

**COMPARISON REPORT
ON THE
CONTINUATION, EXPANSION,
AND CAPITAL BUDGETS**

Senate Bill 744

June 16, 2014

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EDUCATION

Section F

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House/Senate Comparison Report

Public Education

(Items in Controversy are Shaded)

House
FY 14-15

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A. Reserve for Salaries & Benefits

1	Compensation Increase Reserve - Educators	\$465,317,000	
	<p>Provides funds for the new 21-step Professional Status Teacher Salary Schedule as well as an experience-based step for educators opting into this new schedule. It increases the Statewide guaranteed minimum starting educator pay to \$33,000 annually. Assuming that all educators opt into the Professional Status Schedule, local supplement amounts remain unchanged, there is no turnover, and there are no changes to educators' education attainment or certifications, this schedule provides, on average, an 11% salary increase. Under this comparison, average educator salary from all fund sources would increase to over \$51,000.</p> <p>For individuals at the top of the new salary schedule, funds are provided for a 1% salary bonus. Two corresponding provisions in the Salaries and Benefits section of the bill provide additional information on this item.</p>	\$3,410,000	NR
2	Compensation Increase Reserve - Educators	\$176,193,279	
	<p>Provides funds for a new teacher salary schedule as well as an experience-based step for all step-eligible educators. The new schedule increases the pay of all educators to at least \$33,000 annually. This new schedule for all educators provides, on average, a 5% salary increase assuming that local supplements remain the same, there is no turnover, and there are no changes to educator educational attainment or certifications. Funds are provided for a bonus for educators at the top of the salary schedule who would not otherwise receive a salary increase. Two corresponding provisions in the Compensation of Public School Employees part of the Appropriations Act provide additional information on this item.</p>	\$2,150,000	NR
3	Compensation Increase Reserve - School-based Administrators	\$5,818,632	
	<p>Provides funds for salary schedule changes and an experience-based step for all step-eligible school-based administrators. In addition, funds are provided for a nonrecurring salaries and benefits bonus of \$1,000 (\$809 bonus) for all school-based administrators who do not receive a salary increase on this schedule. A corresponding provision in the Salaries and Benefits section of the bill provides additional information on this item.</p>	\$133,410	NR

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4	Compensation Increase Reserve - School-based Administrators	\$10,158,319
<p>Provides funds for salary schedule changes and an experience-based step for all step-eligible school-based administrators. Administrators who do not receive a salary increase under the new schedule are provided a 2% bonus.</p> <p>Two corresponding provisions in the Compensation of Public School Employees part of the Appropriations Act provide additional information on this item.</p>		
5	Compensation Increase Reserve - Non-certified and Central Office Staff	\$32,635,439
<p>Provides a \$618 recurring salary and benefit increase (\$500 salary increase) for permanent full-time non-certified and central office staff.</p>		
6	Compensation Increase Reserve - Non-certified and Central Office Personnel	\$65,270,879
<p>Provides a \$1,000 annual recurring salary increase (approximate \$1,236 salary and benefit increase) for permanent full-time employees.</p>		
7	Compensation Increase Reserve - Department of Public Instruction (DPI)	\$891,973
<p>Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees located administratively under the State Board of Education.</p>		
8	Compensation Increase Reserve - Department of Public Instruction (DPI)	\$1,461,135
<p>Provides a \$1,000 annual recurring salary increase (approximate \$1,236 salary and benefit increase) for permanent full-time employees.</p>		
9	State Retirement System Contributions - School District Personnel	\$21,514,025
<p>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.</p>		
10	State Retirement System Contributions - School District Personnel	\$35,082,455
<p>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.</p>		

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11	State Retirement System Contributions - DPI		\$183,857
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

12	State Retirement System Contributions - DPI	\$299,811	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Technical Adjustments

13	Average Daily Membership (ADM) (Multiple)	(\$37,453,734)	(\$37,453,734)
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Revises projected ADM for FY 2014-15 to reflect 6,286 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted ADM for FY 2014-15 is 1,520,305, an increase of 10,320 students over FY 2013-14.

14	Average Certified Personnel Salaries (Multiple)	(\$64,923,926)	(\$64,923,926)
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Revises budgeted funding for certified personnel salaries based on actual salary data from December 2013. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

15	ADM Adjustment: Opportunity Scholarships (1800)	\$11,797,941	
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Provides funding to eliminate the ADM Adjustment for Opportunity Scholarships.

16	Education Lottery Receipts (1800)		(\$56,298,342)
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Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between the four Lottery programs. This adjustment does not impact the combined total funding from Lottery and General Fund sources available for the Classroom Teachers allotment.

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17	Classroom Teachers	(\$160,904,386)	
<p>Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between the four Lottery programs. This adjustment does not impact the combined total funding from Lottery and General Fund sources available for the Classroom Teachers allotment.</p>			
18	Exceptional Children Headcount (1860)	(\$5,327,241)	
<p>Adjusts funding budgeted for the Children with Disabilities preschool and school-age allotments to reflect actual student headcount. The continuation budget includes anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2014 headcount and does not reduce funding per student.</p>			

C. Public School Funding Adjustments

19	Excellent Public Schools Act (Multiple)	\$6,015,859	\$6,015,859
<p>Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 and Section 7A.7 of S.L. 2012-142. DPI will have \$38.0 million available to implement these requirements.</p>			
20	Classroom Teachers (1800)	(\$43,362,064)	(\$43,362,064)
<p>Revises adjustment made in the 2013 budget to reduce the classroom teachers allocations in Grades 2 and 3 from 1 teacher per 18 students to 1 teacher per 17 students. This adjustment will forego an additional 788 new teaching positions budgeted to be added in FY 2014-15. FY 2014-15 classroom teacher allocations and class size requirements will remain the same as they are in FY 2013-14. \$3.72 billion remains in the budget for this allotment.</p>			
21	Excellent Public Schools Act - Five Extra Days (Multiple)	(\$391,637)	(\$391,637)
<p>Eliminates funding that had been provided to support a requirement that local education agencies (LEAs) provide additional instructional days (S.L. 2011-145, Section 7.29). A subsequent amendment to G.S. 115C-84.2.(a)(1) eliminated this mandate. Funding had previously supported \$40,168 for additional costs related to substitute teachers and \$351,469 for additional costs related to student transportation.</p>			

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22	Education-Based Salary Supplements Restoration (1800)	\$18,700,000	\$18,700,000
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Provides additional funding necessary to restore education-based salary supplements for master's, advanced or doctoral degrees for certain personnel, as directed in a corresponding special provision.

23	School Bus Replacement (1830)		(\$3,369,983)
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Reduces this allotment supporting the purchase of replacement school buses to reflect lower-than-expected bus prices and departmental operational efficiencies. This reduction does not reduce the number of replacement buses to be purchased in FY 2014-15. \$46.2 million remains in this allotment to support the purchase of 579 replacement buses in FY 2014-15.

24	School Bus Replacement (1830)	(\$3,369,983)	
		(\$3,369,983)	NR

Reduces this allotment supporting the purchase of replacement school buses to reflect lower-than-expected bus prices and departmental operational efficiencies. The nonrecurring reduction reflects the savings associated with foregone bus purchases in FY 2013-14 and the recurring reduction reflects reduced future financing payments as a result of those foregone purchases. This reduction does not reduce the number of replacement buses to be purchased in FY 2014-15. \$46.2 million remains in this allotment to support the purchase of 579 replacement buses in FY 2014-15.

25	Teacher Assistants (1800)		(\$233,182,240)
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Reduces funding for teacher assistants and modifies the basis for funding in this allotment. For FY 2014-15, this allotment will provide \$971.75 per student in ADM in grades K-1. Previously, this allotment had provided funding on the basis of ADM in grades K-3. LEAs may continue to place teacher assistants in any K-3 classroom with these funds. \$240.2 million will remain in this allotment in FY 2014-15.

26	Central Office Administration (1810)		(\$4,795,567)
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Reduces the allotment to LEAs for the salaries and benefits of central office staff by 5%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$91.1 million will remain to support these local staff in FY 2014-15.

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27	Transportation (1830)		(\$28,608,891)
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Reduces by 6% the total support for the allotment, which supports the salaries of transportation personnel, the maintenance of yellow buses, and support for the Driver Training program, which will now be distributed via this allotment. A corresponding provision redirects a transfer from the Highway Fund for Driver Training into this allotment. This transfer will only occur in FY 2014-15, as it is repealed beginning in July 1, 2015 in a corresponding provision. Combined General Fund and receipt support for this allotment will be \$448.0 million in FY 2014-15.

28	Small County Supplemental Funding (1800)	\$3,581,140	\$3,581,140
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Revises the funding formula to provide differentiated funding based on the size of eligible districts as directed in a corresponding special provision. \$46.3 million will be available for this allotment in FY 2014-15.

29	Panic Alarms (1830)	(\$1,100,000)	(\$1,100,000)
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Reduces available funding for this program to reflect FY 2013-14 actual expenditures. \$900,000 will be available for awards in FY 2014-15, slightly more than the amount awarded in FY 2013-14.

30	Cooperative and Innovative High Schools (1821)	\$1,864,014	
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Provides Cooperative and Innovative High Schools (CIHS) allotment support to fulfill the funding requests for the six new CIHSs approved by the State Board of Education in 2014. Funding will support one STEM Early College and two Middle Colleges in Mecklenburg County, A Young Men's and Young Women's Leadership Academy in Wake County; and the Buncombe Discovery Academy in Buncombe County.

31	Cooperative and Innovative High School Planning Grant (1821)	\$150,000	NR
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Provides nonrecurring funds to the Wilson County Schools for the planning and support of the Wilson Academy of Applied Technology, a high school focusing on innovation and technology to prepare students for careers in manufacturing. The funds appropriated in this section may be used for school construction or renovation of school property. If the Wilson Academy of Applied Technology is approved by the State Board of Education as a Cooperative Innovative High School and is prepared to begin operations in FY 2015-16, it is the intent of the General Assembly to appropriate to Wilson Public Schools recurring funds under the CIHS allotment.

