of alternative drinking water supplies to persons whose drinking water well is contaminated.

\$300,000 NR

26 Fund Shellfish Sanitation Positions

Provide funds to monitor and classify North Carolina's shellfish growing waters and to conduct the shoreline survey. Funds three (3.0) positions, one GS staff person and two shoreline surveyors.

\$167,980 R
 \$11,020 NR
 3.00

Environmental Health Specialist 1.0
 Environmental Health Regional Specialist 1.0
 Computing Consultant 1.0

Salaries and Benefits \$133,686
 Travel \$ 19,000
 Rent \$ 3,000
 Supplies \$ 12,294
 Furniture and Computers \$ 11,020

27 Fund Wastewater Treatment Consultants

Provide funds for two (2.0) positions to provide technical on-site assistance to customers requesting waste water permits for septic tanks.

\$140,079 R
 2.00

Soil Scientist II 1.0
 Environmental Engineer II 1.0

(2.0) Land Resources

28 Restore Contractual Services

Restore funding for contractual services for a county boundary program eliminated in FY 05/06.

\$50,000 NR

(2.0) Water Quality

29 Fund Water Quality Monitoring on Ferry Vessels

Provide funds for the Ferrymon Program which evaluates water quality in the Pamlico Sound and its tributary rivers using equipment attached to three ferry vessels. \$300,000 NR

(3.0) Aquariums

30 Fund Operating

Provide funds for the operations of the aquariums. \$2,500,000 NR

(3.0) Marine Fisheries

31 Coastal Recreational Fishing License Implementation

Provide funds to establish two (2.0) positions and operating support for the development and operations of the licensing system associated with the Coastal Recreational Fishing License (CRFL). These positions will be funded with receipts generated from the sale of CRFL effective FY 07/08. Positions include: \$375,000 NR

Process Analyst IV 1.0
 Bus Tech Applications Analyst 1.0

Salaries and Benefits \$128,351
 Purchased Services \$191,629
 Supplies \$ 6,120
 Equipment \$ 48,900

32 Shellfish Mapping and Submerged Aquatic Vegetation Mapping Programs

Provide five (5.0) additional positions and operating expenses to enable the Marine Fisheries Division to map shellfish resources and habitat as recommended by the Coastal Habitat Protection Plan: \$331,651 R

Computing Consultant I 1.0
 Marine Fisheries Technician II 4.0

\$87,048 NR

(3.0) Soil and Water Conservation

33 NC Agricultural Cost Share Technical Assistance

Provide additional support for cost-shared funds to soil and water conservation districts and counties for technical assistance needed to install quality Best Management Practices through the Agriculture Cost Share Program. \$333,778 R

34 NC Agriculture Cost Share Financial Assistance

Provide additional funding to the Agriculture Cost Share Program to assist 100 additional producers per year to install Best Management Practices to improve water quality. \$200,000 R

35 Extend Conservation Resource Enhancement Program (CREP)

Provide additional funding to the CREP program to expand into additional watersheds in need of riparian buffers and restored wetlands. \$575,000 R

Salaries and Benefits \$139,895
 Contracts and Easements \$850,000
 Other Operating Expenses \$ 10,105

\$425,000 NR

36 Soil and Water Conservation District Supervisor Travel	\$25,000	R
Provide funding for travel reimbursement for Soil and Water Conservation District Supervisors.		
37 Poultry Waste Management Best Practices	\$200,000	NR
Provide funds for new poultry waste management techniques.		
(4.0) Reserves and Transfers		
38 Resource Conservation and Development Councils	\$200,000	NR
Provide each of the State's ten Resource Conservation and Development Councils with a grant of \$20,000.		
39 Clean Water SRF Match Funds	\$3,160,852	NR
Provide funds to meet the 20% state match requirement for drawing down the maximum available federal funds for the Clean Water State Revolving Fund.		
40 Drinking Water SRF Match Funds	\$2,909,820	NR
Provide funds to meet the 20% state match requirement for drawing down the maximum available federal funds for the Drinking Water State Revolving Fund.		
41 Forest Development Program (FDP)	\$600,000	NR
Provide additional funding to reduce the current waiting list of landowner applicants for cost share assistance to reforest land.		
42 Increase Grassroots Science Program Funding	\$133,578	NR
Increase funding for the Grassroots Science Program		
43 Monitoring and Emergency Cleanup of the Texfi Site Contamination	\$100,000	NR
Provide funding for additional monitoring and cleanup of contamination at the Texfi Site.		
<hr/>		
Budget Changes	\$2,364,324	R
	\$12,487,638	NR
Total Position Changes	25.00	
Revised Total Budget	\$183,303,051	
<hr/>		

Commerce

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$36,728,265

Budget Changes

Administrative Services

44 Establish Position to Monitor Non-Profits \$63,000 R
 Establish one (1.0) Auditor II position and provide operating funds to monitor all non-state entities receiving funds through the Department of Commerce. \$87,000 NR
1.00

Salary and Benefits	\$63,000	
Operating Expenses	\$87,000	

Board of Science and Technology

45 One North Carolina Small Business Fund \$5,000,000 NR
 Provide funds for the Federal Small Business Innovation Research/Small Business Technology Transfer Research matching program. The program provides incentive funds to small businesses to apply for federal innovation grants.

Finance Center

46 One North Carolina Fund \$15,000,000 NR
 Provide funds for the One North Carolina Fund for FY 06/07.

Industrial Commission

47 Replace Electronic Document System \$1,500,000 NR
 Provide funds to replace electronic document system. State funds will be used in addition to existing fee receipts (\$2,100,000) to fund the new system.

Total Requirements:	\$3,600,000	
Less Anticipated Receipts: (\$2,100,000)		
State Funds Required:	\$1,500,000	

Information Services

48 Web Applications Development and Maintenance \$70,819 R
 Establish one (1.0) Application Analyst position to develop and maintain a web site for the department. \$5,000 NR
1.00

Salary and Benefits	\$70,819	
Equipment	\$5,000	

Local Planning and Management

49 Expand Small Towns Main Street Program \$71,965 R
 Establish one (1.0) Community Development Planner position to serve the western part of the state. Program activities in the eastern region are funded by a Z. Smith Reynolds grant. 1.00

Salary and Benefits \$48,663
 Transportation/Meals/Lodging \$21,202
 Supplies and Equipment \$ 2,100

50 Expand 21st Century Communities Program \$244,699 R
 Establish three (3.0) Community Development Planner I positions and provide operating funds to expand the program to 5 new communities annually. 3.00

Salaries and Benefits \$198,459
 Rent \$ 6,400
 Supplies and Office Equipment \$ 17,190
 Printing and Postage \$ 1,650
 Other Expenses \$ 21,000

Marketing

51 Promote N.C. as a Business Destination \$500,000 R
 Provide funds for advertising in business publications, public relations outreach, marketing materials, national and international industry trade shows, and conference participation. \$500,000 NR

52 Furniture Market Advertising \$875,000 R
 Provide funds to the High Point International Home Furnishings Market Authority Corporation to promote the International Home Furnishings Market. \$875,000 NR

Policy and Research

53 Provide Additional Staff \$225,000 R
 Provide funds for two (2.0) positions for the Division to expand research and planning for economic development. 3.00

Economist III 1.0
 Policy Development Analyst II 1.0
 Business and Technical Application Tech. 1.0

Salaries and Benefits \$187,367
 Operating Expenses \$ 37,633

Reserves and Transfers

54 Economic Development Reserve Fund \$10,000,000 NR
 Provide funds for economic development projects.

Tourism, Film and Sports Promotion

55 Promote Film Industry \$250,000 NR
 Provide funds to expand and promote the film industry in North Carolina.

Conference Report on the Continuation, Capital and Expansion Budgets

FY 06-07

56 Marketing Reserve	\$500,000	R
Provide funds for a statewide marketing reserve.	\$500,000	NR
57 Promote Motor Sports		
Provide funds to promote motor sports.	\$100,000	NR
<hr/>		
Budget Changes	\$2,550,483	R
	\$33,817,000	NR
Total Position Changes		9.00
Revised Total Budget	\$73,095,748	
<hr/>		

Commerce - State Aid

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$11,722,085

Budget Changes

58 Advanced Vehicle Research Center

Provide funds to the Advanced Vehicle Research Center Reserve. These funds may be transferred to the Department of Commerce for allocation to the Advanced Vehicle Research Center of North Carolina, Inc. for the construction of and operation of the center.

\$3,750,000 NR

59 Land Loss Prevention Project

Increase funding for the Land Loss Prevention Project to aid in the legal representation of financially distressed small farmers and rural landowners.

\$46,000 R
\$250,000 NR

60 North Carolina Association of Community Development Corporations (NCACDCs)

Increase the General Fund appropriation for NCACDCs.

\$200,000 NR

61 Minority Support Center

Provide funds for the Minority Support Center to support the Generations Credit Union and the Latino Community Credit Union.

\$1,457,138 NR

62 Community Development Initiative (CDI)

Increase the General Fund appropriation for CDI.

\$500,000 NR

63 NC Institute of Minority Economic Development

Increase funding for the NC Institute of Minority Economic Development.

\$500,000 NR

e-NC Authority

64 Transfer the e-NC Authority

Transfer funds from the Rural Center's fund code to the Department of Commerce's State-Aid fund code. Historically the program was administratively located within the Rural Center's budget.

\$500,000 R

Budget Changes

\$546,000 R

\$6,657,138 NR

Total Position Changes

Revised Total Budget

\$18,925,223

N.C. Biotechnology Center

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$10,583,395

Budget Changes

65 Increase Funding for Biotechnology Center

\$1,500,000 R

Provide funds for the Biotechnology Center.

\$500,000 NR

66 Regional Offices

\$500,000 R

Provide funds to support the Biotechnology Center's regional offices.

Budget Changes

\$2,000,000 R

\$500,000 NR

Total Position Changes

Revised Total Budget

\$13,083,395

Rural Economic Development Center

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session \$25,052,607

Budget Changes

Rural Center

67 Transfer the e-NC Authority (\$500,000) R

Transfer funds from the Rural Center's fund code to the Department of Commerce's State-Aid fund code. Historically the program was administratively located within the Rural Center's budget. In S.L. 2005-276 the Rural Center was appropriated \$20 million recurring, with \$500,000 allocated to the e-NC Authority.

Budget Changes (\$500,000) R

Total Position Changes

Revised Total Budget \$24,552,607

**JUSTICE
&
PUBLIC SAFETY
Section I**

Judicial

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$345,760,410

Budget Changes

- | | | |
|---|-------------|----|
| 1 Access to Civil Justice Funds | \$1,000,000 | R |
| <p>Appropriates \$1 million R to the State Bar to increase the funds available to various legal services programs in the state under the Access to Civil Justice Act. These funds shall be apportioned to the programs based on the allocations from the fee income currently passed through to the Bar for this purpose.</p> | | |
| 2 Increase Dispute Settlement Center Funding | \$131,418 | R |
| <p>Restores a 2003 recurring cut to the pass-through for Dispute Settlement Centers, and provides \$80,000 for a one-time across-the-board increase for the local programs.</p> | | |
| | \$80,000 | NR |

Administration

- | | | |
|---|-------------|----|
| 3 Technology Initiatives | \$5,118,632 | R |
| <p>Provides a mix of recurring and non-recurring money for critical technology projects in the ACC, as follows:</p> | | |
| <p>1) rewrite obsolete processing systems for clerks and district attorney/public defender cases, including required data cleanup to implement a statewide warrant repository (NOVARE);</p> | | |
| <p>2) new initiatives related to court, civil eFiling, electronic payments, and electronic traffic court;</p> | | |
| <p>3) maintenance and enhancement of existing applications including eQ tation and Casewise/Jwise.</p> | | |
| <p>The non-recurring funds in this item are appropriated to the Court Information Technology Fund created in GS 7A-343.2, and as such, shall not revert.</p> | | |
| | \$1,350,000 | NR |
| | 30.00 | |
| 4 Innocence Claim Review Commission | \$160,134 | R |
| <p>Establishes staff for the Innocence Claim Review Commission, pending passage of House Bill 1323. The effective date for these positions is January 1, 2007.</p> | | |
| | \$50,579 | NR |
| | 3.00 | |

Appellate

- | | | |
|--|-----------|----|
| 5 Justice Building Renovation | \$512,000 | NR |
| <p>Renovations to the Justice Building are scheduled to continue into FY 2006-07, but funds for the temporary relocation of staff are only budgeted for FY 2005-06. This item appropriates funds to continue leasing space through 2006-07 fiscal year and to cover moving expenses for the Supreme Court and the ACC.</p> | | |

6 New Court of Appeals Positions

Appropriates funding for one new Staff Attorney I and one new Appellate Clerk I to address increases in appellate workload and to expedite termination of parental rights cases. These positions have been annualized for a July 1, 2006, effective date.

\$108,990 R
 \$14,467 NR
 2.00

District Attorneys

7 New Prosecutors and Support Staff

Provides funds for 90 new Assistant District Attorneys and 9 Victim Witness Legal Assistants. The Assistant District Attorney positions will be allocated based on the workload formula adopted by the Conference of District Attorneys. The WLAs will be allocated to the following districts:

- 10 -- Wake (2 positions)
- 12 -- Cumberland
- 15B - Orange, Chatham
- 16B - Robeson
- 19A - Cabarrus
- 25 -- Burke, Caldwell, Catawba
- 26 -- Mecklenburg
- 28 -- Buncombe

\$3,820,851 R
 \$416,124 NR
 99.00

These positions are effective January 1, 2007.