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32	Textbooks (1800)	\$905,000
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Increases General Fund support for textbooks. Local school administrative units are encouraged, at their discretion, to consider using Textbook funding for fees associated with accessing digital content through Home Base. These funds, when combined with an additional \$11.0 million in Lottery receipts, would provide \$35.3 million in total support for textbooks, a 51% increase.

33	Merit Pay for Teachers (1800)	(\$10,200,000)
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Eliminates this teacher supplemental compensation program slated to begin in FY 2014-15.

34	Career Pathways (1800)	\$9,777,150
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Supports the creation of a new pilot program to provide selected LEAs with the resources to offer career paths for professional growth and advancement opportunities to promote retention of the highest quality teachers within the teaching profession. These pathways will be directed at retaining quality teachers who take on increasing responsibility for students and for the development and success of their peers, and impact student achievement in the classroom.

Each of eight pilot LEAs will receive funding for initial implementation. A corresponding provision describes the operational structure of this initiative.

35	Embedded Innovative Teaching Institute	\$150,000
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Funds a pilot program for the Union County Public School System to collaborate with a public higher education partner to create a new teacher preparation model. The funding will support tuition for teachers, summer salaries for professors, stipends for course writers, consultation fees, and data collection and processing. Union County Public Schools shall expend these funds only for purposes directly related to this project.

36	At-Risk Student Services (1800)	(\$300,000)
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If House Bill 831, 2013 Regular Session, becomes law, reduces funding budgeted for the At-Risk Student Services allotment.

37	Funds for Children in Private Psychiatric Residential Treatment Facilities	\$300,000
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If House Bill 831, 2013 Regular Session, becomes law, these funds shall be used to provide for the education of children in private psychiatric residential treatment facilities.

Public Education

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D. Department of Public Instruction

38	DPI Flexible Reduction (Multiple)	(\$15,078,150)
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Reduces State support for DPI by 30%. The State Board of Education may allocate this reduction at its discretion, within the guidelines mandated by a corresponding provision.

39	DPI Flexible Reduction (Multiple)	(\$502,605)
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Reduces State General Fund support for DPI by 1%. The State Board of Education may allocate this reduction at its discretion.

40	North Carolina Center for the Advancement of Teaching (1410)	\$3,239,639
		(\$3,239,639) NR

Shifts all State General Fund support for the ongoing operations of this teacher professional development provider to recurring funding.

41	Military Interstate Children's Compact Commission (1660)	\$11,694
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Provides additional funding to cover the actual cost of membership of the Military Interstate Children's Compact Commission. The Commission seeks to ensure consistent policies amongst member states to resolve educational transition issues encountered by military children due to frequent relocation. The total budget for this item will be \$60,000.

E. Grants

42	Teaching Fellows (1900)	(\$3,095,000)
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Eliminates the General Fund appropriation supporting the Teaching Fellows program. Obligations to previous Fellows classes will continue to be supported from funds available in the Teaching Fellows Trust Fund. The Teaching Fellows Trust Fund has a cash balance of \$4.7 million as of April 30, 2014.

43	Rural Charter School Development (1901)	\$300,000 NR
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Supports a pilot program administered by Parents for Educational Freedom in North Carolina (PEFNC) intended to accelerate charter school development in rural North Carolina. A corresponding provision addresses program rules.

Public Education

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44

Communities in Schools (1901)

\$2,000,000

Provides support to expand the intervention programs and services provided by Communities In Schools of North Carolina, Inc. (CISNC), as part of its public and private partnership with local school administrative units to address the needs of public school students at risk of grade level retention and dropout from school. Total FY 2014-15 State support for CISNC will be \$3,446,750.

45

Teacher Cadet (1901)

\$150,000

Provides recurring support for the Teacher Cadet Program, a part of the North Carolina Foundation for Public School Children, a private non-profit organization that encourages high achieving students to consider teaching as a career.

Department Totals

\$19,122,739

\$62,998,391

(\$4,009,622) NR

\$3,543,410 NR

Community Colleges

(Items in Controversy are Shaded)

House
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A. Reserve for Salaries & Benefits

46	Compensation Increase Reserve - Community Colleges (Multiple)	\$18,397,754
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

47	Compensation Increase Reserve - Community Colleges	\$22,741,352
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

48	State Retirement System Contributions - Community Colleges	\$3,544,341
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

49	State Retirement System Contributions - Community Colleges	\$5,779,680
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

50	Compensation Increase Reserve - System Office	\$163,791
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

51	Compensation Increase Reserve - System Office	\$202,461
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

52	State Retirement System Contributions - System Office	\$44,783
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Community Colleges

(Items in Controversy are Shaded)

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53	State Retirement System Contributions - System Office	\$73,026	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Technical and Formula Changes

54	Enrollment Growth Adjustment		(\$17,199,053)
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Adjusts funds for FY 2014-15 based on the estimated decline in community college enrollment.

The Community College system saw its enrollment decline by 2.5% (or 6,156 FTE) from the budgeted amount in the 2013-14 certified budget for a savings of \$17.2 million.

55	Enrollment Growth Adjustment (Multiple)	(\$17,199,053)	
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Adjusts funds for FY 2014-15 based on the decline in community college enrollment.

The Community College system saw its enrollment decline by 2.5% (or 6,156 FTE) from the budgeted amount in the 2013-14 certified budget for a savings of \$17.2 million.

56	Closing the Skills Gap (Multiple)	\$15,366,588	\$16,199,053
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Directs the System Office to create a fourth tier in its enrollment funding formula. The tier will be funded at a higher rate than the current highest tier. The new tier shall include health care and technical educational programs that train North Carolinians for jobs that have documented skills gaps and that pay higher wages.

57	Transfer to Commerce to Offset Apprenticeship Fees (1622)		(\$300,000) NR
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Transfers \$300,000 from the Customized Industry Training Program to the Department of Commerce for the Apprenticeship and Training Bureau's Registered Apprenticeship program, which helps workers learn new specialized skills needed in the workforce.

The Department of Commerce is directed to use the funds to offset fee revenue lost when apprenticeship fees assessed under G.S. 94-12 are waived.

Community Colleges

(Items in Controversy are Shaded)

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58

Transfer to Commerce to Offset Apprenticeship Fees (1622)

Transfers \$300,000 from the Customized Industry Training Program to the Department of Commerce for the Apprenticeship and Training Bureau's Registered Apprenticeship program, which helps workers learn new specialized skills needed in the workforce.

The Department of Commerce is directed to use the funds to offset fee revenue lost when apprenticeship fees assessed under G.S. 94-12 are waived.

There is a corresponding special provision for this item.

C. Financial Aid Changes

59

Yellow Ribbon G.I. Education Enhancement Program (1900)

\$1,000,000

Funds financial aid for eligible veterans and dependents attending North Carolina community colleges by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

60

Yellow Ribbon G.I. Education Enhancement Program (1900)

\$1,000,000

Funds financial aid for eligible military veterans and dependents attending North Carolina community colleges by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

Community Colleges

(Items in Controversy are Shaded)

House
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D. Other Changes

61	Curriculum Tuition (1620) Increases curriculum tuition by \$0.50 per credit hour and makes a corresponding General Fund reduction in anticipation of increased tuition receipts. Tuition will increase from \$71.50 to \$72 per credit hour for residents and from \$263.50 to \$264 for nonresidents. Tuition for resident students will increase by a maximum of \$32 per year, from \$2,288 to \$2,320.	(\$2,101,060)	
62	Fayetteville Technical Community College Botanical Lab (1624) Eliminates State funding for the Cape Fear Botanical Garden in Fayetteville, which serves as an outdoor learning laboratory for Fayetteville Technical Community College's Horticulture Technology/Management program.	(\$100,000)	
63	Audit Services (1300) Restores recurring funding for the System Office's Audit Services division, which was made non-recurring by S.L. 2013-360. There is a corresponding special provision for this item.	\$551,572 (\$551,572) NR	
64	Manufacturing Solutions Center (1624) Provides additional funding for the Manufacturing Solutions Center at Catawba Valley Community College. Annual funding for this program will be \$846,922.	\$150,000	
65	Textile Technology Center (1624) Provides additional funding for the Textile Technology Center at Gaston College. Annual funding for this program will be \$653,954.	\$150,000	
<u>Department Totals</u>		\$25,762,994	\$23,002,241 (\$851,572) NR

A. Reserve for Salaries & Benefits

66	Compensation Increase Reserve	\$14,307,259
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time SPA employees.

67	Compensation Increase Reserve (16011)	\$41,616,203
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees. Teachers at the North Carolina School of Science and Mathematics paid on the Teacher Salary Schedule receive an experience-based step increase in lieu of the \$1,000 salary increase.

68	State Retirement System Contributions	\$4,384,565
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

69	State Retirement System Contributions (16011)	\$7,149,819
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Technical and Formula Changes

70	Enrollment Funding Adjustment	(\$1,773,018)
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Reduces budgeted enrollment to match revised projections. The FY 2014-15 budget includes \$26.7 million of State appropriation for enrollment growth at the UNC System but only requires \$24.9 million based on refined enrollment estimates.

71	Enrollment Funding Adjustment (16011)	(\$1,773,018)
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Reduces budgeted enrollment to match revised projections. The FY 2014-15 budget includes \$26.7 million of State appropriation for enrollment growth in the UNC System but only \$24.9 million is required, based on refined enrollment estimates.

UNC System

(Items in Controversy are Shaded)

House
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72	Enrollment Growth Model Change (16011)	(\$5,326,425)	(\$5,326,425)
	Directs UNC General Administration to revise the Enrollment Growth Funding Model for general institutional support. The current model contains an adjustment factor to limit budget cuts to institutional support lines when enrollment declines. UNC is directed to remove this factor from its model and to reduce campus budgets accordingly.		
73	Building Reserves (Multiple)	(\$922,599) -2.80 (\$79,138) NR	(\$922,599) (\$79,138) NR
	Reduces funding in reserves for new facilities due to delays in completion dates.		
74	Teacher Preparation Programs through Distance Education		(\$1,801,861)
	Eliminates funding for the Teacher Preparation Distance Education Reserve. Funding for distance education teacher preparation was originally provided by the 2001 Appropriations Act (S.L. 2001-424, Sec. 31.7); since that time, these programs have also been added to the enrollment growth funding formula.		
75	Teacher Preparation Programs through Distance Education (16011)	(\$1,801,861)	
	Eliminates funding for the Teacher Preparation Distance Education Reserve. Funding for distance education teacher preparation was originally provided by the 2001 Appropriations Act (S.L. 2001-424, Sec. 31.7); since that time, these programs have also been added to the enrollment growth funding formula. This adjustment ends that duplicative funding.		

C. Financial Aid Changes

76	Yellow Ribbon G.I. Education Enhancement Program		\$4,863,276
	Funds financial aid for eligible veterans and dependents attending the University of North Carolina by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.		
	The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.		
	There is a corresponding special provision for this item.		

UNC System

(Items in Controversy are Shaded)

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77	Yellow Ribbon G.I. Education Enhancement Program (16011)	\$4,863,276	
	<p>Funds financial aid for eligible military veterans and dependents attending the University of North Carolina by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.</p> <p>The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.</p> <p>There is a corresponding special provision for this item.</p>		
78	NC Need-Based Scholarship (16015; 124T)		(\$7,000,000) NR
	<p>Reduces funding for the NC Need-Based Scholarship program for private college students. Total program funding for FY 2014-15 will be \$79,351,588.</p>		
79	NC Need-Based Scholarship (16015; 124T)	\$4,500,000	
	<p>Shifts from nonrecurring to recurring \$4.5 million for the NC Need-Based Scholarship for students attending private institutions of higher education. Total funding for the program in FY 2014-15 will be \$86,351,588.</p>	(\$4,500,000) NR	
80	Forgivable Education Loans for Service		\$5,000,000 NR
	<p>Increases funding on a nonrecurring basis for the Forgivable Education Loans for Service scholarship loan program, established in G.S. 116-209.45. This appropriation shall be used to provide scholarship loans to applicants formerly employed as teacher assistants. Program funding for FY 2014-15 will total \$21,594,166.</p>		
81	National Guard Tuition Assistance Program (16012, 124R)	\$50,000	
	<p>Increases tuition assistance for active members of the North Carolina Army or Air National Guard by 2.7%. The new State appropriation for the program will be \$1,912,815.</p>		

UNC System

(Items in Controversy are Shaded)

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82	College Foundation of North Carolina (16010)	\$1,000,000
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Mitigates the structural budget gap at the College Foundation of North Carolina (CFNC), which formerly was supported largely by receipts from the federal guaranteed student loan program at the College Foundation, Inc. and the State Education Assistance Authority. The 2010 federalization of the student loan program ended any new loan originations through the guaranteed loan program, so those receipts are no longer sufficient to sustain CFNC.

D. Other Changes

83	Management Flexibility Reduction (16011)	(\$19,822,724)
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Increases the management flexibility reduction for the UNC operating budget by 26.9%. Including this change, the management flexibility reduction for FY 2014-15 totals \$93,433,068. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.

There is a related special provision for this item.

84	Game-Changing Research (16011)	\$3,000,000
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Funds focused investments in faculty, research, and scholarship in six priority areas: advanced manufacturing; data sciences; defense, military, and security; energy; marine and coastal sciences; and pharmacoengineering. The investment in data sciences shall include data sciences programs at UNC Charlotte. The investment in defense, military, and security shall include the Homeland Security and Defense Technology programs at Fayetteville State University.

85	NCSU Next Generation Power Electronics Innovation Institute	
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\$2,000,000 NR

Provides State matching funds for a federal initiative to establish a regional and national Wide Bandgap Institute at NCSU. This Institute will be part of the U.S. Department of Energy's National Network for Manufacturing Innovation for Wide Bandgap Semiconductors for Power Electronic Devices. The State match represents the first installment of a total \$10 million State pledge, and NCSU shall only use these funds to provide the required State match for the federal grant.

UNC System

(Items in Controversy are Shaded)

House
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FY 14-15

86	NCSU Next Generation Power Electronics Innovation Institute (16030)	\$2,000,000
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Provides State matching funds for a federal initiative to establish a regional and national Wide Bandgap Institute at North Carolina State University (NCSU). This Institute will be part of the U.S. Department of Energy's National Network for Manufacturing Innovation for Wide Bandgap Semiconductors for Power Electronic Devices. The State match represents the first installment of a total \$10 million State pledge, and NCSU shall only use these funds to provide the required State match for the federal grant.

87	North Carolina New Teacher Support Program (16011)	\$1,200,000
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Funds the North Carolina New Teacher Support Program, a comprehensive induction program that targets beginning teachers in schools across the state that qualified for Race to the Top services. The program is administered through a central office and four regional anchor sites at UNC Greensboro, UNC Charlotte, East Carolina University, and the UNC Center for School Leadership Development.

88	Appalachian State University Health Sciences Building	
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Funds advance planning for Appalachian State University's College of Nursing and Health Sciences Building. The 200,000 sq. ft. facility will be constructed in association with the Watauga Medical Center. This project received \$2 million in non-recurring planning funds in FY 2013-14; the project's total cost is estimated to be \$80.2 million.

\$2,000,000 NR

89	UNCG Public Private Partnership	
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Provides funds to support Union Square Inc. a non-profit entity formed to create a public private partnership in downtown Greensboro to build a \$37 million, 100,000 square-foot facility to focus on health care education. The space will house expansion of the UNC Greensboro and Guilford Tech Community College nursing programs and training facilities for Cone Health. The building will include office space, laboratory space, and health care education space.

\$2,000,000 NR

90	NCSU Food Processing	
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Provides \$250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's food processing initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

91

NCSU Plant Science Initiative

Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina may not collect Facilities and administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

92

NCSU Plant Science Initiative

Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

93

Internships and Career-Based Opportunities for HBCU Students (16011)

\$317,500

Creates a pilot internship program to link 60 students attending Historically Black Colleges and Universities (HBCUs) with North Carolina-based companies. Elizabeth City State University plus three HBCUs selected through a competitive application process will participate in the pilot. Of the three institutions selected, one must be an HBCU constituent institution of the UNC system and two must be private HBCU colleges or universities located in North Carolina. The University of North Carolina may use up to 5% of these funds to administer the program.

Department Totals

\$36,050,171	\$13,731,197
-2.80	
(\$4,579,138) NR	\$3,920,862 NR

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**HEALTH
&
HUMAN SERVICES
Section G**

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House/Senate Comparison Report

Health and Human Services

(Items in Controversy are Shaded)

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(1.0) Division of Central Management and Support

1	Compensation Increase Reserve	\$7,519,877	
	Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
2	Compensation Increase Reserve Department-Wide		\$6,011,140
	Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees department-wide.		
3	State Retirement System Contributions	\$1,852,169	
	Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.		
4	State Retirement System Contributions Department-Wide		\$1,135,828
	Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment department-wide to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.		
5	Contracts and Vacant Positions Department-Wide (1119)	(\$8,000,000)	(\$16,000,000)
	Reduces funds for vacant positions and contracts across the department. The Department has the flexibility to achieve this reduction through the elimination of vacant positions and elimination or reduction of contract costs.		
6	Maintenance - Cost Allocation (1120)	(\$120,000)	(\$120,000)
	Allocates allowable federal funds for maintenance expenses in the Division of Child Development and Early Education.		

Health and Human Services

(Items in Controversy are Shaded)

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7	NC TRACKS (2413,1122)	\$0	\$0
	Provides funding for continued system development by using prior-year earned revenue in the nonrecurring amount of \$5,223,975 in FY 2014-15. The total FY 2014-15 budget for development costs is \$10.7 million and the budget for ongoing operations and maintenance is an additional \$10.7 million.		
8	NC FAST (2411)	\$0	\$0
	Provides funding to support the continued development and implementation of the Eligibility Information System for the Child Care, Low Income Energy Assistance and Crisis Intervention Programs, and Federally-Facilitated Exchange Interoperability. The funding will be provided from prior-year earned revenue in the nonrecurring amount of \$4,138,002 in FY 2014-15. These projects are funded with 90% federal funds until December 31, 2015. The FY 2014-15 total budget for this project is \$55.6 million.		
9	Competitive Block Grant Transfers (1910)	(\$600,223)	(\$600,223)
	Transfers funds from the competitive block grant to the appropriate Divisions. Funds for maternity homes are transferred to the Division of Social Services in the amount of \$375,000. Funds for traumatic brain injury are transferred to the Division of Mental Health, Developmental Disability Services and Substance Abuse Services in the amount of \$225,223. Combined with item 8, the competitive block grant is reduced by 2.4% to \$9,303,911 recurring.		
10	Competitive Block Grant Additional Funds (1910)		\$375,000
	Provides recurring funds to increase the competitive block grant. Designates \$375,000 in FY 2014-15 for the Big Brothers Big Sisters of the Triangle, Inc. In FY 2015-16 the scope of the competitive block grant is expanded to allow for this organization to apply for funding. Combined with item 7 the competitive block grant is reduced by 2.4% to \$9,303,911 recurring.		
11	Competitive Block Grant Additional Funds (1910)	\$375,000	
	Provides recurring funds to increase the competitive block grant.		
12	Actuary Positions (1120)	\$170,000 1.00	\$170,000 1.00
	Creates two actuary positions in the Office of the Secretary for the Medicaid Program. The total cost of the positions is \$340,000. Federal Medicaid receipts will be used to cover 50% of the cost of each position, therefore the State will fund effectively 1 net FTE.		

Health and Human Services

(Items in Controversy are Shaded)

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13 Health Information Exchange (1910)

\$4,000,000

\$4,000,000

Provides State matching funds to support the Health Information Exchange.

14 Supplemental Short-Term Assistance for Group Homes

\$2,000,000 NR

Provides fund for one year for group home residents who were determined to be ineligible for Medicaid personal care services on or after January 1, 2013. The maximum monthly payment is set at \$464.30 and is based on providing 33 hours of service per eligible recipient. Group homes may only use these funds to provide supervision and medication management to residents who meet the required eligibility criteria. Funds for this purpose are capped at maximum amount of \$2,000,000 and will end upon depletion of the funds or June 30, 2015, whichever is earlier.