8 Open File Discovery Project

Due to recent legislation requiring open discovery in criminal cases, there is need for an automated evidence tracking system that will register the articles of evidence, track their use, and verify that the articles have been disclosed to the appropriate parties as required by law. This item appropriates \$3 million NR to the Court Information Technology Fund created in GS 7A-343.2, and as such, these funds do not revert.

\$3,000,000 NR

Equipment and Other Reserves

9 Critical Equipment Needs

Provides non-recurring funds to replace essential technology and office equipment that is six years or older. Non-recurring funds are also recommended for the replacement of audio machines in District Court, and for telephone systems that are ten years or older. In addition, recurring funds are recommended for the continued replacement of outdated equipment and systems.

\$2,000,000 R
 \$3,800,000 NR

10 Equipment for New Courthouses

Appropriates funds for new telephone systems and LAN equipment in the new courthouses located in Clay and Harnett Counties.

\$110,000 NR

Trial Courts

11 Split Prosecutorial District 19B

Split prosecutorial district 19B (Randolph, Montgomery, Moore) into 19B (Randolph, Montgomery) and 19D (Moore). This realigns the prosecutorial district on the same lines as the Superior Court district. This item will be effective January 15, 2007.

\$217,192 R
 4.00

12 New Deputy Clerk Positions

Additional deputy clerks are needed to address significant increases in certain types of cases such as foreclosures and estate cases. The positions will be assigned by the Director of the Administrative Office of the Courts. These positions will be effective on January 1, 2007.

\$1,323,900 R
\$184,350 NR
75.00

13 New District Court Judge Positions

Provides funding for seventeen new District Court Judges in the following districts:

\$1,145,868 R
\$167,160 NR
17.00

- 3B -- Craven, Carteret, Pamlico
- 6A -- Halifax
- 10 -- Wake
- 11 -- Johnston, Lee, Harnett
- 14 -- Durham
- 15B- Orange, Chatham
- 17A- Rockingham
- 18 -- Guilford
- 19B- Randolph, Montgomery, Moore
- 19C- Rowan
- 20B- Union
- 25 -- Burke, Catawba, Caldwell
- 26 -- Mecklenburg
- 27A- Gaston
- 27B- Cleveland, Lincoln
- 28 -- Buncombe
- 30 -- Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain

These positions are effective January 15, 2007.

14 New Magistrate Positions

Appropriates funding for six new magistrates. These positions are needed to meet the magistrate staffing levels set forth in GS 7A-133. These positions have been annualized for a July 1, 2006, start date.

\$240,978 R
\$24,984 NR
6.00

These magistrates will be assigned in the following counties: Carteret, Greene, Alamance, Robeson, Montgomery, and Gaston.

15 New Guardian ad Litem Program Staff

Provides funding for thirteen new Guardian ad Litem staff positions to address significant increases in caseloads. These positions include two program assistants and eleven regional program supervisors.

\$743,130 R
\$37,231 NR
13.00

16 New District Court Judicial Support Staff

Provides funding for five new District Court Judicial support staff positions (Judicial Assistant I). These positions are needed to support the recently established judgeships, expansion of family mediation, and other arbitration and mediation efforts. These positions have been annualized for a July 1, 2006, start date.

\$200,845 R
\$19,080 NR
5.00

17 Expansion of Custody Mediation Program

Appropriates funding to expand the Custody Mediation Program into the final remaining Judicial Districts, as required by GS 7A-494(a). This expansion will require the establishment of 7.75 new support staff. These positions have been annualized for a July 1, 2006, effective date.

\$558,074 R
\$38,912 NR
7.75

18 Recurring Funds for Family Court Program	\$300,400	R
Provides funding to make the Wake Family Court permanent and to establish two new Family Court Case Coordinator positions in Cumberland and Mecklenburg Counties to meet rising caseloads.	\$8,372	NR
	5.00	
19 Expansion of Drug Treatment Court	\$238,092	R
Appropriates additional recurring funds for statewide Drug Treatment Court operations (\$49,992), as well as for three Drug Treatment Court case coordinator positions to replace federal funding that is expiring.	\$17,562	NR
	3.00	
20 Interpreter Fee Payments	\$775,000	NR
Fully funds interpreter fee payment line item. The current budget for interpreter fees is insufficient to support the total expenditures for this service, which must be provided as required by statute. This expansion is provided on a nonrecurring basis for this fiscal year.		
21 Drug Treatment Court for Pre-Plea Offenders	\$300,000	NR
Appropriates \$300,000 NR to sustain Drug Treatment Court operations in judicial districts where this sanction has been provided for pre-plea offenders. These funds may be used to purchase treatment and case coordination services for this target population.		
22 Business Court Expansion	\$236,206	R
Provides funds for a Business Court site in Wake County.	\$11,015	NR
	2.00	
23 Eliminate Reserve for HB 1048	(\$1,869,834)	R
Eliminates the \$1.8 million reserve established in SB 622 for judicial and prosecutorial staff pending the passage of House Bill 1048, Governor's DW Recommendations.		
24 Increase Juror Fees	\$500,000	R
Appropriates funds to raise the fee for jurors from \$12 per day to \$12 per day for the first day of service, \$20 per day for days 2-5, and \$40 per day thereafter. Grand jurors would be raised from \$12 to \$20.		
<hr/> Budget Changes	\$16,174,876	R
	\$10,916,836	NR
Total Position Changes	271.75	
Revised Total Budget	\$372,852,122	
<hr/>		

Judicial - Indigent Defense

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$88,648,414

Budget Changes

25 Attorney Fee Payments for Indigent Defense

Non-recurring funds are recommended for unpaid attorney fee applications from fiscal year 2005-06 that need to be carried over to fiscal year 2006-07 due to a funding shortfall.

\$4,500,000 NR

26 Hourly Rate for Private Assigned Counsel

Provides funding to increase the hourly rate for private assigned counsel in capital cases to \$95 at the trial, appellate, and post-conviction levels. The current rate is \$85, which was set in 1993.

\$1,591,162 R

27 NC Prisoner Legal Services, Inc. Contract

Appropriates funding for inflationary increases for the contract with Prisoner Legal Services, Inc. (PLS). Current operating costs for this contract are higher than the total contract amount, creating an operating shortfall for PLS.

\$122,438 NR

28 Establish Audit Function

Establish an Auditor II position within the Office of Indigent Defense Services to analyze fee applications and effect cost savings by preventing over billing.

\$66,029 R

\$3,500 NR

1.00

29 Equipment for Public Defenders

Provides non-recurring funds to replace technology and other office equipment in Public Defenders' offices.

\$200,000 NR

Sentencing Services

30 Increase Sentencing Services

Appropriates non-recurring funds to partially restore a 2004 cut to this program

\$200,000 NR

Budget Changes

\$1,657,191 R

\$5,025,938 NR

Total Position Changes

1.00

Revised Total Budget

\$95,331,543

FY 06-07

Total Budget Approved 2005 Session

\$78,697,271

Budget Changes

CJTSD

31 In-Service LEO Training

Funding is provided to the Criminal Justice Training and Standards Division to develop a new online training and registration system. The system will support Division efforts to provide training and certification services to the state's 29,000 law enforcement officers, 7,000 detention officers, and all 911 operators.

\$300,000 NR

Law Enforcement

32 SBI Staff Expansion

Provides funding for 12 investigative and forensic analysis positions: three field agent positions are effective July 1, 2006 and will be added to the recruitment for the six new meth response agent positions which became effective on June 1, 2006. The remaining nine positions are effective January 1, 2007 when construction of the SBI laboratory expansion is completed.

\$542,284 R

\$266,153 NR
12.00

5 SBI Field Agents
5 Non-sworn Drug Chemistry Technicians
1 Non-sworn Forensic Analyst
1 Non-sworn Molecular Geneticist

33 SAFIS Replacement

Provide funding to replace state and local equipment for the Statewide Automated Fingerprint Identification System. In addition, funding is provided for one position: Application Development Supervisor.

\$72,180 R

\$1,891,588 NR
1.00**34 SBI Lab Expansion**

Funding is provided to purchase two diesel generators and cubicle furniture to accommodate personnel relocating from Blount Street to the SBI campus.

\$600,000 NR

35 Business Recovery Site

Funds are provided for a business recovery site to house the backup computer center being relocated from the Blount Street site. Funding is also provided for telecommunication charges and IT services charges.

\$353,676 R

Legal Services

36 Attorney Positions

Funding is provided for three positions for the Appellate and Law Enforcement Liaison Sections:

\$238,757 R

\$13,200 NR
3.00

Attorney II (2 positions)
Attorney III

37 Sex Offender Registry Upgrade

Funding is provided to use contractual services to upgrade the state's Sex Offender Registry to include GIS mapping of offenders and public email notification capabilities.

\$200,000 NR

38 Receipt-Supported Tort Claims Positions

Using receipts per the signed June 2006 cooperative agreement with the Department of Public Instruction to establish two positions to handle the increased demand for tort claims processing services:

Tort Claims Adjuster
Attorney I

39 NC LEAF

Funding is provided to the NC Legal Education Assistance Fund (NC LEAF) to increase education loan repayment assistance for qualified law school graduates who accept positions with public or non-profit agencies. This amount will increase the NC LEAF continuation budget to \$500,000.

\$229,000 R

Budget Changes	\$1,435,897	R
	\$3,270,941	NR
Total Position Changes		16.00
Revised Total Budget	\$83,404,109	

Juvenile Justice & Delinquency Prevention

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$138,873,166

Budget Changes

Department Management

40 Positions for Administrative Division

\$115,080 R

Funding is provided to establish two new positions, effective July 1, 2006, to improve operations within the Department's Administration Division:

\$7,000 NR
2.00

Auditor II (PG75)
Purchasing Agent II (PG68)

41 Reserve for Utility and Fuel Costs

Non-recurring funds are provided to address increasing utility and fuel costs.

\$351,826 NR

Department Wide

42 Textbook Purchases

\$50,000 R

Funds are provided to purchase additional textbooks for juveniles committed to DJJDP detention centers and youth development centers. This will increase budget to approximately \$78,000.

Special Initiatives

43 Eckerd Wilderness Camps Contract

\$2,240,420 R

Funds are provided to increase the rate for the existing 326 contracted beds from \$110.41/day to \$121.77/day. The adjustment will partially address the difference between the contract rate and Eckerd's current-year, actual operating cost for the seven NC camps (\$135.32/day). In addition, funding is provided to purchase 20 more beds to increase the total number of contracted beds from 326 to 346.

Youth Development Centers

44 Operating Reserve and Positions for New Beds

\$556,319 R

Funds are provided to establish an operating reserve for the start-up of new youth development centers scheduled to open between September and December 2007. The original proposal included funds for 59 new positions, as well as funds for training and educational assistance for another 362 positions for five centers. Funding for training and educational assistance is reduced from \$315,700 to \$267,750; the \$267,750 is funded \$133,875 recurring and \$133,875 non-recurring. The changes are designed to account for the fact that a portion of the 421 positions designated to receive these funds have or will have already received training and/or educational assistance. Also, the requested amount in salary and benefits that was intended only for salary adjustment, \$84,000, is eliminated. Finally, the 59 positions requested are reduced to 56. Three positions for the new YDC in Guilford County are eliminated for FY 06/07 due to delays in project start-up. The 56 positions are effective at various dates during FY 06/07.

\$133,875 NR
56.00

Budget Changes	\$2,961,819	R
	\$492,701	NR
Total Position Changes	58.00	
Revised Total Budget	\$142,327,686	

Total Budget Approved 2005 Session

\$1,048,492,502

Budget Changes

Alcohol and Chemical Dependency

- | | |
|--|---|
| <p>45 Clinical Substance Abuse Supervisor Positions</p> <p>Legislation passed in 2005 mandates new certification and supervision standards for substance abuse treatment professionals. Supervision standards are one hour of clinical supervision for each 10 hours of counseling for the first 300 hours of treatment counseling and then one hour for every 40 hours thereafter. Adding two supervisors will allow DOC to meet these standards and account for the need for supervision at 22 locations statewide. Positions are effective July 1, 2006.</p> | <p>\$121,957 R</p> <p>\$9,021 NR</p> <p>2.00</p> |
| <p>46 Residential Treatment Programs</p> <p>DOC has been using long term federal grant funds since the mid-1990's to fund long term residential treatment for inmates. These funds are being phased out and will be eliminated by 2007-08. 246 beds are currently used to provide 6 to 12 month residential treatment for inmates with serious substance abuse histories. There is enough federal funding to continue to operate programs and 66 beds at Rowan and Western Youth Correctional Centers for 2006-07. The recommended funding is to continue programs at NCCW (Women's Prison--34 beds) and Morrison Correctional Center (146 beds).</p> | <p>\$930,122 R</p> <p>25.00</p> |
| <p>47 DART Cherry Substance Abuse Positions</p> <p>DOC operates 300 residential beds to provide substance abuse treatment for probationers and parolees (primarily DW) at DART Cherry. Five Substance Abuse Worker positions are recommended to provide improved supervision, especially on evening shifts. Positions are effective July 1, 2006.</p> | <p>\$166,745 R</p> <p>\$22,365 NR</p> <p>5.00</p> |
| <p>48 Evergreen Substance Abuse Treatment Beds</p> <p>Provide funding to increase the contract for private, minimum custody inmate treatment beds at Evergreen Rehabilitation Center. The funding allows for increasing total contract beds from 90 beds to 95 beds and continuing the requirement for 100% occupancy for FY 06/07 only. The funding is effective October 1, 2006 and is contingent upon approval of an amended contract by the State Purchase and Contract Division. The Department of Correction shall report to the Joint Appropriations Subcommittee on Justice and Public Safety by March 1, 2007, on the Evergreen Rehabilitation Center program and the contract for treatment beds, including the impact of adding five new beds.</p> | <p>\$89,927 NR</p> |

Community Corrections

49 Reserve for Sex Offender Monitoring	\$1,236,448	R
Funding is provided to implement active and passive Global Positioning Systems (GPS) in the Department of Correction to monitor the most serious convicted sex offenders that are under some form of DOC supervision. Funding is dependent on passage of HB 1902, SB 1204 or substantially similar legislation on GPS monitoring of sex offenders.	\$70,770	NR
	5.00	
50 Restore CJPP	\$712,500	R
Restores part of the amount of funds cut from the Criminal Justice Partnership Program in previous years.		
51 Probation and Parole Officer Equipment		
Funding to begin replacement of body armor worn by probation and parole officers.	\$385,000	NR
52 Fund Women at Risk	\$75,000	R
Provides an additional \$75,000 to the Women at Risk program which works with female offenders in Western North Carolina.		

Department Management

53 Medical Claims Management	\$44,463	R
DOC is increasing its efforts to monitor medical claims from outside providers. This action will establish one additional professional staff (Medical Reimbursement Officer II) to supervise the medical claims review process and to help with the integration of the medical claims system with the NCAS State accounting system. Position is effective July 1, 2006.	\$4,583	NR
	1.00	
54 Information Technology Security	\$161,588	R
The 2004 Statewide Security Assessment recommended that DOC improve computer security and establish an IT Security Office. DOC currently has only one position devoted to IT Security. In 2005, DOC requested two positions and security software funding but only the software was funded. Funding is provided for two positions, including an IT Security Manager, effective July 1, 2006.	\$9,167	NR
	2.00	
55 Reserve for Energy Costs		
For 2005-06, DOC energy costs exceeded the budget by over \$9.6 million. Primary cost increases were for heating and cooling 76 prisons and gasoline costs for prison and probation and parole. This funding is intended to avoid a budget deficit in 2006-07. Funding is non-recurring on the premise that energy costs may stabilize by 2007-08.	\$9,610,759	NR
56 Central Engineering Technology		
Funding for automated design equipment to allow for more in-house design work.	\$30,000	NR
57 Central Engineering Equipment		
Funding of construction equipment for use in construction of Orange and Caldwell segregation units and for other inmate labor construction projects.	\$240,000	NR

58 Information Technology Charges	\$450,000	R
Increase funding for service charges and fees for information technology services provided to DOC. Anticipated gap between budget and expenditures is \$4 million dollars in FY 06/07.	\$125,000	NR
59 Upgrade Computer Security Equipment		
Upgrade computer switching equipment at DOC's main computer network hub at Yonkers Road offices and the Lenoir disaster recovery site.	\$325,000	NR
Prisons		
60 Funding for Our Children's Place	\$100,000	R
Funds a program director, contractual services and operating expenses. Our Children's Place is a non-profit organization established to operate the incarcerated mothers program		
61 Operating Reserve for Tabor Correctional Center	\$95,504	R
Establish reserve for startup costs for prison in Columbus County scheduled to open February, 2008.	\$144,000	NR
	10.00	
62 Increase Prison Bed Capacity	\$1,458,336	R
Prison population projections continue to show population exceeding bed capacity. Funding is recommended to increase bed capacity by a total of 468 beds spread over six prisons. The prisons are three medium custody -- Brown Creek, Harnett, and Lumberton -- and three minimum custody prisons-- Dan River, Tillery, and Tyrrell. This capacity increase is possible by increasing the number of inmates in dormitories and adding additional security, medical and program staff. Non-recurring funding is primarily for inmate bunks and lockers and community college startup costs. The original recommended amount of \$540,000 NR for community college startup is reduced to \$270,000 based on a January 1, 2007 start date. Positions are effective January 1, 2007.	\$594,069	NR
	36.00	
63 Inmate Medical Care	\$10,000,000	R
Medical costs continue to exceed the inmate medical continuation budget. This funding will partially address the budget needs.	\$6,189,510	NR
64 Gang Prevention Initiative	\$256,292	R
DOC received Governor's Crime Commission grants to develop a "Security Threat Group Unit" at Foothills Correctional Institution. The grant funding ends December 31, 2006 so 6 months funding is provided for 06/07. The program targets gang members and is designed to increase supervision of these inmates while providing education and skills that will allow an inmate to renounce gang activity. Positions are effective December 1, 2006.		
	11.00	
65 Security Positions for new Enterprise Plant	\$131,355	R
Enterprise is opening a new janitorial products plant at Warren Correctional Center. The plant is located off-site and will require nine security positions in order to provide adequate security for 100 inmates. The plant opens in Spring 07 so positions are not effective until February 1, 2007.	\$42,510	NR
	9.00	

66 Inmate Medical - Central Pharmacy	\$147,063	R
Establishes three positions in the DOC Prison Pharmacy: one Pharmacy technician; one Pharmacist; and, a Stock Supervisor. As prison population has grown, the number of prescriptions filled has grown from 550,573 in FY 98-99 to 856,803 in 2004-05 with no increase in staffing.	\$4,500	NR
	3.00	
67 Inmate Medical - Nurses and Records Clerks	\$1,332,322	R
Funding is provided for 18 medical records clerks and 20 Licensed Practical Nurses. Adding the medical clerks will free up nurses to devote more time to nursing duties while adding LPNs will help reduce the general shortage of nurses in the prison system. Positions are effective July 1, 2006.	\$48,960	NR
	38.00	
68 Delayed Opening of Segregation Units	(\$904,430)	NR
The completion dates for 40 bed segregation units at Orange and Caldwell Correctional Centers have been delayed from 2006-07 to 2007-08 allowing for a non-recurring reduction. The total reduction is (\$904,430); (\$380,809) for Orange and (\$523,621) for Caldwell.		
69 Inmate Community Work Crews	\$237,798	R
Authorizes six new inmate community work crews. DOC shall determine which correctional centers and communities have the greatest need. Positions are effective July 1, 2006.	\$163,500	NR
	6.00	
70 Security Cameras	\$50,000	NR
Funding for additional security cameras for placement in areas such as kitchens, outside yards, and visitation rooms at various prisons.		
<hr/>		
Budget Changes	\$17,657,493	R
	\$17,254,211	NR
Total Position Changes	153.00	
Revised Total Budget	\$1,083,404,206	
<hr/>		

Crime Control and Public Safety

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$35,153,488

Budget Changes

Administration

71 Federal Grants Administration \$63,731 R
 Funding is provided for a Federal Grants Accountant to ensure compliance with federal reporting and control requirements: \$4,000 NR
 1.00

Accountant II (PG74)

72 Information Technology Positions \$164,112 R
 Funding is provided to establish two full-time permanent information technology positions: 2.00

Business & Technology Specialist (1.0)
 Business & Technology Analyst (1.0)

Butner Public Safety

73 Operations and Maintenance \$103,680 R
 Provide funds to meet basic operations and maintenance needs for Butner Public Safety: restore previous budget cuts, inflationary increases, and over budgeted receipts.

Emergency Management

74 Planning, Response, and recovery Capabilities \$578,670 R
 Funding is provided to enhance emergency management planning, response, and recovery capabilities by transferring 11 existing positions from temporary receipt-supported to permanent general fund positions: \$75,000 NR
 11.00

EM Assistant Director (PG78) (1.0)
 EM Section Manager (PG76) (2.0)
 EM Section Chief (PG72T) (1.0)
 Community Dev Spec II (PG74) (4.0)
 Community Dev Spec II (PG72) (1.0)
 Community Dev Spec I (PG70) (2.0)

In addition, \$75,000 NR is provided to support rent, utilities, and other operating cost for the two Division warehouses.

75 Urban Search & Rescue/Swift Water Rescue \$440,000 NR
 Funding is provided for training and equipment to ensure that the state's Urban Search and Rescue and Swift Water Rescue Teams can meet federal standards. Future federal emergency management funding may be jeopardized if the teams fail to meet the standards.

76 HAZMAT Regional Response Teams \$156,956 NR
 Provide funds for the state's seven HAZMAT Regional Response Teams. Funds will be used to support the teams' training and equipment replacement.

Governor's Crime Commission

77 Gang Violence Intervention and Suppression

Funds are provided to the Governor's Crime Commission for competitive grants to be awarded to local government and community agencies for gang violence prevention, intervention and suppression initiatives. \$1,500,000 NR

National Guard

78 Deputy Division Director Position

Provide funding to establish a Deputy Division Director position to assist with day-to-day operations and management of federal activities. \$96,080 R

79 National Guard Pension Fund

Funds are provided for the NC National Guard Pension Fund. Effective July 1, 2006, these funds will be used to increase the monthly pension benefit payment to current and future retirees from a maximum of \$150 to a maximum of \$160. \$965,000 R

80 Assistance to NC National Guard Families

Funding is provided for the NONG Soldiers and Airmen's Assistance Fund to provide emergency financial assistance to members and their immediate families who are experiencing financial hardship. \$500,000 NR

81 Armory Maintenance & Repair

Funds are provided to address the highest priority state-wide armory maintenance and repair needs such as roof repairs, boiler repairs and replacements, electrical upgrades, fire alarm systems, etc. \$250,000 NR

State Highway Patrol

82 New Permanent Positions

\$945,557 R is provided from the Highway Fund to create 21 permanent positions that are now temporary. The positions include:

- Trades worker III (PG61) 8.0
- Office Assistant IV (PG59) 8.0
- Aircraft Mechanic (PG68) 1.0

Establishes four new additional State Trooper positions

83 VIPER Maintenance

\$208,892 R is provided from the Highway Fund for the maintenance of the VIPER system already built.

Victim & Justice Services

84 Victims Compensation

\$1,000,000 NR is provided to be used for the backlog of approved but unpaid victims' compensation claims. \$1,000,000 NR

85 Claims Investigator Position

Funds are provided to establish an additional Law Enforcement Specialist (PG70) position in the Victims' Compensation Services Section to investigate and process claims. In addition, the position will serve as the contact/liason to the Crime Victims Compensation Commission, law enforcement, and public/private agencies. \$53,051 R
\$4,000 NR
1.00

Budget Changes	\$2,024,324	R
	\$3,929,956	NR
Total Position Changes	16.00	
Revised Total Budget	\$41,107,768	

**GENERAL
GOVERNMENT
Section J**

Administration

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$58,818,473

Budget Changes

1311 Office of State Personnel

1 International Employment Specialist

\$78,915 R

Provides funding to establish a full-time International Employment Specialist (Agency Legal Specialist II) to ensure compliance with federal laws and regulations regarding the employment of foreign nationals.

1.00

531211	Salaries - Appr.	\$63,000
531461	Longevity Pay	\$ 945
531511	Social Sec. Contribution	\$ 4,820
531521	Retirement Contribution	\$ 4,297
531561	Medical Ins. Contribution	\$ 3,854
532714	Travel - Trans. In-State	\$ 1,999

2 EEO Diversity & Special Emphasis Project Mgmt.

\$106,596 R

Appropriates funds for an HR Partner position to provide support to agencies and universities in diversity efforts and to independently investigate documented complaints. Also provides funds for INROADS.

1.00

531211	Salaries - Appr.	\$61,000
531461	Longevity Pay	\$ 915
531511	Social Sec. Contribution	\$ 4,667
531521	Retirement Contribution	\$ 4,160
531561	Medical Ins. Contribution	\$ 3,854
532714	Travel - Trans. In-state	\$ 2,000
536905	Employer QJT Incentive (INROADS)	\$30,000

3 Mediation Training Staff

\$54,645 R

Provides funding to support an Administrative Assistant I for the mediation program which has been shown to be a cost effective way of dealing with employee grievances; and funds additional training.

1.00

531211	Salaries - Appr.	\$30,000
531461	Longevity Pay	\$ 450
531511	Social Sec. Contribution	\$ 2,295
531521	Retirement Contribution	\$ 2,046
531561	Medical Ins. Contribution	\$ 3,854
532714	Travel - Trans. In-state	\$ 1,000
532942	Employee Educational Training	\$15,000

4 Receipt Supported Position - NC Flex Program

Appropriates additional staffing with an HR Partner position to provide services necessary for the program's expansion of participants in community colleges and possibly in the public school system

531211	Salaries - Appr.	\$55,000
531461	Longevity Pay	\$ 825
531511	Social Sec. Contribution	\$ 4,208
531521	Retirement Contribution	\$ 3,751
531561	Medical Ins. Contribution	\$ 3,854
532714	Travel - Trans. In-state	\$ 2,000
Total		\$69,638

1411 State Construction

5 Space Reallocation in Old Revenue Building

Based on the findings of the Space Utilization Study of the Old Revenue Building, space underutilized in the Office of State Auditor is being reallocated to the Department of Secretary of State in order to accommodate the Lobbying Division staff.

\$85,000 NR

These funds include \$54,000 originally included in the 2005 Budget as recurring funds for rent in FY 06-07 for the Lobbying Registration Enhancement. This funding will be used to accommodate costs to reallocate space between the two agencies.