(2.0) Division of Aging and Adult Services

15 Senior Center

\$100,000 NR

Provides nonrecurring General Fund appropriation for Senior Center capital projects.

16 Home Care and Community Block Grant Reduction (1370,1451)

(\$969,549)

Reduces General Fund appropriation for the Home Care and Community Block Grant (HCCBG) by 3%, leaving a balance of \$31,808,889.

(3.0) Division of Child Development and Early Education

17 TANF Funds for PreK (1330)

(\$7,195,807) NR

Replaces General Fund appropriation for the PreK program with Temporary Assistance for Needy Families block grant funds on a nonrecurring basis. Combined with item 19, there is a decrease of 3.3% in General Fund appropriation to \$62.8 million and a 3.6% increase in total funding for PreK.

18 TANF Funds for PreK (1330)

(\$15,842,334) NR

Replaces General Fund appropriation for the PreK program with Temporary Assistance for Needy Families block grant funds and Temporary Assistance for Needy Families Emergency Contingency Funds on a nonrecurring basis.

Health and Human Services

(Items in Controversy are Shaded)

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19	PreK Lottery Funds	(\$49,168,368)	
	Replaces General Fund appropriation with Lottery receipts for the PreK program. This brings the total Lottery receipts for the PreK program to \$124.7 million.		
20	Administrative Savings due to Efficiencies and Cost Allocation	(\$1,893,496) -1.00	(\$1,893,496) -1.00
	Reduces General Fund appropriation budgeting overrealized receipts, and replacing General Fund appropriation with Child Care and Development Fund for Child Care Regulation. Additionally the Division's administrative costs have been reduced due to the move to the Dorothea Dix campus, including the elimination of one position.		
	#60038615 - Administrative Asst. II - \$37,659		
21	Child Care Subsidy Block Grant Swap Out (1380)		(\$13,982,425) NR
	Replaces General Fund appropriation for the Child Care Subsidy program with Child Care Development Fund and Temporary Assistance For Needy Families Emergency Contingency block grant funds on a nonrecurring basis. Both block grants have increased availability for FY 2014-15. Combined with items 15, 16, 17 and 18, General Fund appropriation is reduced by 22% to \$49.7 million due to the replacement of State funds with federal funding. Total funding for Child Care Subsidy is unchanged.		
22	Child Care Subsidy Block Grant Swap Out (1380)	(\$13,982,425) NR	
	Replaces General Fund appropriation for the Child Care Subsidy program with Child Care Development Fund and Temporary Assistance For Needy Families Emergency Contingency block grant funds on a nonrecurring basis. Both block grants have increased availability for FY 2014-15. Combined with items 16, 17, 18, 19, and 20 General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding. Total funding for Child Care Subsidy is unchanged.		
23	Child Care Subsidy Eligibility Changes (1380)		(\$11,000,000)
	Changes eligibility for Child Care Subsidy from 75% of State Median Income to 200% of Federal Poverty Level (FPL) for children age 0-5 and children with special needs. Children who are age 6-12 are eligible at 133% of FPL. This change is effective September 1, 2014. This change in eligibility reduces funding needs by \$22 million; half of these funds, \$11 million, will be used to reduce the waiting list by 2,300 eligible children. Combined with items 14, 16, 17, and 18, General Fund appropriation is reduced by 22% to \$49.7 million due to the replacement of State funds with federal funding in item 14. Total funding for Child Care Subsidy is unchanged.		

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24	Child Care Subsidy Eligibility Changes (1380)	(\$7,670,393)
	<p>Changes eligibility for Child Care Subsidy from 75% of State Median Income to 200% of Federal Poverty Level (FPL) for children age 0-5 and children with special needs. Children who are age 6-12 are eligible at 133% of FPL. This change is effective October 1, 2014. Children currently receiving assistance will have their income eligibility determined according to the new income standards at their next redetermination after October 1, 2014. Combined with items 15,17,18,19 and 20 General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding in item 15. Total funding for Child Care Subsidy is unchanged.</p>	
25	Child Care Subsidy Co-Payments Set at 10% of Income (1380)	(\$1,812,687)
	<p>Sets co-payments at 10% of income for all households that are required to pay a co-payment effective September 1, 2014. This does not change who pays a co-payment; children receiving child care subsidy through Child Welfare, Child Protective Services and Foster Care will continue to be exempt from the co-payment requirement. This reduction does not change the slot availability for child care subsidy as the amount paid by the Child Care Subsidy Program will be reduced due to the increased co-payment. The co-payment is paid to the child care provider. There were 40,000 children whose families paid a co-payment based on 8% or 9% of their family income out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with items 14, 15, 17, and 18 General Fund appropriation is reduced by 22% to \$49.7 million due to the replacement of state funds with federal funding in item 14. Total funding for Child Care Subsidy is unchanged.</p>	
26	Child Care Subsidy Co-Payments Set at 10% of Income	(\$1,631,418)
	<p>Sets co-payments at 10% of income for all households that are required to pay a co-payment effective October 1, 2014. This does not change who pays a co-payment; children receiving child care subsidy through Child Welfare, Child Protective Services and Foster Care will continue to be exempt from the co-payment requirement. This reduction does not change the slot availability for child care subsidy as the amount paid by the Child Care Subsidy Program will be reduced due to the increased co-payment. The co-payment is paid to the child care provider. There were 40,000 children whose families paid a co-payment based on 8% or 9% of their family income out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with items 15, 16, 18, 19, and 20 General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding in item 15. Total funding for Child Care Subsidy is unchanged.</p>	

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27	Child Care Subsidy Co-Payment No Longer Prorated for Part-time Care (1380)	(\$2,359,965)
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Eliminates the proration of co-payments for part-time care effective September 1, 2014. This reduction does not result in any loss of child care slots. The increased co-payment will reduce the amount paid to child care providers by the Child Care Subsidy program. Providers collect the co-payment from the parents. There were 26,000 children whose families paid a reduced co-payment due to part-time care out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with items 14, 15, 16, and 18, General Fund appropriation is reduced by 22% to \$49.7 million due to the replacement of State funds with federal funding in item 14. Total funding for Child Care Subsidy is unchanged.

28	Child Care Subsidy Co-Payment No Longer Prorated for Part-Time Care (1380)	(\$2,123,968)
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Eliminates the proration of co-payments for part-time care effective October 1, 2014. This reduction does not result in any loss of child care slots. The increased co-payment will reduce the amount paid to child care providers by the Child Care Subsidy program. Providers collect the co-payment from the parents. There were 26,000 children whose families paid a reduced co-payment due to part-time care out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with items 15, 16, 17, 19 and 20 General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding in item 15. Total funding for Child Care Subsidy is unchanged.

29	Child Care Subsidy Waiting List (1380)	\$523,333
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Provides funding to reduce the Child Care Subsidy waiting list from the net savings of the actions in 15, 16, 17, 18, and 20. When the actions in these items are annualized, this will provide funding to reduce the Child Care Waiting List by 2,250. Combined with items 15, 16, 17, 18, and 20, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding in item 15. Total funding for Child Care Subsidy is unchanged.

30	Child Care Subsidy Waiting List (1380)	\$15,172,652
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Provides funding to reduce the Child Care Subsidy waiting list by an estimated 3,200 children. Combined with items 14, 15, 16, and 17, General Fund appropriation is reduced by 22% to \$49.7 million due to the replacement of State funds with federal funding in item 14. Total funding for Child Care Subsidy is unchanged.

Health and Human Services

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31	Child Care Market Rates (1380)	\$10,902,446	
	Provides funding to increase the child care market rates for the Child Care Subsidy Program effective January 1, 2015, based on the 2013 North Carolina Child Care Market Rate Study. The child care market rates are increased by 40% of the difference between the current child care market rates and the 2013 child care market rates. Combined with items 15, 16, 17, 18, and 19, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding in item 15. Total funding for Child Care Subsidy is unchanged.		
32	PreK Expansion (1330)		\$5,040,000 NR
	Provides funds for 1,000 additional PreK slots to serve at-risk 4 year olds in the PreK program. Combined with item 12 which replaces General Fund appropriation with federal block grant funds, there is a decrease of 3.3% in General Fund appropriation to \$62.8 million and a 3.6% increase in total funding for PreK.		
33	PreK (1330)	\$5,040,000 NR	
	Provides funding to address the additional average per slot cost increase due to teacher raises and provides funding for additional slots. There is also \$4 million in additional Temporary Assistance for Needy Families Emergency Contingency Block Grant funds which brings the total additional funding for PreK to \$9 million. This increases the total funding for PreK by 13%.		

(4.0) Division of Social Services

34	State/County Special Assistance Caseloads (1570)		(\$4,215,542)
	Reduces funding for State/County Special Assistance (SA) due to decreasing caseloads. The reduced funding has no impact on assistance for eligible recipients. Combined with item 20, reduces General Fund appropriation for SA by 7.2%, leaving \$65.2 million recurring.		
35	State-County Special Assistance Caseloads (1570)	(\$4,215,542)	
	Reduces funding for State-County Special Assistance (SA) due to decreasing caseloads. The reduced funding has no impact on assistance for eligible recipients.		

Health and Human Services

(Items in Controversy are Shaded)

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36	State County Special Assistance Income Eligibility (1570)		(\$807,864)
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Changes the income eligibility for the State/County Special Assistance Program from a method that bases income eligibility on the payment rate for the facility type where the recipient resides, to a method based on the federal poverty level for all recipients regardless of where they reside. The SA eligibility level is set at 100% of the Federal Poverty Level. Current recipients of SA are grandfathered in and will continue to receive SA. Combined with item 20, the General Fund appropriation for SA is reduced by 7.2%, leaving \$65.2 million recurring.

37	State Funding for County Medicaid Administration Eliminated (1376)	(\$1,682,806)	(\$1,682,806)
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Eliminates funding provided to local departments of social services to offset counties' cost for Medicaid enrollment. The federal match rate is increasing from 50% to 75% for eligibility determination for Medicaid, therefore counties will receive additional federal funds for this activity.