This budget adjustment is related to Item #60 under the Office of the Secretary of State, Lobbyist Registration Reform Division.

6 HUB Contractor Academies

Provides funding for an Engineer (\$60,000) and the costs associated with the training expenses for the HUB Contractor Academy program. HUB academies provide opportunities for minority contractors to learn strategies for successful participation in public construction projects.

\$72,536 R
\$277,464 NR
1.00

Recurring

531211	Salaries	\$ 60,000
531511	Social Security	\$ 4,590
531521	Retirement	\$ 4,092
531561	Med. Ins.	\$ 3,854

Nonrecurring

53XXXX	Honorariums	\$ 40,000
532199	Misc. Contractual Services	\$176,464
532714	Transportation - Ground	\$ 5,000
532721	Lodging - In State	\$ 5,000
532811	Telephone	\$ 500
532840	Postage	\$ 1,000
533110	General Office Supplies	\$ 1,000
533720	Educational Supplies	\$ 20,000
534534	Equipment - Computer	\$ 2,500
534711	Software	\$ 1,000
535890	Other Adm. Expense - Workshop/Conference	\$ 25,000

1412 State Property Office

7 State Property Surplus Property Disposal System

In Session Law 2003-284, the department was instructed to develop a State-Owned Real Property Disposal System. The system will continuously identify, evaluate, and dispose of surplus property. All proceeds generated will be returned to the General Fund.

\$400,000 NR

1421 Facilities Management Division

8 Paint Shop Establishment

Provides funding to establish a small paint shop staffed by two Painters (\$30,885 each). These individuals will perform small paint jobs and help coordinate informal bids for larger projects. Currently, all painting jobs are done by contracted services.

\$80,117 R

2.00

531211	Salaries	\$ 61,770
531511	Social Security	\$ 4,726
531521	Retirement	\$ 4,213
531561	Med. Ins.	\$ 7,708
533150	Security & Safety Supp	\$ 800
533510	Clothing & Uniforms	\$ 900

9 Building Repairs

Provides funding for small repairs to aging and deteriorating state buildings. Areas covered would include painting, plumbing, electrical, carpentry, AC systems, and general building repair.

\$321,552 NR

10 Additional HVAC Positions

Provides funding for two (2) HVAC Mechanics (\$37,754 each) and two (2) HVAC Technicians (\$41,094 each) to support the workload. Currently, the existing staff is covering 392,857 square feet of office space per employee while the industry standard is 200,000 square feet per employee. The positions will bring the total per employee to 305,555 square feet.

\$198,331 R

4.00

531211	Salaries	\$ 157,696
531511	Social Security	\$ 12,064
531521	Retirement	\$ 10,755
531561	Med. Ins.	\$ 15,416
533150	Security & Safety Supp	\$ 600
533510	Clothing & Uniforms	\$ 1800

11 Increase for Utility and Fuel Expenses

Additional funds are required to cover the increased cost of electrical, natural gas, propane, and gasoline expenses. The department pays for the electrical and heating services for the downtown government complex.

\$263,492 NR

1623 State Capital Police

12 Telecommunicator Position

\$31,843 R

Provides funding for a Telecommunicator to support the statewide alarm computer system that is monitored and managed by the State Capital Police 24 hours a day, 7 days a week. Currently, sworn officers have to be utilized to monitor the system

1.00

531211 Salaries	\$ 24,101
531511 Social Security	\$ 1,844
531521 Retirement	\$ 1,644
531561 Med. Ins.	\$ 3,854
532714 Unifor ns	\$ 400

1731 Council for Women/DV Commission

13 Rape Crisis/Sexual Assault

\$100,000 NR

Provides increased funding for rape crisis and sexual assault services.

14 Domestic Violence Staffing

\$148,175 R

Provides funding for five (5) Office Asst III (\$22,522 each) to provide support staff for the regional offices. This will assure that all regional directors will have full-time support staff so that they can continue to provide services to the counties they serve.

5.00

Recurring

531211 Salaries	\$112,610
531511 Social Security	\$ 8,615
531521 Retirement	\$ 7,680
531561 Med Ins	\$ 19,270

15 Domestic Violence Center Fund

\$350,000 R

Provides additional funds for grants to domestic violence programs awarded from the Domestic Violence Center Fund pursuant to G.S. 50.9.

16 Council for Women Staffing

\$55,983 R

Provides funding for a Community Development Specialist for the Council for Women.

\$4,000 NR

1.00

Recurring

531211 Salaries	\$ 44,229
531511 Social Security	\$ 3,384
531521 Retirement	\$ 3,016
531561 Med. Ins.	\$ 3,854
533XXX Operating Expenses	\$ 1,500

Nonrecurring

534500 Equipment	\$ 4,000
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1761 Youth Involvement Office

17 Increase Internship Slots

\$88,811 R

Funding is appropriated to support 25 additional summer internship slots.

1771 Division of Veterans Affairs

18 Increase Funding for Veterans Scholarship Program

\$373,824 R

Additional funding is being recommended to support the Veterans Scholarship program. The program has experienced a 20 percent increase in the number of students over the last two years. In addition to the enrollment increase, UNC Systems room and board costs have increased as well as tuition for both the UNC System and the community college system. 76.4 percent of the Veterans Scholarship Program is supported by the state's Escheat Fund for need based students.

Escheats Fund Receipts \$1,210,176

19 Establish Three Additional Staff

\$120,669 R

Provides funding to establish a Processing Assistant III (\$20,955) in Asheville, a District Service Officer (\$32,432) in Durham and a Training Officer (\$36,521).

\$5,175 NR
3.00

Recurring

531211	Salaries	\$89,908
531511	Social Security	\$ 6,878
531521	Retirement	\$ 6,132
531561	Med Ins	\$11,561
532714	Transportation - Ground (In State)	\$ 4,162
532721	Lodging (In State)	\$ 1,118
532724	Meals	\$ 610
533110	General Office Supplies	\$ 300

Nonrecurring

534534	PC/Printer	\$ 4,200
534711	Other Computer Software	\$ 975

1861 Commission on Indian Affairs

20 Economic Development Initiative

\$115,411 R

Provides funding for two (2) Economic Development Specialists (\$41,366 each) to continue work on the NC Indian Economic Development Initiative.

\$2,000 NR
2.00

531211	Salaries	\$ 82,732
531511	Social Security	\$ 6,329
531521	Retirement	\$ 5,642
531561	Med Ins	\$ 7,708
532721	Lodging	\$ 2,500
532724	Meals	\$ 2,000
532732	BD/NON-Employee Transp	\$ 1,000
532732	BD/NON-Employee Subsidence	\$ 1,000
532732	Workshops/Conferences	\$ 1,000
532811	Telephone Services	\$ 500
532840	Postage/Office Supplies/Printing	\$ 1,500
533110	General Office Supplies	\$ 3,500
532821	Computer/Data Processing Svc	\$ 1,000
534511	Office Furniture	\$ 1,000

XXXX Energy Office

21 Emergency Management Plan

Provides funding to update the Emergency Management Plan. This funding is to be transferred to Budget Code 34100 for Fund Code 3466.

\$40,000 NR

Budget Changes	\$1,875,856	R
	\$1,498,683	NR
Total Position Changes	22.00	
Revised Total Budget	\$62,193,012	

Auditor

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$10,840,918

Budget Changes

1210 Field Audit Division

22 Lease for Fayetteville Branch Office

\$19,064 R

Funding is recommended for the Fayetteville Branch Office to obtain new office space and move from the Office of the Clerk of Court, which is one of the agencies audited by the State Auditor. Government Accounting Standards dictate that independence is necessary to be free both in fact and appearance from personal, external, and organizational impairment to independence. The Office's independence is questioned because audit standards prohibit accepting free office space from audited entities.

23 Agency Network Troubleshooting Software

\$38,500 R

Funding is recommended for software to assist the auditor in identifying network issues accurately. The "Network Performance Monitoring Service" will be purchased from ITS.

Budget Changes

\$57,564 R

Total Position Changes

Revised Total Budget

\$10,898,482

Cultural Resources

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$62,917,147

Budget Changes

1110 Office of the Secretary

24 Facility Construction Engineer Position

\$49,210 R

Funding is provided to establish a Facility Construction Engineer I position to design facilities, perform design reviews, monitor construction, and inspect and manage renovations and new construction projects throughout the state.

1.00

531211	SPA Reg Salaries-Approp.	\$39,623
531511	Social Security - Approp.	\$ 3,031
531521	Reg. Retire Contrib-Approp	\$ 2,702
531561	Med Ins Contrib-Approp.	\$ 3,854

25 Attorney III Position

\$106,578 R

Appropriates funding for an Attorney III position that will be located in the Department of Justice to focus on administrative law matters involving personnel, procurement and contracting, organizational development and historical document and artifact recovery.

1.00

531211	SPA Reg Salaries-Approp.	\$89,739
531511	Social Security - Approp.	\$ 6,865
531521	Reg. Retire Contrib-Approp.	\$ 6,120
531561	Med Ins Contrib-Approp.	\$ 3,854

1120 Administrative Services

26 Increase in Administrative Staff

\$42,533 R

Funding is provided for an Accountant I position to help the department meet legally mandated and grant specific accounting and reporting requirements in a timely manner.

1.00

531211	SPA - Reg Salaries - Appropriated	\$33,790
531511	Social Security Contribution - Approp.	\$ 2,585
531521	Regular Retirement Contribution - Approp.	\$ 2,304
531561	Medical Insurance Contribution - Approp.	\$ 3,854

1210 Archives & History - Administration

27 Cultural Sharing and Caring Program

\$750,000 NR

Funding is appropriated for the creation of the Cultural Sharing and Caring Program. This program will provide ballet and opera in public school systems, and is designed to enhance the teaching and learning of history, arts, and culture in North Carolina by providing for the creation of several education initiatives and expansion of established programs.

1241 State Historic Sites

28 Fire and Burglary Protection

\$288,957 R

Funding is provided to support two (2) positions - Maintenance Mechanic III (\$25,886) and Maintenance Mechanic IV (\$30,045)- that were recommended by the Governor, and a Security Officer II (\$24,101) and 2 Security Guard I(\$20,955 each) positions that were added by the subcommittee. The positions will have responsibility for the installation and maintenance of fire and/or intrusion alarm systems throughout the state and to provide enhanced security at Fort Fisher, the North Carolina Transportation Museum, and other historic sites.

5.00

531211	SPA Reg Salaries-Approp	\$121,942
531511	Social Sec. Contrib-Approp	\$ 9,329
521521	Reg Retire Contrib-Approp	\$ 8,316
531561	Med Ins. Contrib-Approp	\$ 19,270
5321xx	Security & Misc. Contractual Services	\$ 99,000
532490	Maintenance Agreement	\$ 20,000
532714	Transp-Grnd- In State	\$ 6,500
532721	Lodging - In State	\$ 1,000
432724	Meals - In State	\$ 1,000
532942	Other Emp Educational Expense	\$ 1,000
533900	Other Materials/Supplies	\$ 1,000
534534	PC Printer Equipment	\$ 500
534713	PC Software	\$ 100

1250 Historic Preservation

29 Eastern Office-Humber House

\$13,940 R

Funding is provided to support the operation of the Eastern Office located in the Humber House in Greenville.

532184	Janitorial Service Agreement	\$1,780
532188	Lawns and Grounds Service Agreement	\$1,810
532199	Misc Contractual Services	\$3,000
532210	Electrical	\$ 700
532220	Natural Gas/Propane	\$1,600
532230	Water & Sewer	\$ 400
532714	Transportation Ground, In State	\$1,000
532721	Lodging, In State	\$1,000
532724	Meals - In State	\$1,000
532811	Telephone Service	\$ 600
532812	Telecommunication Data Charge	\$ 300
533900	Other Materials and Supplies	\$ 750

1260 Office of State Archaeology

30 Queen Anne's Revenge Archaeology Project

\$247,040 NR

Provides funding to sustain archaeological and historical research on the shipwreck believed to be Blackbeard's Queen Anne's Revenge.

1320 Museum of Art

31 Monet and Egyptian Treasures Exhibits

\$225,000 NR

Funding is appropriated for payment of the required venue fee for the Egyptian Art exhibit and costs associated with bringing the Monet exhibition to the Museum

1330 NC Arts Council

32 Grassroots Arts Council

Provides additional funding for grants in FY 2006-07 that will be awarded through the formal application process. \$1,000,000 NR

33 Basic Grants Program

Provides additional funding for grants in FY 2006-07 that will be awarded through the formal application process. \$650,000 NR

1340 North Carolina Symphony

34 Symphony Education Program

Provides additional funding in FY 2006-07 to support the North Carolina Symphony's education programs throughout the state. \$325,000 NR

536936 NC Symphony Society, Inc. \$325,000

1480 State Library - Statewide Programs & Grants

35 Aid to Counties

Provides additional nonrecurring funds to support grants to public libraries in accordance with the formula for State-Aid to Libraries. \$830,248 NR

36 Digital Preservation Program (State Library)

Appropriates funding for three (3) positions - Librarian IV (\$39,623), Librarian Consultant II (\$43,157), and Asst. State Librarian (\$49,428). \$200,000 R
 The positions will assist State agencies in understanding and participating in digital preservation efforts to collect, manage, and preserve digital publications and other records of government for long-term public access. 3.00

531211	Salaries - Appr.	\$132,208
531511	Social Sec. Contribution	\$ 10,114
531521	Retirement Contribution	\$ 9,017
531561	Medical Ins. Contribution	\$ 11,562
532715	Travel - Trans. Grd Out of-state	\$ 4,000
532721	Lodging - in state	\$ 4,000
532724	Meals in state	\$ 4,000
532942	Other - Employee Ed	\$ 7,000
533110	General Office Supplies	\$ 4,000
534630	Literature	\$ 14,100

Department-wide

37 Conversion of Temporary Positions to Permanent Pos

Provides funding to convert 20 temporary positions to permanent full time status. The permanent positions will support work for the Museum of History, Queen Anne's Revenge, Tryon Palace, Maritime Museum and historic sites. \$672,816 R
20.00

531211	SPA Reg Salaries - Approp.	\$520,430
531511	Social Security Contribution	\$ 39,813
531561	Retirement Contribution	\$ 35,493
531561	Medical Insurance	\$ 77,080

38 Reserve for Utility and Fuel Costs

Appropriates funds for projected increased costs for electricity, natural gas, and propane for the state historic sites and other facilities located throughout the state.

\$19,694 NR

Budget Changes

\$1,374,034 R

\$4,046,982 NR

Total Position Changes

31.00

Revised Total Budget

\$68,338,163

General Assembly

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session \$46,965,432

Budget Changes

1900 Reserves and Transfers

39 Reserve for Utility and Fuel Costs

Funding is appropriated to cover increased electric utility costs. \$38,284 NR

Budget Changes

\$38,284 NR

Total Position Changes

Revised Total Budget \$47,003,716

Total Budget Approved 2005 Session	\$5,344,528
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Budget Changes

1110 Administration

40 Operating Support	\$100,000	R
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Provides funding for operating support which includes travel, communication and data processing services and other services and expenses.

532390	Repairs	\$ 5,000
532711	Transportation - Air (In State)	\$10,000
532714	Transportation - Ground (In State)	\$ 5,000
532821	Computer/ Data Processing Services	\$25,000
532840	Postage & Delivery	\$ 5,000
532930	Registration Fees	\$10,000
533900	Other Material & Supplies	\$15,000
538166	Transfer to CC&PS	\$25,000

Budget Changes	\$100,000	R
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Total Position Changes

Revised Total Budget	\$5,444,528
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Housing Finance Agency

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session	\$4,750,945
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Budget Changes

8102 HTF State Appropriations

41 Housing Programs

Funding is provided to increase the resources of the North Carolina Housing Trust Fund in FY 2006-07.	\$5,000,000	NR
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42 HTF - 400 Apartment Housing Initiative

Provides funding to the North Carolina Housing Trust Fund for a 400 apartment initiative recommended by the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. These funds are for financing of the portion of the 400 independent- and supportive-living apartments for individuals with disabilities not able to be financed within the existing means of the North Carolina Housing Finance Agency. Funds for operating assistance for the 400 apartments are located in the Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services section of this report. The apartments shall be affordable to those with incomes at the Supplemental Security Income (SSI) level. A description of this item is also located in the Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services section of this report.	\$10,937,500	NR
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8104 NC Housing Foreclosure

43 Continue the Home Protection Pilot Program

Appropriates funding to continue the pilot in the 26 counties in FY 2006-07.	\$1,500,000	NR
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Budget Changes

	\$17,437,500	NR
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Total Position Changes

Revised Total Budget

	\$22,188,445
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Insurance

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$28,110,582

Budget Changes

1300 Technical Services

44 Communication Specialists

\$130,057 R

Provides funding to convert two (2) Communication Specialists (\$35,000 each) from temporary to permanent status in the call center operations to assist citizens with questions and complaints on Medicare, Medicare Advantage, and Medicare Prescription Drug Plans.

\$12,000 NR
2.00

531211	Salaries	\$ 70,000
531511	Social Security	\$ 5,355
531521	Retirement	\$ 4,774
531561	Med Ins	\$ 7,708
532XXX	Travel & Training	\$ 8,640
532512	Rent	\$ 7,160
532811	Telephone Services	\$ 24,020
533110	General Office Supplies	\$ 2,400
534XXX	Furniture & Equipment	\$ 12,000

1500 Office of the Fire Marshall

45 Receipt Supported Positions Conversion

\$295,789 R

It is recommended that the funding source for three positions established in 2005-06 be converted to appropriation support and that sufficient operational support be provided. This action will provide consistency within the division's budget.

\$18,000 NR
3.00

531211	Salaries	\$ 210,000
531511	Social Security	\$ 16,065
531521	Retirement	\$ 14,322
531561	Med. Ins.	\$ 11,562
532***	Travel & Training	\$ 15,600
532512	Rent / Storage Rental	\$ 14,140
532811	Telephone Services	\$ 10,500
533110	General Office Supplies	\$ 3,600
534XXX	Furniture & Equipment	\$ 18,000

Budget Changes

\$425,846 R

\$30,000 NR

Total Position Changes

5.00

Revised Total Budget

\$28,566,428

Lieutenant Governor

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$753,037

Budget Changes

1110 Administration

46 Increase in Operating Budget \$2,600 R

Provides additional funding to cover travel expenses.

532714	Transportation - In State	\$1,400
532721	Lodging - in state	\$ 800
532724	Meals - In state	\$ 400

47 Expand Personnel \$85,833 R

Appropriate funding for a Senior Research Analyst position.

1.00

531211	Reg Salaries - Appropriated	\$70,000
531511	Social Security Contribution - Approp.	\$ 5,355
531521	Regular Retirement Contribution - Approp.	\$ 4,774
531561	Medical Insurance Contribution - Approp.	\$ 3,854
533110	General Office Supplies	\$ 100
534534	Printer/PC Equipment	\$ 1,300
534713	PC Software	\$ 500

Budget Changes \$88,433 R

Total Position Changes 1.00

Revised Total Budget \$841,470

Office of Administrative Hearings

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$2,969,712

Budget Changes

1110 Administration

48 Operational Support & Reduction of Unrealized Rec. \$57,578 R

Provides funds to cover the unrealized budgeted receipts from the sale of the NC Register that have been lost due to the availability of the publication on the Internet at no charge. Also provides funding for employee educational expenses to obtain certification training for Civil Rights Investigators and to supplement CLE training for attorneys, and for printing the NC Register in FY 2006-07. \$3,789 NR

532942	Employee Education	\$ 7,578
532800	Communication/Data Process	\$(15,155)
434310	Sale of NC Register	\$(65,155)
532840	Printing	\$ 3,789 NR

49 Administrative Law Judge Positions \$212,000 R

Appropriates funds for two (2) additional Administrative Law Judges to manage increased filings. \$8,000 NR

531211	Salary	\$172,964
531511	Social Security	\$ 13,232
531521	Retirement	\$ 11,796
531561	Hospitalization	\$ 7,708
5327XX	Travel	\$ 2,500
532811	Telephone	\$ 2,500
532841	Employee Education	\$ 1,500
533110	Office Supplies	\$ 800
534511	Office Furn/Equip.	\$ 4,000
534522	Computer Equipment	\$ 4,000

Budget Changes \$269,578 R

Total Position Changes \$11,789 NR

Total Position Changes 2.00

Revised Total Budget \$3,251,079

Revenue

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$80,673,250

Budget Changes

1605 Information Technology

50 IT Staffing

\$521,059 R

Funding is appropriated for two (2) IT positions per the Governor's recommendations and four (4) positions added by the subcommittee to provide systems applications development, mainframe applications development, PC/desktop hardware/software support, business analysis, and computer operations.

6.00

531211	SPA Regular Salaries	\$434,992
531511	Social Security Contributions	\$ 33,277
531521	Retirement Contributions	\$ 29,666
531561	Medical Insurance Contributions	\$ 23,124

51 Security for Taxpayer Operating Systems

\$750,000 NR

Provides funding to address the security issues of the taxpayer operating system from questions raised in the 2004 Statewide Security Assessment.

532140	Other Information Technology- Consulting Sv.	\$100,000
532942	Other Employee Education	\$ 30,000
534535	Server Equipment	\$263,000
534714	Server Software	\$357,000

1623 Personal Taxes

52 Staffing for Tax Hearings

\$59,484 R

Provides funds for a Revenue Administrative Officer III position to assist with the increase in administrative tax hearings resulting from increased taxpayer activities brought about by Project Collect Tax and Project Tax Compliance.

\$4,581 NR
1.00

531211	SPA Regular Salaries	\$47,232
531511	Social Security Contributions	\$ 3,614
531521	Retirement Contributions	\$ 3,222
531561	Medical Insurance Contributions	\$ 3,854

1605 IT

532448	Maintenance Agreement - PC Software	\$ 507
534713	PC Software Purchases	\$ 401 NR

1681 Administrative Svcs

532811	Telephone Service	\$ 350
533110	General Office Supplies	\$ 500
534511	Furniture - Office	\$ 4,180 NR
534528	Voice Communication (telephone)	\$ 205 NR

1662 Taxpayer Call Center (TACC)

53 Taxpayer Assist. & Collection Ctr. Staffing

Funding provides for the conversion of thirty (30) temporary positions to permanent full time status and adds seventeen (17) new permanent positions. The total cost of the conversion and new positions is \$1,641,036. Part of the cost will be covered by an existing \$400,000 budgeted in temporary wages, which will be moved from the temporary line item to salaries. The remaining \$1,241,036 will come from receipts from the 20% Collection Assistance Fee charged in relationship to Project Collect.

531212	SPA Regular Salaries - Receipts	\$1,146,770
531512	Social Security Contributions - Receipts	\$ 87,728
531522	Retirement Contributions - Receipts	\$ 78,210
531562	Medical Insurance Contributions - Rec	\$ 181,138
532448	Maintenance Agreement - PC Software	\$ 5,405
532811	Telephone Service	\$ 16,450
533110	General Office Supplies	\$ 23,500
534511	Furniture - Office	\$ 76,500 NR
534521	Office Equipment Calculator	\$ 1,700 NR
534528	Voice Comm Equipment (telephone)	\$ 3,400 NR
534528	Voice Comm Equipment (headset)	\$ 1,048 NR
534528	Voice Comm Equipment (amplifier adapter)	\$ 374 NR
534528	Voice Comm Equipment (headset)	\$ 113 NR
534534	PC & Printer Purchases	\$ 11,900 NR
534713	PC Software Purchases	\$ 6,800 NR
531312	Temporary Receipts	\$ (400,000)
Total		\$1,139,201
		\$ 101,835 NR

54 Operating Expense Transfer

(\$494,402) R

Transfers 15 positions in the division from General Fund to receipt-support with revenue from the 20% Collection Assistance Fee. The transfer of the positions provides the allocation of State funds to support the four (4) new positions in the IT Division, and one (1) additional position in the Documents and Payments Processing Division that were added by the subcommittee.

-15.00

The following positions are transferred to receipt-support:

Processing Assistant V	784-0000-0075-550	(\$25,892)
Processing Assistant V	784-0000-0075-551	(\$27,414)
Processing Assistant V	784-0000-0075-552	(\$29,476)
Processing Assistant IV	784-0000-0075-553	(\$24,885)
Processing Assistant IV	784-0000-0075-554	(\$24,885)
Processing Assistant IV	784-0000-0075-555	(\$24,885)
Processing Assistant IV	784-0000-0075-556	(\$24,885)
Processing Assistant IV	784-0000-0075-557	(\$24,885)
Processing Assistant IV	784-0000-0075-558	(\$24,885)
Processing Assistant IV	784-0000-0075-559	(\$24,885)
Processing Assistant IV	784-0000-0075-560	(\$24,885)
Processing Assistant IV	784-0000-0075-561	(\$24,885)
Processing Assistant IV	784-0000-0075-562	(\$24,885)
Processing Assistant IV	784-0000-0075-563	(\$24,885)
Processing Assistant IV	784-0000-0075-564	(\$24,885)
531211 Salaries		(\$381,402)
531151 Social Security Contr. - Approp		(\$29,178)
531521 Retirement Contr. - Approp		(\$26,012)
531561 Medical Insurance - Approp.		(\$57,810)

1670 Unauthorized Substance Tax

55 Additional Tax Enforcement Agent and Lease Space

\$94,319 R
 \$11,907 NR
 1.00

Funding adds one (1) USLB Tax Enforcement Agent for a total of 13 agents in the division. Additionally, the USLB Tax Division is being relocated to an office outside the Revenue Building, and funding is provided to cover the cost of rent.

521211	SPA Regular Salaries	\$35,134
531511	Social Security Contributions	\$ 2,688
531531	LEO Retirement Contributions	\$ 4,153
521561	Medical Insurance Contributions	\$ 3,854
532133	Employee/ Employment Physicals	\$ 150
532210	Energy Service - Electrical	\$ 4,500
532220	Energy Service - Natural Gas	\$ 1,500
532448	Maintenance Agreement - PC Software	\$ 115
532512	Rent/Lease Buildings/ Offices	\$33,000
532714	Transportation - Ground - In State	\$ 5,600
532721	Lodging - In State	\$ 700
532724	Meals - In State	\$ 700
532811	Telephone Service	\$ 350
532814	Cellular Phone Service	\$ 600
533110	General Office Supplies	\$ 500
533510	Clothing and Uniforms	\$ 325
534511	Furniture - Office	\$ 4,200
534521	Office Equipment (calculator)	\$ 100
534528	Voice Comm Equipment (cell phone)	\$ 45
534528	Voice Comm Equipment (telephone)	\$ 200
534529	Custody & Security Equipment	\$ 2,500
534534	PC & Printer Purchases (laptop)	\$ 1,350
534534	PC & Printer Purchases (bag & printer)	\$ 262
534713	PC Software Purchases	\$ 400

1685 Documents & Payments Processing

56 Additional Support for Division

\$161,444 R
 5.00

Funding provides four (4) positions in the Governor's recommendations and one (1) added by the subcommittee to process the increase in payments resulting from increased collection activities brought about by Project Collect Tax and Project Compliance.