38	Adult Care Home Case Management (1453)	(\$856,058)	(\$856,058)
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Eliminates funding for the Adult Care Home Case Management Service (ACHCM) which ended in June 2013. This service provided funding for county departments of social services workers to perform the assessment and case management for individuals in adult care homes and licensed family homes who were heavy need residents. The Personal Care Services (PCS) Program now uses an independent assessment to determine eligibility for PCS and therefore the Case Management Service is no longer needed.

39	County Child Protective Services Caseloads (1430)	\$8,326,627	
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Provides funding to replace \$4.5 million in federal block grant funds utilized to pay for Child Protective Services (CPS) workers that counties lost in FY 2013-14 and provides additional funding to reduce county departments of social services caseloads to an average of 10 families per worker performing Child Protective Services assessments. Combined with items 26 and 27, the General Fund appropriation for Child Protective Services is increased by 101% to \$27 million.

Health and Human Services

(Items in Controversy are Shaded)

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40	County Child Protective Services Caseloads (1430)	\$8,326,627
	Provides funding to replace \$4.5 million in federal block grant funds utilized to pay for Child Protective Services (CPS) workers that counties lost in FY 2013-14 and provides additional funding to reduce county departments of social services caseloads to an average of 10 families per worker performing Child Protective Services assessments. Combined with items 25 and 26, the General Fund appropriation for Child Protective Services is increased by 101% to \$27 million.	
41	Enhance Oversight of County Child Welfare Services (1430)	\$750,000 9.00
	Provides funding for nine positions to enhance oversight of child welfare services in local county departments of social services. These positions will monitor, train, and provide technical assistance to the local county departments of social services to ensure children and families are provided services to address safety, permanency and the well-being of children who are served by child welfare services. The funds will increase Division of Social Services staffing for Child Protective Services to 28 positions, an increase of 47%. Combined with items 24 and 26, this General Fund appropriation for Child Protective Services is increased by 101% to \$27 million.	
42	Enhance Oversight of County Child Welfare Services (1430)	\$750,000 9.00
	Provides funding for nine positions to enhance oversight of child welfare services in local county departments of social services. These positions will monitor, train, and provide technical assistance to the local county departments of social services to ensure children and families are provided services to address safety, permanency and the well-being of children who are served by child welfare services. The funds will increase Division of Social Services staffing for Child Protective Services to 28 positions, an increase of 47%. Combined with items 25 and 27, this General Fund appropriation for Child Protective Services is increased by 101% to \$27 million.	
43	Child Welfare In-Home Services Expansion (1430)	\$4,500,000
	Increases General Fund appropriation for Child Welfare In-Home Services. In-Home Services are provided to maintain the safety of the child while helping the parent/caretaker learn more effective parenting practices. In-Home Services provide, arrange for, and coordinate interventions and services, as needed that focus on child safety and protection, family preservation, and the prevention of further abuse or neglect. Combined with items 25 and 26, the General Fund appropriation for Child Protective Services is increased by 101% to \$27 million.	

Health and Human Services

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44	Child Welfare In-Home Services Expansion (1430)				\$4,500,000
	Increases General Fund appropriation for Child Welfare In-Home Services. In-Home Services are provided to maintain the safety of the child while helping the parent/caretaker learn more effective parenting practices. In-Home Services provide, arrange for, and coordinate interventions and services, as needed that focus on child safety and protection, family preservation, and the prevention of further abuse or neglect. Combined with items 24 and 25, the General Fund appropriation for Child Protective Services is increased by 101% to \$27 million.				
45	Child Protective Services Statewide Evaluation (1430)				
	Provides funding for an independent, statewide evaluation of Child Protective Services at local departments of social service and the Department of Health and Human Services. The evaluation will assess performance, caseload sizes, administrative structure, funding and worker turnover and include recommendations on improving Child Protective Services.	\$700,000	NR	\$700,000	NR
46	Child Protective Services Pilot Program (1430)				
	Provides funding to develop and implement a pilot program designed to enhance coordination of services and information among agencies to improve the protection and outcomes for vulnerable children served through Child Welfare Services. The agencies included in the pilot are local county departments of social services, local law enforcement, the court system, Guardian Ad Litem programs and other agencies as determined appropriate by the Department of Health and Human Services.	\$300,000	NR	\$300,000	NR
47	Foster Care Assistance Payments (1532)				
	Provides funding for Foster Care Assistance Payments due to increasing caseloads. Caseloads increased by 9% from March 2013 to March 2014 and are projected to continue to grow. General Fund appropriation is increased by 18% to a total of \$32.2 million.	\$5,000,000		\$5,000,000	
48	State Maternity Home Fund (1110)				
	Transfers General Fund Appropriation from the Competitive Block grant in the Division of Central Management to the State Maternity Home Fund in the Division of Social Services. Maternity Homes are removed from the competitive block grant. Individuals experiencing an unplanned pregnancy apply to receive funding from the State Maternity Home Fund. Once the individual is determined eligible, the payment goes to the appropriate Maternity Home. There is no change in funding for the State Maternity Home Fund.	\$375,000		\$375,000	

Health and Human Services

(Items in Controversy are Shaded)

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49	Work First Drug Testing	\$218,538		
	Provides funds for the implementation of Part II. Drug Screening and Testing For Work First Program Assistance of S.L. 2013-417.	\$125,750	NR	

(5.0) Division of Public Health

50	ADAP - AIDS Drug Assistance Program (1460)			
	Funds ADAP at the full service level. Increased FY 2013-14 pharmaceutical rebates and other federal receipts will be carried forward into FY 2014-15 and will allow the program to serve all eligible persons up to 300% of the Federal Poverty Level. FY 2014-15 funding is reduced by 8%, with \$68.8 million remaining for aid and public assistance.	(\$5,782,163)	NR	(\$5,782,163) NR

51	Incubation Project (1161)	(\$100,000)		(\$100,000)
	Eliminates General Fund support for the North Carolina Public Health Incubator Collaborative. Funds are used to support a contract with the UNC Institute of Public Health. The contract will be discontinued, but regional health department collaboratives will continue to develop and disseminate best practices.			

52	Vector Control Program (1153)	(\$185,992)		(\$185,992)
	Terminates the Vector Control Program, which provided small grants to a limited number of counties for mosquito control.			

53	Child and Family Support Team (1332)	(\$251,788) -2.00		(\$251,788) -2.00
	Eliminates funding for the Child and Family Support Team. Funds were originally provided as start-up funding to support schools participating in the Child and Family Support Team program. The school-based program is now fully implemented, and start-up resources are no longer needed. Two positions are eliminated effective July 1, 2014.			
	#60037795 - Program Development Coordinator - \$66,173 #60037797 - Administrative Asst I - \$44,648			

54	School Nurse Funding Initiative (SNFI) (1332)			(\$3,487,500)
	Reduces funding (29%) to local education authorities (LEAs) to eliminate 70 school nurse positions and reallocates the remaining 166 SNFI-funded school nurse positions to Tier 1 counties only. As a result, the number of SNFI-funded nurses in the 35 Tier 1 counties will increase to the recommended school nurse-to-student ratio of 1:750 or less. \$8.7 million remains in the FY 2014-15 SNFI budget.			

Health and Human Services

(Items in Controversy are Shaded)

House
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55	Operational Efficiencies (1110, 1171, 1261, 1441)	(\$298,275) -5.00
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Reduces operating funds for the Purchase of Medical Care Unit, State Center for Health Statistics, and the Early Intervention, Physical Activity and Nutrition, and Chronic Disease and Prevention Units. Five positions are eliminated effective July 1, 2014.

#60041103 - Office Assistant IV - \$35,891
 #60088935 - Processing Asst V - \$36,931
 #60041452 – Administrative Asst I – \$51,304
 #60041171 - Nutrition Program Supervisor - \$55,808
 #60040661 - Business Officer - \$50,200

56	Operational Efficiencies (1110, 1171, 1261, 1441)	(\$298,275) -5.00
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Reduces operating funds for the Purchase of Medical Care Unit, State Center for Health Statistics, and the Early Intervention, Physical Activity and Nutrition, and Chronic Disease and Prevention Units. Five positions are eliminated effective July 1, 2014.

#60041103 - Office Assistant IV - \$35,891
 #60088935 - Processing Asst V - \$36,931
 #60041456 – Administrative Officer #3 – \$51,304
 #60041171 - Nutrition Program Supervisor - \$55,808
 #60040661 - Business Officer - \$50,200

57	Public Health Program Adjustments (1271, 1332)	(\$337,325)	(\$337,325)
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Eliminates residual funds for Purchase of Medical Care, Early Hearing Detection and Intervention, and Tobacco Prevention and Control programs. The budgets are being modified to actual or anticipated spending levels, with no reduction to public service.

Fund Code 1271: Purchase of Medical Care - (\$142,325)
 Fund Code 1332: Early Hearing Detection and Intervention - (\$131,000)
 Fund Code 1271: Tobacco Prevention and Control - (\$64,000)

58	Vital Records (1173)	\$350,000
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Provides \$350,000 recurring for the Vital Records Automation Fund, increasing the projected FY 2014-15 budget to \$1,041,024. The funds will be used to modify and enhance the Electronic Birth Records System, to update Vital Records' system equipment and software, and for continuing information technology system maintenance.