531211	SPA Regular Salaries	\$120,830
531511	Social Security Contributions	\$ 9,244
531521	Retirement Contributions	\$ 8,240
531561	Medical Insurance Contributions	\$ 19,270
532448	Maintenance Agreement - PC Software	\$ 575
532811	Telephone Service	\$ 1,750
533110	General Office Supplies	\$ 1,535

1850 Lee Tax Credit

57 Add'l Support for William S. Lee Tax Credit Prog

\$171,390 R

The application fee that helps support the William S. Lee Program is not sufficient to fund all the needed personnel. Funding is provided to augment the lack of receipts with GF appropriation that will support four (4) positions to adequately support the program. Of the four positions, two (2) existing - an Economist III and a Revenue Field Auditor II, and a new Information Processing Tech will have GF support, and a new Revenue Administrative Officer III position will be receipt supported.

3.00

531211	SPA Regular Salaries	\$137,108
531212	SPA Regular Salaries - Rec	\$ 47,232
531511	Social Security Contributions	\$ 10,489
531512	Social Security Contr. - Rec	\$ 3,613
531521	Retirement Contributions	\$ 9,351
531522	Retirement Contributions - Rec	\$ 3,221
531561	Medical Insurance Contributions	\$ 11,562
531562	Medical Insurance Contr. - Rec	\$ 3,854

1605 IT

532448	Maintenance Agreement - PC Software	\$ 230
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1681 Administrative Svs

532811	Telephone Service	\$ 1,050
533110	General Office Supplies	\$ 1,000
534521	Office Equipment (calculator)	\$ 200
534528	Voice Comm Equipment (telephone)	\$ 400

Total Requirements	\$229,310
Total Receipts	(\$57,920)
Appropriation	\$171,390

Budget Changes

\$513,294 R

\$766,488 NR

Total Position Changes

1.00

Revised Total Budget

\$81,953,032

Total Budget Approved 2005 Session

\$9,369,633

Budget Changes

1110 General Administration

58 Facility Planner I Position

\$42,125 R

Provides funding to establish a Facility Planner I position and operational support to deliver department-wide programs required by statute, state policy, and business need. The department will improve compliance with all related requirements including employee safety and health, energy conservation, ADA access, Workers' Compensation, document storage, security, and disaster response.

\$7,000 NR
1.00

Recurring

531211	Salaries	\$31,204
531511	Social Security	\$ 2,388
531521	Retirement	\$ 2,129
531561	Med Ins	\$ 3,854
532714	Transportation - Ground (In State)	\$ 500
532724	Meals (In State)	\$ 1,000
532811	Telephone Service	\$ 150
532840	Postage	\$ 200
532850	Printing	\$ 250
532930	Registration	\$ 200
533110	Office Supplies	\$ 250

Nonrecurring

532811	Telephone Service	\$ 50
532850	Printing	\$ 250
534511	Furniture - Office	\$ 3,500
534521	Office Equipment	\$ 200
534534	PC & Printer	\$ 3,000

59 Internal Auditor Position

\$65,945 R
 \$6,950 NR
 1.00

Provides funding to establish an Internal Auditor II position and operating costs to perform risk assessments and performance audits, and to assess the department's performance regarding financial accounting, reporting, and internal controls standards. The position will be responsible for compliance with all laws, regulations, and good business practices.

Recurring

531211	Salaries	\$53,324
531511	Social Security	\$ 4,080
531521	Retirement	\$ 3,637
531561	Med Ins	\$ 3,854
532714	Transportation - Ground (In State)	\$ 150
532811	Telephone Service	\$ 200
532850	Printing	\$ 250
532930	Registration	\$ 200
533110	Office Supplies	\$ 250

Nonrecurring

532850	Printing	\$ 250
534511	Furniture - Office	\$ 3,500
534521	Office Equipment	\$ 200
534534	PC & Printer	\$ 3,000

1150 Lobbyist Registration Division

60 Lobbyist Registration Reform

\$135,620 R

Provides funding to reallocate four (4) positions approved in the 2005 Budget to meet the additional lobbying registration requirements that resulted from Senate Bill 612, Amend Lobbying Law, S.L. 2005-456. The Lobbyist Director (\$75,611) is increased from grade level 75 to grade level 82. The three (3) grade level 61 positions are reallocated to an Assistant Director (\$44,229) position at grade level 70, an Investigator (\$46,143) position at grade level 71, and an Agency Legal Specialist III (\$65,926) at grade level 79. All four (4) reallocated positions are funded at the midpoint salary range. The remaining five (5) Administrative Assistant II positions at grade level 65 that were funded in the 2005 Budget are readjusted to the midpoint salary (\$35,770). Additionally, \$31,000 in recurring funds for rent is transferred to the Department of Administration, State Construction Division, for costs associated with reallocating space in the Od Revenue Building to accommodate the Lobbyist Registration Division staff expansion.

The 2005 Budget contained \$389,375 in recurring funds in FY 06-07 for the Lobbyist Registration Enhancement, which included \$54,000 in recurring funds for rent. The \$54,000 is transferred to the Department of Administration, State Construction Division, for costs associated with reallocating space in the Od Revenue Building to accommodate the Lobbyist Registration staff expansion.

531211	Salaries	\$ 165,650
531511	Social Security	\$ 12,672
531521	Retirement	\$ 11,298

This budget adjustment is related to Item #5 under the Department of Administration, State Construction Division.

1210 Corporations Division

61 LLC Notifications and Staff Expansion

\$197,527 R

Provides funding to establish three (3) Processing Assistant IV positions (\$22,426 each) and add .25 position to an existing .75 Information Processing Tech position (\$7,070) to create a full time position. The positions improve the efficiency of the annual report filing process and to continue producing periodic notifications to Limited Liability Companies for annual report filing fees.

\$12,900 NR

3.25

Recurring

531211	Salaries	\$ 74,348
531511	Social Security	\$ 5,688
531521	Retirement	\$ 5,071
531561	Med Ins	\$ 11,562
532811	Telephone Service	\$ 558
532XXX	Temporary Agency Services	\$ 63,500
532840	Postage	\$ 16,000
532850	Printing	\$ 10,000
533110	Office Supplies	\$ 7,300
534711	Other Materials & Supplies	\$ 3,500

Nonrecurring

534534	PCs & Printers	\$ 12,900
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Budget Changes

\$441,217 R

\$26,850 NR

Total Position Changes

5.25

Revised Total Budget

\$9,837,700

State Board of Elections

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$5,069,307

Budget Changes

1100 Administration

62 Contract Position to Permanent Status

Authorizes the use of receipts from Maintenance of Effort funds to convert a contracted IT Project Manager position to permanent status. 11.00

531211	Salaries	\$75,611
531511	Social Security	\$ 5,784
531521	Retirement	\$ 5,157
531561	Med Ins	\$ 3,854

1200 Campaign Reporting

63 Campaign Finance Staff Expansion

\$585,044 R

Provides funding to create eight (8) permanent positions and increase the grade level of the Deputy Director (\$75,611) from grade level 75 to grade level 82. The new positions include four (4) Campaign Finance Field Auditors (\$54,956 each), two (2) Campaign Finance Training Specialists (\$44,229 each) and two (2) Compliance Specialists (\$54,956 each). A grade level 65 position is reallocated to a Compliance Specialist (\$54,956).

\$201,576 NR

11.00

Provides funding for three (3) time-limited Audit Specialists (\$48,139 each) to address the auditing backlog of campaign finance reports.

Recurring

531212	Salaries	\$464,935
531512	Social Security	\$ 35,568
531522	Retirement	\$ 31,709
531562	Med Ins	\$ 30,832
532700	Travel	\$ 15,000
534534	General Office Supplies	\$ 7,000

Nonrecurring

531212	Salaries	\$144,417
531512	Social Security	\$ 11,048
531522	Retirement	\$ 9,849
531562	Med Ins	\$ 11,562
534511	Furniture	\$ 6,000
534534	PCs & Printers	\$ 18,700

1901 Computerized Voter Registration

64 Time Limited Positions (TLP) Conversion

Authorizes the use of receipts from Maintenance of Effort funds to convert nineteen (19) time limited positions to permanent positions. 19.00
This action will enable the State Board of Elections to continue to meet the mandates of S.L. 2005-323.

Budget Changes	\$585,044	R
	\$201,576	NR
Total Position Changes	31.00	
Revised Total Budget	\$5,855,927	

State Budget & Management

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$6,021,795

Budget Changes

1310 Office of State Budget and Management

65 Results-Based Budgeting

\$135,430 R

Provides funding to introduce results-based budgeting into the state budget process during the fiscal year. The goals are to reintroduce strategic or business planning at agencies, ensure government programs are well-defined, and facilitate the introduction of key program measures. This process will require additional resources, including a Senior Budget Analyst position, training, hardware, software, and budget presentation redesign.

\$166,500 NR
1.00

Recurring

531211	Salaries	\$ 80,000
531511	Social Security	\$ 6,120
531521	Retirement	\$ 5,456
531561	Med Ins	\$ 3,854
534711	Other Computer Software	\$ 40,000

Nonrecurring

534534	PC & Printer	\$ 1,500
532700	Travel / Other Employee Expense	\$ 55,000
532141	WAN Support & Service	\$110,000

66 Administrative Office Support Position

\$43,919 R

Provides funding to establish an Administrative II position for administrative support to be shared by the Economic Research, Management, Data Services, and Statewide Information Technology sections.

\$1,500 NR
1.00

Recurring

531211	Salaries	\$35,000
531511	Social Security	\$ 2,678
531521	Retirement	\$ 2,387
531561	Med Ins	\$ 3,854

Nonrecurring

534534	PC & Printer	\$ 1,500
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67 Budget Analyst Position

Provides funding to establish a Budget Analyst position for the Justice and Public Safety section. This position's primary responsibilities will include the Department of Crime Control and Public Safety and will serve as the statewide coordinator for budget policy administration resulting from disasters.

\$61,089 R
 \$1,500 NR
 1.00

Recurring		
531211	Salaries	\$50,000
531511	Social Security	\$ 3,825
531521	Retirement	\$ 3,410
531561	Med Ins	\$ 3,854
Nonrecurring		
534534	PC & Printer	\$ 1,500

Budget Changes	\$240,438	R
	\$169,500	NR
Total Position Changes		3.00
Revised Total Budget	\$6,431,733	

State Budget & Management - Special Appropriati

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$5,111,429

Budget Changes

1022 OSBM - Reserve for Special Appropriation

68 Reserve for Moving and Rent Expenses

\$755,232 R

Establishes a reserve for moving and rent expenses for state agencies located in the Blount Street area. These properties are expected to be sold and all state agencies relocated during the 2006-07 fiscal year. Nonrecurring funds are recommended for moving expenses and recurring funds for rent expenses.

\$598,021 NR

Budget Changes

\$755,232 R

\$598,021 NR

Total Position Changes

Revised Total Budget

\$6,464,682

Total Budget Approved 2005 Session

\$8,295,843

Budget Changes

1130 Escheats Division

69 Escheats

Authorizes the use of receipts on a recurring basis from the Escheats Fund for two (2) Unclaimed Property Auditors (\$37,994 each) to perform audits of unclaimed property holders to ensure their compliance with G.S. 116B. The receipts will also fund on a recurring basis a Securities Analyst (\$32,432) to maintain securities, locate owners, and sell stock on a monthly basis.

531212	Salaries	\$108,420
531512	Social Security	\$ 8,294
531522	Retirement	\$ 7,395
531562	Med Ins	\$ 11,562
533110	Office Supplies	\$ 1,000
534521	Office Equipment	\$ 3,000

1150 Information Services

70 Core Banking System Maintenance

\$201,784 R

Provide funding for the annual support and maintenance required for the statewide Core Banking System

1210 Investment Management Division

71 Bloomberg Portfolio Order Management System (POMS)

\$80,000 R

Provides funding for the annual fee to Bloomberg Portfolio Order Management System (POMS) for the Long Term and Short Term Investment Funds. The POMS system was previously included in the base fee, but Bloomberg started charging for this service as the functionality and support need increased. This action would provide uninterrupted service.

Budget Changes

\$281,784 R

Total Position Changes

Revised Total Budget

\$8,577,627

Treasurer - Retirement for Fire and Rescue Squa

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$8,651,457

Budget Changes

1412 Gen. Fund Contribution to Fire Pension Fund

72 Increase Retirement Benefits

\$514,000 R

Increases the benefits in the Firemen's and Rescue Squad Workers' Pension Fund from \$163 to \$165 per month for retirees and future retirees effective July 1, 2006.

Budget Changes

\$514,000 R

Total Position Changes

Revised Total Budget

\$9,165,457

TRANSPORTATION
Section K

Highway Fund

HIGHWAY FUND

FY 06-07

Total Budget Approved 2005 Session

\$1,538,908,929

Budget Changes

Administration

- 1 Administrative Expenses** (\$2,500,000) R
 Reduces the administration budget for the Department of Transportation.