Health and Human Services

(Items in Controversy are Shaded)

House
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59	Vital Records (1173)	\$350,000	
	Provides funds for temporary staffing to keep up with the demand for certificate issuance, the relocation of records from the primary vault to a secondary vault due to safety issues, microfilming/daily records management, the adoptions database and certificate issuance, and long term vital events document preservation.		
60	Office of Chief Medical Examiner (1172)	\$1,000,000	\$1,000,000
	Provides funding to address operational issues in the statewide medical examiner system. The expansion will increase the FY 2014-15 budget by 23% from \$4.4 million to \$5.4 million.		
61	On-Site Water Protection (1153)		(\$1,177,154) -14.00
	Transfers the On-Site Water Protection Unit to the Department of Environment and Natural Resources as a Type I transfer. Additional adjustments that are necessary due to legislative salary increases, retirement and medical adjustments, as well as receipt adjustments and transfers from special funds, may be implemented through a type 11 budget revision.		
62	Well Water Testing Fee (1174)		
	Budgets increased receipts from fees charged by the State Public Health Laboratory to analyze private well water samples. The fee charged to test samples from newly constructed wells will increase from \$55 to \$74, (35%), effective July 1, 2014. In addition, the Laboratory will be authorized to analyze water samples from existing private wells for a fee of \$74, effective July 1, 2014. The fee change will increase receipts to cover the costs of supplies used to analyze water samples.		
	Requirements	\$221,548	
	Receipts	\$221,548	
	Net Appropriation	\$0	
63	Food Protection Program	\$0	
	Realigns the Food Protection Program budget by reallocating \$400,000 from aid to counties for local food and lodging programs to be used for the costs to operate the State elements of this program. Due to an increase in the amount of the counties' share of food and lodging fee receipts enacted in Section 12E.1 of S.L. 2013-360, the counties no longer need to receive this General Fund Appropriation. The Food Protection Program will use these funds to cover State costs related to food and lodging regulation.		

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

64 New Broughton Hospital Reserve (1910)

Eliminates reserve funds provided to purchase equipment, furniture, and information technology infrastructure for the new Broughton Hospital. S.L. 2013-360 appropriated the nonrecurring funds for the anticipated December 2014 opening of the new facility. Due to construction issues, the opening of the replacement facility is delayed until May 2016.

(\$16,598,589) NR (\$16,598,589) NR

65 Claims Processing (1110)

(\$2,400,000) (\$2,400,000)

Reduces funding by 47% to budget anticipated savings in contracted claims processing costs. In FY 2013-14, the Division began using the NC Tracks system to process community service claims and no longer uses private contractors for this purpose. \$2.7 million remains in the FY 2014-15 budget for contractual information technology services.

66 Local Management Entity/Managed Care Organizations (1111)

(\$1,800,000) (\$1,800,000)

Reduces the General Fund appropriation for Local Management Entity/Managed Care Organization (LME/MCO) administrative cost allocations by 5.6%. Administrative cost savings will be achieved by merging the nine LME/MCOs operating in FY 2013-14 to seven or fewer by June 30, 2015. Approximately \$30 million remains in the FY 2014-15 budget for LME/MCO administration.

67 Central Office Administration (1110)

(\$448,876)
-7.00

Reduces the General Fund appropriation for the Division's central offices by 4.5%. Seven vacant positions are eliminated, effective July 1, 2014. Approximately \$9.5 million remains in the Division's FY 2014-15 central administration budget.

#65006250, Quality Assurance Officer - \$70,840
#60043442 Mental Health Prgm Mgr I - \$59,962,
#60043463, W/A Primary Care Systems Asso - \$49,171
#60043400, Processing Assistant V - \$48,979
#60043406, W/A Administrative Asst - \$29,856
#60043320, Administrative Off III - \$54,498
#60043328, Budget Manager - \$90,000

Health and Human Services

(Items in Controversy are Shaded)

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68	Central Office Administration (1110)		(\$448,876) -7.00
	<p>Reduces the General Fund appropriation for the Division's central offices by 4.5%. Seven vacant positions are eliminated, effective July 1, 2014. Approximately \$9.5 million remains in the Division's FY 2014-15 central administration budget.</p> <p>#65006250, Quality Assurance Officer - \$70,840 #60043367, Mental Health Prgm Mgr I – \$59,962, #60043463, W/A Primary Care Systems Asso - \$49,171 #60043400, Processing Assistant V - \$48,979 #60043406, W/A Administrative Asst - \$29,856 #60043320, Administrative Off III - \$54,498 #60043328, Budget Manager - \$90,000</p>		
69	LME/MCO General Administration (1111)	(\$6,100,000)	(\$6,100,000)
	<p>Eliminates funds held in reserve for LME/MCO risk management. As required by S.L. 2013-85, the Division has increased responsibilities related to monitoring LME/MCO administrative, operational, actuarial, and financial performance, eliminating the need to maintain a reserve fund.</p>		
70	Wright School (1546)		(\$2,709,912) -38.66
	<p>Eliminates funding for the Wright School, effective July 1, 2014.</p>		
71	Brain Injury Association of North Carolina (1451)	\$225,223	\$225,223
	<p>Continues General Fund appropriation for the Brain Injury Association of North Carolina contract. The association provides information, referral, and training services for persons with traumatic brain injury, their families, and health care professionals.</p>		
72	Community-Based Crisis Services	\$5,028,677	
	<p>Provides funds to be used to increase community-based crisis stabilization services. These services provide alternatives to the use of local hospital emergency departments or inpatient services in State-operated facilities. Crisis services include psychiatric outpatient clinics, 24-hour crisis walk-in clinics, psychiatric urgent care units, facility-based crisis treatment, 23-hour observation, and non-hospital detoxification.</p>		
73	Unpaid LME Liabilities	\$5,255,527	NR
	<p>Provides one-time funding for the LME/MCOs to address unpaid liabilities carried forward from prior fiscal years. DMH/DD/SAS had insufficient funds to pay the LME/MCO their State allocations in a timely manner.</p>		

Health and Human Services

(Items in Controversy are Shaded)

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74 Critical Time Intervention

Provides funds to support short-term case management services for persons leaving inpatient psychiatric facilities, adult care homes, and other institutions.

\$750,000 NR

75 Assistive Technology

Provides funds for assistive technology for persons with mental and other disabilities who are transitioning from institutions to live in community-based settings.

\$41,000 NR

(7.0) Division of Vocational Rehabilitation

76 Operational Efficiencies (1110, 1452, 1480)

(\$575,336)
-11.95

(\$575,336)
-11.95

Reduces General Fund appropriation to reflect savings achieved by reducing layers of management and administration. Effective July 1, 2014, 20.75 positions (11.95 full-time equivalents (FTEs) supported by the General Fund), are eliminated from Service Support, Employment Services, and Independent Living Services.

(8.0) Division of Health Service Regulation

77 Cost Allocation for Construction Team Inspections (1153)

(\$263,000)

(\$263,000)

Allocates the cost for construction team inspections of adult care homes, family homes, and group homes to claim administrative match through Medicaid. The construction teams inspect facilities to ensure compliance with federal licensure standards. The inspection consists of external and internal evaluations, including living quarters, fire safety, electrical and plumbing equipment, to ensure homes and facilities are maintained in a safe living condition.

78 Health Care Personnel Registry Receipts (1110)

(\$25,000)

(\$25,000)

Budgets over-realized receipts for the Health Care Personnel Registry, a tool for monitoring unlicensed health care personnel. The registry lists nurses and medications aides who have met federal and State educational and competency requirements. Further, it lists unlicensed health care personnel who are being investigated for or have been found to have caused harm to a resident or facility. The cost of maintaining the registry is shared with Medicare. For FY 2012-13, actual expenditures totaled \$4.1 million. While budgeting the over-realized receipts (\$25,000) will result in a corresponding decrease in appropriation, the FY 2014-15 budget (requirements) of \$4.4 million is unchanged.

(9.0) Division of Medical Assistance

79	Provider Assessments for Behavioral Health LME/MCO's (1310)	(\$59,555,995)
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Implements a 3.5% assessment on all Behavioral Health LME/MCO's effective July 1, 2014. The State will retain 65% of the total amount assessed to fund Medicaid services. The remaining 35% will be used to increase the capitation rates for the Local Management Entities/Managed Care Organizations (LME/MCO's). In FY 2012-13, Medicaid payments totaled \$1.4 billion to LME/MCOs. The FY 2013-14 budget is \$2.5 billion and is the first year where all LME/MCOs have been operational for the full year.

80	Mental Health Drug Management (1310, 1331)	(\$6,000,000)
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Implements prior authorization of mental health drugs, effective January 1, 2015. This adjustment brings mental health drug policy in line with other drug classes that require prior authorization in the Medicaid program. This represents a 2% reduction in drug spending net of rebates, leaving an estimated budget in FY 2014-15 of \$737 million. The amount saved is net of the reduction in drug rebates.

81	Automatic Eligibility for ABD/State County Special Assistance (1310)	(\$28,750,000)
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Eliminates the automatic Medicaid eligibility for Aged, Blind and Disabled/State County Special Assistance recipients effective January 1, 2015. This eligibility standard was established by North Carolina and is not mandated by the federal government. There are currently 11,886 individuals that have Medicaid eligibility as a result of this policy who will lose Medicaid coverage. In FY 2013-14 it is estimated that total spending on this eligibility group will be \$167.9 million. Of this amount, \$57.5 million are General Fund appropriations.

82	Medically Needy Eligibility Standards (1310)	(\$3,563,134)
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Eliminates eligibility for Medically Needy individuals in family and children and Aged, Blind and Disabled categories effective January 1, 2015. This eligibility group is optional and not mandated by Centers for Medicare and Medicaid Services (CMS). There are currently 3,342 individuals that have Medicaid coverage based on this policy. In FY 2013-14 it is estimated that total spending on this eligibility group will be \$20.8 million and \$7.1 million in General Fund appropriations.

Health and Human Services

(Items in Controversy are Shaded)

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83	Medsolutions Contract Renegotiation and Imaging Request for Proposal (1310)	(\$5,500,000)	(\$5,500,000)
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Requires the department to renegotiate their imaging contract with Medsolutions to reduce capitation rates to achieve improved medical loss ratios. The Department is also directed to issue a Request for Proposal (RFP) for high tech imaging services. This represents a 14.9% reduction in spending on the high tech imaging contract, leaving an estimated \$90 million in the budget for FY 2014-15.

84	Nursing Home Case- Mix Index Adjustment (1310)		(\$2,200,000)
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Freezes the case-mix index adjustments for direct cost of nursing home rates effective January 1, 2015. Historically, nursing home direct care rates are adjusted quarterly for the change in the average case mix or intensity of care for each facility's residents from the previous quarter. The case mix index adjustments do not apply to the indirect care or fair rental value components of the nursing home per diem rates. Total Medicaid payments for nursing homes is projected to be \$1.16 billion in FY 2013-14. This represents a 0.5% reduction in overall spending for nursing homes leaving an estimated \$1.2 billion in the Medicaid budget for FY 2014-15.

85	Average Acquisition Cost for Drug Pricing (1310)		(\$975,000)
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Converts the pricing for drug products from a multiple of Wholesale Acquisition Cost (WAC) for brand medications and State Maximum Allowable Cost (SMAC) for generic medications to an average acquisition cost for all Medicaid drugs. This item also adjusts dispensing fees to more closely align with the cost of dispensing. Total spending for drug product and dispensing fees are projected to be \$1.4 billion in FY 2013-14. The amount is offset by drug rebates that are estimated at \$678 million in FY 2013-14. This represents a 0.3% reduction in spending for drug costs, net of rebates, leaving an estimated net budget of \$737 million in FY 2014-15.

Health and Human Services
(Items in Controversy are Shaded)

House
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86 **State Retention of Physician Upper Payment Limit (UPL) Plan**

(\$8,086,028)

Implements a new 25.9% retention of the assessment under the University of North Carolina at Chapel Hill (UNC) and East Carolina University (ECU) physician UPL plan effective July 1, 2014. The retention will apply to the total amount assessed and transferred to the Division of Medical Assistance through an intergovernmental transfer or payment by these organizations. The amount not retained will be used to fund the state share of the costs of the supplemental payment under the UPL plan. In FY 2013-14, UNC and ECU transferred \$23.1 million to the Division of Medical Assistance for the State share of UPL payments of \$66.8 million. The new State retention will increase the amounts transferred from UNC and ECU to approximately \$31.1 million, with supplemental payments to the two organizations totaling approximately \$66.8 million.

87 **State Retention of Physician Upper Payment Limit (UPL) Plan (1310)**

(\$9,380,470)

Implements a new 28.85% retention of the assessment under the University of North Carolina at Chapel Hill (UNC) and East Carolina University (ECU) physician UPL plan effective July 1, 2014. The retention will apply to the total amount assessed and transferred to the Division of Medical Assistance through an intergovernmental transfer or payment by these organizations. The amount not retained will be used to fund the state share of the costs of the supplemental payment under the UPL plan. In FY 2013-14, UNC and ECU transferred \$23.1 million to the Division of Medical Assistance for the State share of UPL payments of \$66.8 million. The new State retention will increase the amounts transferred from UNC and ECU to approximately \$32.5 million, with supplemental payments to the two organizations totaling approximately \$66.8 million.

88 **State Retention of the Hospital GAP Plan Assessment (1310)**

(\$15,102,794)

Increases the State retention on assessments through the hospital GAP plan from 25.9% to 28.85% effective July 1, 2014. The increased retention percentage will apply to the total amount assessed under the GAP plan. The residual amount of assessment will be used to make supplemental equity and upper payment limit payments as defined under the plan. The GAP plan for the year ending September 30, 2014 provides for payments from hospitals totaling \$366 million and supplemental payments for outpatient equity and inpatient upper payment limit of \$787 million. This change will increase the amount of payments from the hospitals, but will not change the supplement payments the hospitals receive.

Health and Human Services

(Items in Controversy are Shaded)

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89	Personal Care Services (PCS) Rate adjustment (1310)		\$0
	Reduces the PCS unit rate so that the approval of 50 additional hours included in the Medicaid Clinical policy approved by the Center for Medicare and Medicaid Services (CMS) in May 2014 is budget neutral.		
90	Single Base Rate for All Hospitals (1310)		(\$10,800,000)
	Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate for all hospitals effective January 1, 2015. This reduces payments for hospital services by \$12.4 million and increases the GAP plan retention by \$9.2 million on an annual basis. In FY 2013-14 total spending for inpatient hospital services is projected to be \$938 million. This represents a 1.8% reduction in spending for inpatient hospital services, leaving an estimated \$992 million in the FY 2014-15 budget.		
91	Provider Rate Reduction (1310)		(\$10,803,013)
	Reduces provider rates by 2% effective January 1, 2015. This reduction applies to all fee-for-service providers with the exception of drugs, nursing homes, all cost based providers, and services where rates are set by the federal government, negotiated through a managed care contract, or as specified in special provisions.		
92	Hospital Outpatient Cost (1310)	(\$6,078,784)	(\$6,078,784)
	Reduces the settlement for the University of North Carolina-Chapel Hill (UNC-CH) and Pitt Memorial (ECU) hospitals for outpatient services to 70% of Medicaid costs effective July 1, 2014. Historically, the State has funded the State share of payment to UNC-CH and ECU at 100% of costs, unlike other hospitals which are paid 70% of cost through the claims and settlement processes. The reduction in settlement percentage will be factored into supplemental payments under the Disproportionate Share Hospital (DSH) and hospital GAP payment plans. This represents a 2.1% reduction in overall hospital outpatient Medicaid spending, leaving an estimated \$821 million in the budget for outpatient services for all hospitals in FY 2014-15.		

Health and Human Services
(Items in Controversy are Shaded)

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93

Medicaid Funds for FY 13-14

\$75,250,000 NR

Appropriates nonrecurring funds to address a projected FY 2013-14 Medicaid budget shortfall of \$25.4 million. Unachieved S.L. 2013-360 reductions and other unbudgeted items are outlined below:

Medicaid Claims, Utilization and Growth:(\$81,150,000)
Budget Reduction Items not Achieved: \$63,600,000
Presumptive Eligibility: \$13,200,000
MAGI Recertification Delay: \$2,800,000
Additional Children Shifted from Heath Choice: \$8,700,000
PCS Services: \$12,400,000

94

Medicaid Funds for FY 13-14

\$143,800,000 NR

Appropriates nonrecurring funds to address a projected FY 2013-14 Medicaid budget shortfall of \$93.9 million. Unachieved S.L. 2013-360 reductions and other unbudgeted items are outlined below:

Medicaid Claims, Utilization and Growth:(\$149,700,000)
Budget Reduction Items not Achieved: \$63,600,000
Presumptive Eligibility: \$13,200,000
MAGI Recertification Delay: \$2,800,000
Additional Children Shifted from Heath Choice: \$8,700,000
PCS Services: \$12,400,000
Settlements: \$8,200,000
Heath Choice Surplus:(\$9,100,000)
Medicaid Claims and Enrollment Backlog: \$143,800,000

Net Shortfall: \$ 93,900,000

A projected FY 2013-14 cash surplus of \$49.9 million, anticipated due to backlogs of unpaid claims and unprocessed eligibility applications, will revert on June 30, 2014. Therefore, a nonrecurring appropriation of \$143.8 million is needed for the liability associated with the unpaid claims and enrollment backlogs that will be paid in FY 2014-15.

95

Paragard Rate

\$62,000 NR

Changes pricing methodology for Paragard IUD's to be consistent with pricing formula for other IUD's.

96

Dispensing Fee Study

\$100,000 NR

Prepares a study of dispensing fees.

Health and Human Services
(Items in Controversy are Shaded)

House
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97	Nursing Homes	\$4,000,000	
	<p>Restores 3% to nursing home rates effective January 1, 2015 that was reduced as part of the shared savings plan item implemented in SFY 2013-14. The ongoing annual state cost will be \$8,000,000.</p>		
98	Medicaid Rebase (1310,1331,1320)	\$206,000,000	
	<p>Funds the Medicaid rebase for FY 2014-15 that includes 5.3% growth in enrollment and utilization; a change in mix to a more expensive recipient; current year spending trends for Personal Care Services and settlements; the impact of presumptive eligibility as a result of the Affordable Care Act; the impact of an additional 20,000 children shifting from Health Choice to Medicaid; the impact of not meeting all the budget reduction items approved as part of the FY 2013-15 Biennium Budget; and an increase in the federal match rate.</p> <p>The following chart details the various components of the rebase calculation:</p> <p>Growth, Claims and Utilization:\$114,100,000 Budget Reductions Not Achieved: Outpatient to 70% - \$25,300,000 Shared Savings - \$10,800,000 Drug Savings - \$9,400,000 Rehabilitation Visit Limitation - \$5,700,000 Physician Visit Limitation - \$7,600,000 Freeze Rates - \$26,600,000 Copoly Increase - \$5,000,000 Presumptive Eligibility:\$5,500,000 Additional Children Shifted From Health Choice: \$9,400,000 Change in FMAP: (\$14,600,000) PCS Services: \$100,000 Settlements:\$1,100,000</p> <p>MEDICAID REBASE FY 2014-15: \$ 206,000,000</p>		
99	Personal Care Services (PCS) Study Optional Program (1102)	\$300,000	NR
	<p>Provides funding for the Department to transfer \$300,000 to the Legislative Services Commission to contract for a study to define a new limited PCS optional service program. This amount represents the State share of the total funding of \$600,000. The remaining source of funding will come from the Medicaid administrative funding from the Centers for Medicare and Medicaid Services (CMS). The report from this study is due December 1, 2015. Additionally, the Department will study and report on Adult Care Home inspections, procedures and processes.</p>		

Health and Human Services

(Items in Controversy are Shaded)

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100	Personal Care Services (PCS) Study Optional Program (1102)		
	Provides funding for the Department to transfer \$200,000 to the Legislative Services Commission to contract for a study to define a new limited PCS optional service program. This amount represents the State share of the total funding of \$400,000. The remaining source of funding will come from the Medicaid administrative funding from the Centers for Medicare and Medicaid Services (CMS). The report from this study is due December 1, 2015.	\$200,000	NR
101	Division of Medical Assistance Reorganization (1101,1102)		
	Provides funding for consultants, contractors and initial staffing for the development of a new organization for the Division of Medical Assistance.	\$4,898,158	NR
102	Medicaid Reform	\$1,000,000	
	Provides funding for consultants, contractors and staff to reform the Medicaid program.		