Aeronautics

- 2 Rural Airport Development** \$2,000,000 R
 Expands funding for the current State Aid to Airports program for assistance to rural airports for capital improvement projects.

Division of Motor Vehicles

- 3 Closure of Thirteen Driver License Offices** (\$81,600) R
 Reduces the budget for the local driver license offices. Four offices have been closed already and an additional nine will be closed in December 2006. This savings represents disconnecting the data lines for these offices.
- 4 Customer Traffic Management System** \$32,000 R
\$448,000 NR
 Provides funds to install automatic queuing systems in 32 additional driver license offices throughout the state. The systems allow for improved customer service and have already been installed in 27 high volume driver license offices.
- 5 License Plate Recall** \$1,228,301 NR
 Provides funds to replace old license plates that are often in poor condition and provide limited visibility to law enforcement officers. License plates were last recalled in 1990.
- 6 Driver License Mobile Units** \$69,000 R
\$391,000 NR
 Provides funding for two additional driver license mobile units. These units will provide licensing and vehicle registration services to areas where population and transaction volumes do not warrant full-time offices.
- 7 On-line Dealer Registration** (\$200,000) R
 Eliminates funding for development of an online dealer registration system.

DPI - Driver Training Program

- 8 Driver Education Funding** \$457,971 R
 Increases the Highway Fund transfer to the Department of Public Instruction for driver education to allow for a projected increase in Average Daily Membership (ADM) in the ninth grade for FY2006-2007.

Ferry Division

9 Ferry Division

Provides additional funds for the ferry maintenance facility. \$1,000,000 NR

Information Technology

10 Server Consolidation

Increases information technology funds to consolidate and replace existing servers to obtain a more economical operations and management system. \$1,000,000 R

11 Software Agreement

Increases funds to replace Microsoft Office 97 with a newer version to facilitate consistency with external customers and partners. \$1,500,000 R

Maintenance

12 Automated Weigh Stations

Provides partial funding to improve and automate weigh stations. The entire effort will cost \$97.4M. \$12,824,782 NR

13 System Preservation

Provides funds for highway maintenance activities that preserve and extend the life of infrastructure assets, including pavements, bridges, and traffic signal systems. \$78,589,071 R

14 Contract Resurfacing

Increases funds for contract resurfacing to offset increased material costs and to prevent further road degradation resulting from increased vehicle miles of travel and increased lane mileage. \$88,317,347 R

Public Transportation

15 Reduction in New Starts Program

Reduces funding for the state's New Starts program. The reduction represents decreased expenditures for the Triangle Transit Authority's commuter rail project. (\$23,400,000) NR

16 Statewide Grant Program

Increases state funding to match increased federal funds provided through the federal transportation reauthorization bill. \$3,000,000 R
\$2,400,000 NR

17 Urban and Regional Program

Increases funds for the State Maintenance Assistance Program for operations assistance to regional, urban, and small urban transit systems. These funds will be used to match the Federal Transit Administration's Section 5307 Urbanized Area Formula Program and Section 5309 Capital Program grants. \$2,000,000 R

18 Urban/Regional Bus and Facility Program

Increases funds to assist local governments in matching federal transit administration grants authorized through the latest federal transportation reauthorization bill. \$2,000,000 NR

Rail Division

19 Piedmont and Carolinian Operations

Increases funds to cover the operational costs of the Piedmont and Carolinian passenger trains. This is a one-time increase and will allow the Transportation Oversight Committee to analyze the benefits and make a recommendation about future funding. \$1,198,750 NR

20 Short-Line Railroads

Increases funds for the grant program supporting short-line railroad companies. The funds are used as rehabilitation project grants to strengthen North Carolina's short-line infrastructure. \$2,000,000 NR

Retirement Contribution

21 Retirement System Contributions

Increases the state's contribution for FY2006-2007 to provide a 3.0% cost-of-living adjustment to retirees of the Teachers' and State Employees' Retirement System. \$1,339,000 R

Salary Increases

22 State Funded Compensation Increase

Provides funds to support a 5.5% annual salary increase for full-time permanent employees in the Department of Transportation and other state agencies whose positions are paid from the Highway Fund. \$26,334,000 R

23 Salary Adjustment Reserves

Provides funds for salary adjustments as allowed by Section 29.15 of S.L. 2005-276, as amended by Section 22.15 of SB 1741. \$1,000,000 R

Small Construction

24 Economic Development

Provides additional nonrecurring funds for economic development, spot safety, and transportation improvement projects. \$38,000,000 NR

State Highway Patrol

25 New Permanent Positions

Creates 17 permanent positions that are now temporary positions. The positions include: eight Tradesworker III positions at a pay grade 61, eight Office Assistant IVs at a pay grade 59, and one Aircraft mechanic position at a pay grade 68. Establishes four new additional State Trooper positions. \$765,661 R
\$179,896 NR
21.00

26 VIPER Network Expansion

Provides funding for the continued development and building of the Voice Interoperable Communications Plan for Emergency Responders. \$10,000,000 NR

27 VIPER Maintenance

Provides funding for the maintenance of the VIPER system already built. \$208,892 R

Statutory Adjustments

28 Adjust Secondary Road Construction Funding	\$1,439,500	R
Adjusts funding for secondary road construction based on revised projections in accordance with G.S. 136-44.2(a).		
29 Leaking Underground Storage Tank Fund	(\$150,000)	R
Adjusts funding for Leaking Underground Storage Tank Fund based on revenue projections for the gasoline inspection fee in accordance with G.S. 105-119.18(a)		
30 Adjust Aid to Municipalities	\$1,439,500	R
Adjusts funding for Aid to Municipalities based on revised projections in accordance with G.S. 136-41.1.		

Transfers

31 Leaking Underground Storage Tank Fund Reduction	(\$37,160)	R
Reduces funding to the Leaking Underground Storage Tank Fund to support a newly created position within the Department of Agriculture and Consumer Services. The position will be a Retail Motor Fuel Device Inspector.		
32 Standards Inspector Position	\$37,160	R
Transfers funds from the Highway Fund to the Department of Agriculture and Consumer Services for the support of one Retail Motor Fuel Device Inspector position.		
		1.00

Budget Changes	\$206,560,342	R
	\$48,270,729	NR
Total Position Changes		22.00
Revised Total Budget	\$1,793,740,000	

Highway Trust Fund

HIGHWAY TRUST FUND

FY 06-07

Total Budget Approved 2005 Session

\$1,135,940,000

Budget Changes

Highway Trust Fund

33 Reduce Transfer of Funds to the General Fund

Reduces the transfer of funds to the General Fund under G.S. 105-187.9 by \$115 million. This amount is the outstanding balance on the \$125 loan from the Highway Trust Fund to the General Fund in fiscal year 2002-03. (\$115,000,000) NR

34 Reduce Transfer to General Fund

Reduces transfer to General Fund by \$80 million. The \$80 million transfer was implemented to recognize the growth that would have occurred in the sales tax on vehicles that was repealed when the Highway Trust Fund was created in 1989. (\$80,000,000) NR

35 Reduction in Transfer of Funds

Reduces the transfer to the General Fund consistent with G.S. 105-187.9(b)(2). (\$176,407) NR

36 Funds for Intrastate System

Increases funds for the Intrastate System consistent with statutory formulas to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. With these changes the budget will be \$597,492,253. \$100,567,595 NR

37 Funds for Urban Loops

Increases funds for urban loops consistent with statutory formulas to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. With these changes the budget will be \$241,600,983. \$40,665,346 NR

38 Funds for Aid to Municipalities

Increases funds for aid to municipalities (Powell Bill) consistent with statutory formulas to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. The total amount for the Aid to Municipalities is \$62,690,874. \$10,551,886 NR

39 Funds for Secondary Road Construction

Increases funds for secondary road construction consistent with statutory formulas to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. The total budget for secondary road construction is \$99,630,348. \$9,271,360 NR

40 Funds for Program Administration

Reduces funds for administration consistent with statutory formulas. The maximum allowance for Program Administration will be \$41,728,940. (\$1,189,780) NR

Budget Changes	(\$35,310,000)	NR
Total Position Changes		
Revised Total Budget	\$1,100,630,000	

**RESERVES,
DEBT SERVICE
AND
ADJUSTMENTS
Section L**

Statewide Reserves

GENERAL FUND

FY 06-07

Total Budget Approved 2005 Session

\$1,149,242,725

Budget Changes

A. Employee Benefits

1 State Funded Compensation Increases

\$649,145,003 R

Provide funds to support salary increases for employees of State agencies, departments and universities, community college institutions, and public schools.

\$14,970,657 NR

2 Public School Salary Increases

Certified Teaching, School Based Administrators and Non-certified Personnel in Local Public Schools, State agency based Public Schools, and the NC School of Science and Math.

Teachers and Instructional Support - Funds are provided to support an experience based step increase for teachers and instructional support personnel (average salary increase of 1.86% and a flat annual increase in the teacher salary schedule of \$2,250 for Fiscal Year 2006-2007 (total average increase of 8%).

Principals and Assistant Principals - Funds are provided to support an experience based step increase for school based administrators (average salary increase of 1.75% and a flat annual increase in the school based administrator salary schedule of \$2,250 for Fiscal Year 2006-2007 (total average increase of 7%). School based administrators who are at the top of the experience based salary schedule will receive a one-time lump sum bonus equivalent to 2%

All other Public School Personnel - Provide funds to support a 5.5% annual salary increase.

3 Community College Salary Increases

Faculty and Professional Staff - Provide funds to support a 6% annual salary increase and a 2% one-time bonus for full-time permanent Community College faculty and professional staff.

All other Community College Personnel - Provide funds to support a 5.5% annual salary increase.

4 University Salary Increases

EPA Faculty and EPA Non-faculty - Provide funds to support a 6% annual salary increase for full-time permanent EPA faculty and EPA non-faculty.

All other University Personnel - Provide funds to support a 5.5% annual salary increase.

5 State Agency/Department Salary Increases

Provide funds to support a 5.5% annual salary increase for full-time permanent employees of State agencies and departments.

<p>6 Add Additional Step to the Public School Teacher Salary Schedule</p> <p>Adds a 30+ step to the Public School teacher salary schedule. The 30+ step is 2% higher than the current 29+ step.</p>	<p>\$10,796,786</p>	<p>R</p>
<p>7 Fair Minimum Wage for Public School Non-certified Employees</p> <p>Provide funds to support a minimum salary of at least \$20,112 for all permanent, full-time non-certified Public School employees and to support proportionate increases to permanent full-time employees working schedules requiring less than 12-months service per year.</p>	<p>\$8,582,073</p>	<p>R</p>
<p>8 University of North Carolina Faculty Recruiting and Retention Fund</p> <p>Establishes a Faculty Recruiting and Retention Fund under the Office of the President of the University of North Carolina system to be used, at the discretion of the President, for salary increases for the purpose of recruiting and retaining faculty members as necessary at constituent institutions.</p>	<p>\$5,000,000</p>	<p>R</p>
<p>9 Retirement System Contributions</p> <p>Increases the State's contribution for Fiscal Year 2006-07 to provide a 3% cost-of-living adjustment for retirees of the Teachers' and State Employees' Retirement System. This adjustment is funded in part with actuarial gains within the Retirement System.</p>	<p>\$27,107,200</p>	<p>R</p>
<p>10 Retirement System Payback</p> <p>Continue the repayment of funds withheld from the Retirement System in FY 2000-2001 due to the budget crisis. This is the fourth installment of the five-year payback period.</p>	<p>\$30,000,000</p>	<p>NR</p>
<p>B. Debt Service</p>		
<p>11 Adjustment to Debt Service Requirements</p> <p>Reduces funds for debt service due to revised cash flow requirements and estimates for principal and interest payments.</p>	<p>(\$50,000,000)</p>	<p>NR</p>
<p>C. Information Technology Fund</p>		
<p>12 BEACON/SBIP-HR/Payroll System Replacement</p> <p>Provides funds to the Information Technology Fund created by G.S. 147-33.72H for the Office of the State Controller to replace the State's aging human resources and payroll information systems with a new system Building Enterprise Access for North Carolina's Core Operation Needs (BEACON)/State Business Infrastructure Program (SBIP). This appropriation supports phase one of the project, including system integration, staff training, software maintenance, and ITS data charges.</p>	<p>\$7,260,523 \$34,527,880 50.75</p>	<p>R NR</p>
<p>13 Information Technology Attorney Positions</p> <p>Provides funds to the Information Technology Fund created by G.S. 147-33.72H to establish two attorney positions in the Office of Information Technology Services (ITS) to assist with complex information technology procurements.</p>	<p>\$298,826 2.00</p>	<p>R</p>
<p>D. Trust Funds</p>		
<p>14 MH/DD/SAS Trust Fund</p> <p>Provides funds to the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs established pursuant to G.S. 143-15.3D.</p>	<p>\$14,390,000</p>	<p>NR</p>

E. Other Reserves

15 Establish State Emergency Response Account

Provides funds for the State Emergency Response Account, a new reserve in the General Fund. Funds in the account may be used for State disaster preparation and response programs in accordance with G.S. 166A-6.02. \$20,000,000 NR

16 Reserve for Heating and Cooling Assistance

Provides funds to assist needy families with heating and cooling expenses associated with recent increases in utility and fuel costs. \$10,000,000 NR

17 Reserve for Legal Expenses

Provides funds to pay legal expenses of the State, when in accordance with G.S. 147-17, the Attorney General advises the Governor that it is impracticable for the office to provide legal services, or for litigation requiring specialized expertise, or where a conflict of interest prevents the Office of the Attorney General from representing the State. \$1,065,710 NR

18 Pending Ethics Legislation

Provides funds to implement house Bill 1843 and House Bill 1844. \$401,871 R
\$21,000 NR
4.00

Budget Changes

\$708,592,282 R
\$74,975,247 NR

Total Position Changes

56.75

Revised Total Budget

\$1,932,810,254

CAPITAL M

A. Department of Administration

1 Veterans Affairs Nursing Homes

Provides capital funds for the design and construction of two 100-bed nursing homes to serve veterans in the State. One home will be sited in the eastern part of the State and one home in the west. The specific sites for these homes have not been selected. The State currently has two VA nursing homes in Fayetteville and Salisbury. These funds provide a 35% required match to secure federal grant funding. The total cost for constructing these facilities is \$24,438,096. \$8,773,300 NR

2 State Facilities Master Plan

Provides capital planning funds for the development of a new facilities master plan for State operations in Wake County. To the extent that funds are available, the scope of the master plan may be extended to State operations outside of Wake County. \$1,000,000 NR

B. Department of Agriculture and Consumer Services

3 Rollins Laboratory - Bio-Security Level 2 Conversion

Provides capital funds to convert a chemistry lab in Rollins Laboratory into a Bio-Security Level 2 lab. This conversion will allow Rollins Laboratory to securely handle certain infectious diseases affecting animals. \$250,000 NR

4 Oxford Complex Planning and Design

Provides capital planning funds for property acquisition and necessary capital improvements to establish a new laboratory in Oxford. The U.S. Department of Agriculture has proposed conveying a tobacco research facility to the State for the purpose of establishing the lab. The future purpose of the facility would be to develop a public research laboratory, potentially for avian flu research. DA&CS will also explore the potential for establishing a biotechnology incubator at this lab facility. The proposed facility would also provide a permanent home for the State's Insect Laboratory, currently located in Cary. \$1,000,000 NR

5 Tidewater Research Station Improvements

Provides capital funds from timber receipts for land acquisition and capital improvements at the Tidewater Research Station. \$396,600 in timber receipts is authorized for this purpose.

6 Plant Conservation Program

Provides capital funds from timber receipts for land acquisitions and related activities for the Plant Conservation Program. Authorized uses also include a study of the Program's management of conservation preserves. \$30,000 in timber receipts is authorized for this purpose.

7 Senator Bob Martin Eastern Agricultural Center Improvements

Provides capital funds from timber receipts for planning and capital improvements at the Eastern Agricultural Center.

C. Department of Commerce**8 NC Ports Authority - Container Cranes**

Provides capital funds for the purchase of four container cranes for the Port of Wilmington. The General Assembly appropriated \$9 million to the Authority in FY 2005-06, part of which was used by the Authority for a down payment on the four cranes. The cranes are anticipated to be delivered to the Port of Wilmington in December 2006. The total cost for the cranes project is \$33,244,000 and the balance will be covered by revenue bonds issued by the Authority.

\$7,500,000 NR

D. Department of Crime Control and Public Safety**9 Emergency Management Operations Center**

Provides capital funds for the design and construction of a new Emergency Operations Center that would be located in the lower level of the proposed National Guard Readiness Center. The Readiness Center received federal funds in FFY 2005-06 for planning and design. The National Guard expects to secure federal construction grants in FFY 2006-07 to complete the \$30 million project. The Emergency Operations Center would consolidate most Raleigh-based Division of Emergency Management personnel in one building.

\$8,500,000 NR

10 Marion Transportation Center Motor Fleet Lot

Provides capital funds to perform site preparation and expand the parking lot to house the Center's full fleet of trucks. Currently, the Center stores part of its motor fleet at a Department of Correction facility. The National Guard will soon lose access to the Department of Correction's property.

\$222,700 NR

E. Department of Cultural Resources**11 North Carolina History Education Center**

Provides capital planning funds to design the History Education Center at Tryon Palace Historic Sites and Gardens. The total projected cost for this project is \$31,881,525.

\$1,500,000 NR

F. Department of Environment and Natural Resources**12 Water Resources Development Projects**

Provides funds for the state share of Water Resources Development Projects. Projects are specified in a special provision.

\$20,000,000 NR

13 Hickory Nut Gorge Expansion

Provides capital funds for land acquisitions and necessary improvements to expand the Chimney Rock tract of Hickory Nut Gorge State Park. The total planned expansion is 2,000 acres at a total cost of \$30 million. DENR proposes funding the remaining land acquisitions with Clean Water Management Trust Fund, Natural Heritage Trust Fund, and Parks and Recreation Trust Fund monies.

\$15,000,000 NR

14 NC Zoo - Storage Shed

Provides capital funds for the construction of a 17,000 square foot steel shed to store supplies, equipment, and construction materials that are currently stored in the open. The shed will also secure equipment and materials from theft.

\$452,800 NR

15 Forest Resources District 9 Headquarters

Provides capital funds for the design and construction of office, workshop, storage, and refrigerated facilities in Sylva. \$2,164,500 NR

H. UNC System - Board of Governors

16 Appalachian State University College of Education Building

Provides capital planning funds for the proposed construction of the College of Education Living Learning Academic Building. Total projected cost for the facility is \$35,000,000. \$1,820,000 NR

17 Fayetteville State University Science and Technology Complex

Provides capital planning funds for the proposed science and technology complex. The complex would include laboratory, instruction, research, and office space. The total projected cost for the complex is \$22,000,000. \$1,000,000 NR

18 NC Agricultural and Technical State University General Classroom Facility

Provides capital planning funds for the proposed general classroom/instructional facility. Total projected cost for the facility is \$20,000,000. \$1,000,000 NR

19 NC School of the Arts Library

Provides capital planning funds for the proposed new library. The total projected cost for the facility is \$24,200,000. \$1,000,000 NR

20 NC State Engineering Complex III

Provides capital funds for the design and construction of the third phase of relocating the School of Engineering to Centennial Campus. The 166,700 square foot facility would house the Departments of Mechanical and Aerospace Engineering and Biomedical Engineering. Total cost for this project is \$69.7 million. The General Assembly appropriated \$8.7 million to this project in FY 2005-06. \$61,000,000 NR

21 UNC-Chapel Hill Genomics Science Building

Provides capital funds for planning and site preparation for a Genomics Science Building in the Science Complex South. The 210,000 square foot facility has an estimated total cost of \$145,000,000. \$28,391,775 NR

22 UNC Hospitals at Chapel Hill Master Facilities Plan

Provides capital funds for UNC Hospitals and the UNC School of Medicine to develop a comprehensive master plan. \$3,000,000 NR

23 UNC-Greensboro Academic Classroom and Office Building

Provides capital planning funds for the proposed new general classroom and office building. Total projected cost for the facility is \$43,827,470. \$2,300,000 NR

24 UNC-Pembroke Residence Hall

Provides capital planning funds for a proposed 360-bed residence hall. The projected cost for the facility is \$20,000,000. \$1,000,000 NR

25 UNC-Wilmington School of Nursing

Provides capital funds for the design and construction of an 80,000 square foot building for the School of Nursing. The General Assembly appropriated \$500,000 in FY 2004-05 and \$2,600,000 in FY 2005-06 for planning. \$27,000,000 NR

26 Western Carolina University School of Health/Gerontology Building

Provides capital planning funds for the School of Health and Gerontological Science building at WCU. The total projected cost for this project is \$46,200,000.

\$2,400,000 NR

27 Winston Salem State University Student Activities Center

Provides capital planning funds for a proposed new student activities center. Total projected cost for this facility is \$14,773,560. Amount of receipts available to offset the cost of construction is not known at this time.

\$768,225 NR

28 Dental Schools Planning

Provides capital planning funds for the expansion of the School of Dentistry at UNC-Chapel Hill and the establishment of a School of Dentistry at East Carolina University.

\$7,000,000 NR

29 Reserve for Capital Cost Overruns

Provides reserve funds for capital projects in the UNC System that lack sufficient available funds to award a construction contract. Priority shall be given to Focus Growth Institutions.

\$2,300,000 NR

I. State Facilities Special Indebtedness

30 Department of Cultural Resources NC Museum of Art Expansion

Authorizes the issuance of certificates of participation to complete the planning and construction of a 126,000 square foot expansion of the NC Museum of Art in Raleigh. The expansion would increase exhibit space and visitor services. The total cost of the expansion is \$67 million. \$2.2 million was appropriated in FY 2004-05 and \$10 million was appropriated in FY 2005-06. The City of Raleigh and Wake County have jointly committed \$15 million towards the expansion. The expansion would house the Auguste Rodin gift from the Iris and B. Gerald Cantor Foundation. The total debt authorized is \$40,000,000.

31 DHHS State Public Health Lab / Office of Chief Medical Examiner

Authorizes the issuance of certificates of participation to complete the planning and construction of a 205,000 square foot facility to house the State Public Health Lab and the Office of Chief Medical Examiner. The new facility would be located in Raleigh. The total debt authorized is \$101,000,000.

32 DHHS Central Regional Psychiatric Hospital

Authorizes an additional \$20,000,000 in certificates of participation to complete construction of the Central Regional Psychiatric Hospital in Butner. Proceeds would fund the purchase and installation of information technology infrastructure as well as other construction needs to finish the project. The General Assembly authorized \$110,000,000 in certificates of participation in S.L. 2003-314 for this facility.

33 DHHS Eastern Regional Psychiatric Hospital

Authorizes the issuance of certificates of participation for the planning and construction of a 304-bed psychiatric hospital to replace Cherry Hospital in Goldsboro. The new hospital would also likely be located in Goldsboro. The debt is authorized in installments over three separate fiscal years totaling \$145,500,000.

34 DHHS Western Regional Psychiatric Hospital

Authorizes the issuance of certificates of participation for the planning and construction of a 382-bed psychiatric hospital to replace Broughton Hospital in Morganton. The new hospital would also likely be located in Morganton. The debt is authorized in installments over two separate fiscal years totalling \$162,800,000. The first installment of \$20,000,000 is not authorized until July 1, 2008.

35 Department of Correction Regional Medical Center and Mental Health Center

Authorizes the issuance of certificates of participation for the planning and construction of a new 120-bed medical center and 200-bed mental health center to serve prisoners in the State prison system. The facilities will be located at Central Prison in Raleigh. Total projected cost for the construction of the medical and mental health centers is \$151,864,137. The Department anticipates \$7,864,137 in receipts to devote to this capital project, and an additional \$11,800,000 in repair and renovation funds are dedicated for site development activities. The debt is authorized in installments over four fiscal years totalling \$132,200,000.

36 Information Technology Services Secondary Statewide Data Center

Authorizes the issuance of certificates of participation for land acquisition, planning and construction of a 45,000 square foot data center in Rutherford County. The center would provide data recovery services for State agencies in times of disaster. The center would also provide additional capacity for IT operations across State agencies. ITS currently contracts for disaster recovery services. The total debt authorized is \$24,841,300.

37 UNC Charlotte Center City Classroom Building

Authorizes the issuance of certificates of participation for the planning and construction of a 150,000 square foot classroom building to house graduate and professional programs. Belk College of Business, the College of Architecture, and Lee College of Engineering will move to this uptown facility. The total debt authorized is \$45,827,400.

Total Appropriation to Capital

\$206,343,300 NR

**INFORMATION
TECHNOLOGY
SERVICES
N**

Information Technology Services

INTERNAL SERVICE FUND

Total Budget Approved 2005 Session

FY 06-07

\$13,025,000

Budget Changes

A. IT Operations

- | | | | |
|----------|---|-------------|------|
| 1 | Information Technology Attorney Positions | \$298,826 | R |
| | Provides funds for the establishment of 2.0 Attorney positions in the Office of Information Technology Services to provide specialized legal services needed for complex information technology projects. | | 2.00 |
| 2 | ITS Activities | \$2,619,500 | NR |
| | Continues existing activities including project management assistance, security, asset management, legal support, and legacy system assessment. | | |
| 3 | ITS Services | \$190,000 | NR |
| | Provides services previously supported by cross subsidies in the rate structure, including State portal maintenance, security services, enterprise identity management, and office operations. | | |

B. Information Technology Projects

- | | | | |
|----------|--|--------------|-------|
| 4 | BEACON/SBIP-HR/Payroll System Replacement | \$7,260,523 | R |
| | Provides funds for the Office of the State Controller to support implementation of the state's new human resources and payroll systems as part of Building Enterprise Access for North Carolina's Core Operation Needs (BEACON)/Statewide Business Infrastructure Program (SBIP). | \$34,930,605 | NR |
| | | | 50.75 |
| 5 | BEACON Data Warehousing | \$1,000,000 | NR |
| | Provides funding to integrate and deploy the following data warehousing projects as part of BEACON:
Department of Revenue-Guest Worker Compliance Project
Office of State Personnel-Workforce Planning Project
Office of the State Auditor-Business Intelligence Software and Data Warehousing Project. | | |

Budget Changes	\$7,559,349	R
	\$38,740,105	NR
Total Position Changes		52.75
Revised Total Budget	\$59,324,454	