(10.0) NC Health Choice

103	Health Choice Rebase (1310)	(\$14,500,000)	(\$14,500,000)
	Funds the Health Choice rebase for FY 2014-15 that includes a 5.3% growth in enrollment and utilization, the impact of an additional 20,000 children shifting from Health Choice to Medicaid, and the impact of not meeting all the budget reduction items included in the 2013 Appropriations Act.		
	The following chart details the various components of the rebase calculation:		
	Growth, Claims and Utilization: (\$9,900,000)		
	Budget Reductions Not Achieved: \$2,900,000		
	Additional Children Shifted From Health Choice: (\$7,500,000)		
	HEALTH CHOICE REBASE FY 2014-15 (\$14,500,000)		
104	Single Base Rate for all Hospitals (1310)		(\$63,961)
	Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate for all hospitals effective January 1, 2015. This represents a 1.8% reduction in claims spending for inpatient hospital services.		

Health and Human Services
(Items in Controversy are Shaded)

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105	Health Choice Administrative Budget Adjustment (1102)	(\$1,250,000)	(\$1,250,000)
Adjusts the Health Choice administrative budget to more accurately reflect actual expenditures and anticipated costs in FY 2014-15.			

(11.0) Divisions of Services for the Blind and Services for the Deaf and Hard of

106	No Action Taken		
Takes no budget action specific to the Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing.			
<u>Department Totals</u>		(\$70,045,786)	\$16,389,971
		-16.95	-69.61
		\$37,818,766 NR	\$111,379,174 NR

**NATURAL
&
ECONOMIC
RESOURCES
Section H**

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House/Senate Comparison Report

Agriculture and Consumer Services

(Items in Controversy are Shaded)

House
FY 14-15

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Reserve for Salaries & Benefits

1	Compensation Increase Reserve	\$1,322,367
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

2	Compensation Increase Reserve	\$1,635,070
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

3	State Retirement System Contributions	\$227,746
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

4	State Retirement System Contributions	\$371,380
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Department-wide

5	Management Flexibility Reduction	(\$1,356,590)
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Allocates a 1.2% management flexibility reduction to the Department. The Commissioner may apply the reductions as deemed necessary.

Food and Drug

6	Commercial Feed and Pet Fees (1070)	(\$120,000)
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Budgets \$120,000 in additional license fee receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled \$383,080.

Agriculture and Consumer Services

(Items in Controversy are Shaded)

House
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7	Commercial Feed and Pet Grants (1070)		(\$50,000)
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Budgets \$50,000 in additional grant receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled \$279,063.

8	Food, Drug, and Cosmetic Analysis Fees (1100)		(\$50,000)
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Budgets \$50,000 in additional license fee receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled \$803,820.

9	Food, Drug, and Cosmetic Analysis Grants (1100)		(\$100,000)
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Budgets \$100,000 in additional grant receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled over \$1.2 million.

Forest Service

10	Forestry Management Plans (1510)	(\$761,750)	(\$2,087,057)
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Budgets anticipated receipts from fees charged for forestry management plans produced by the NC Forest Service. Forestry management plans are required to receive present-use value property tax assessments on forestland. Fees range from \$250 to \$750 per forestry management plan depending on acreage.

11	County Cost-Share Adjustment (1510)		(\$1,056,678) -18.35
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Budgets additional receipts to offset General Fund support and fund shifts positions due to changes to the calculation of county cost-share allocations. The funding model for county-specific Forest Service personnel results in revised funding levels of \$12.25 million and \$9.75 million for the State and counties respectively.

Plant Industry

12	Seed and Fertilizer Fees (1175)		(\$50,000)
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Budgets \$50,000 in additional license fee receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled \$308,647.

Agriculture and Consumer Services

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Research Stations

13	Special Fund Offset (1190)		
	Transfers \$32,438 from the Cotton Warehouse Fund (23701-2201) to offset General Fund support on a nonrecurring basis.	(\$32,438) NR	
14	Bioenergy Development - TVA Funds (1190)		
	Budgets TVA settlement funds returned by the Biofuels Center to the Department of Commerce upon dissolution of the nonprofit. Funds will be provided to the Bioenergy Development program administered by the Department and will offset existing General Fund support for FY 2014-15. Total program funding will remain at \$1.5 million for FY 2014-15. TVA funds may only be spent in the counties identified in Section 13.3 of S.L. 2013-360.	(\$438,583) NR	(\$438,583) NR
15	Commodity Receipts (1190)	(\$200,000)	(\$100,000)
	Budgets additional sales receipts from research station products to more closely match actual experience. In FY 2012-13, the research stations overrealized commodity sales receipts by \$681,389.		
16	Research Grant Funds (1190)		(\$50,000)
	Budgets an additional \$50,000 in receipts from the University of North Carolina system for use by the Department's research stations. Combined with \$50,000 in previously budgeted receipts in FY 2011-12, receipts from the university system total \$100,000.		

Reserves and Transfers

17	FFA Grant Funding (1990)		(\$100,000)
	Eliminates expansion funding to the FFA Foundation. The program will continue to receive \$40,000 in recurring grant funding.		
18	FFA Grant Funding (1990)	(\$100,000)	
	Eliminates expansion funding to the FFA Foundation. The program will continue to receive \$40,000 in recurring grant funding, and will receive for the 2014-15 fiscal year \$100,000 in nonrecurring funds.	\$100,000 NR	

Agriculture and Consumer Services

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

19	Farmland Preservation Trust Fund - Military Buffers (1990)	\$1,000,000	NR		
	Provides \$1 million in nonrecurring funding to match federal funds for the purchase of development rights from agricultural operations located near military bases in the State. Funding to the Trust Fund in FY 2014-15 will total over \$1.6 million from the General Fund and an additional \$1 million from TVA settlement funds.				
20	Farmland Preservation Trust Fund (1990)			\$248,222	NR
	Provides additional nonrecurring funding to the Trust Fund. Funding to the Trust Fund in FY 2014-15 will total over \$1.9 million from the General Fund and an additional \$1 million from TVA settlement funds.				
21	Farmland Preservation Trust Fund - Military Buffers (1990)			\$1,000,000	NR
	Provides \$1 million in nonrecurring funding to match federal funds for the purchase of development rights from agricultural operations located near military bases in the State. Funding to the Trust Fund in FY 2014-15 will total over \$1.9 million from the General Fund and an additional \$1 million from TVA settlement funds.				
22	NCSU Food Processing Initiative (1990)	\$250,000	NR	\$250,000	NR
	Provides \$250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's food processing initiative. The University of North Carolina system may not collect Facilities and Administrative expenses from these funds provided to the initiative.				
23	NCSU Plant Science Initiative (1990)	\$350,000	NR	\$350,000	NR
	Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina system may not collect Facilities and Administrative expenses from these funds provided to the initiative.				

Soil and Water Conservation

24	Agriculture Water Resource Assistance Program (1611)			\$2,000,000	NR
	Provides additional nonrecurring funding to support agriculture water resource development projects. Total program funding for FY 2014-15 is \$3 million.				

Agriculture and Consumer Services

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

25	Special Fund Offset (1611)	
	Transfers \$206,552 from the Swine Waste Fund (23704-2730) to offset General Fund support on a nonrecurring basis.	(\$206,552) NR
26	Agriculture Water Resource Assistance Program (1611)	(\$373,884)
	Reduces recurring funding and provides additional nonrecurring funding for FY 2014-15 to support agriculture water resource development projects. Total program funding for FY 2014-15 is \$1.1 million.	\$1,000,000 NR

Structural Pest Control and Pesticides

27	Pesticide Control and Analysis Fees (1090)	(\$100,000)
	Budgets \$100,000 in additional license fee receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled over \$2.9 million.	
28	Sleep Products (1120)	(\$100,000)
	Transfers the operating budget and positions to fund code 1120 - Structural Pest, and reduces the program requirements by \$100,000 to more closely align to actual expenditures. Positions will continue to be receipt supported from bedding unit inspection fees.	
29	Structural Pest Fees (1120)	(\$50,000)
	Budgets \$50,000 in additional license fee receipts to offset General Fund support and more closely align to actual collections. Actual collections from FY 2012-13 totaled \$434,510.	

Veterinary Services

30	National Poultry Improvement Plan Certification (1130)	(\$25,000)
	Budgets anticipated receipts resulting from a modified fee structure for certification services provided to small flock poultry producers.	
31	Animal Welfare Program (1130)	(\$622,192) -10.00
	Transfers the Animal Welfare Section to the Department of Public Safety.	

Agriculture and Consumer Services

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

32

National Poultry Improvement Plan Fees (1130)

Budgets \$25,000 in anticipated receipts generated from increasing fees associated with the National Poultry Improvement Plan certification to support the program.

Department Totals

(\$1,407,966)

-10.00

\$2,022,427 NR

(\$2,488,622)

-18.35

\$3,409,639 NR

Labor

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

33	Compensation Increase Reserve		\$238,411
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

34	Compensation Increase Reserve	\$294,698	
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

35	State Retirement System Contributions		\$48,315
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

36	State Retirement System Contributions	\$78,786	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Department-wide

37	Management Flexibility Reduction	(\$333,927)	(\$333,927)
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Allocates a 2% management flexibility reduction to the Department. The Commissioner may apply the reductions as deemed necessary.

<u>Department Totals</u>		\$39,557	(\$47,201)
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Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

38	Compensation Increase Reserve		\$1,596,965
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

39	Compensation Increase Reserve	\$1,986,356	
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

40	State Retirement System Contributions	\$451,466	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

41	State Retirement System Contributions		\$276,858
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Aquariums

42	Admission Receipts (1355)	(\$180,000)	(\$180,000)
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Budgets additional admission fee receipts to offset General Fund support of the State's three aquariums. Admission fees were increased by \$2.95 for all age groups effective March 1, 2014, and are estimated to generate an additional \$1.4 million in new revenue.

Coastal Management

43	Public Information Efforts (1625)	(\$42,601) -0.50	(\$42,601) -0.50
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Reduces funding for a Public Information Officer position (60031534) by 50% in the Division of Coastal Management by cost sharing the position with the Department's Office of Public Affairs. This position will be split between the Division and the Office of Public Affairs where it will support department-wide issues.

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Energy, Mineral and Land Resources

44	Position Reduction (1740)	(\$61,049) -1.00	(\$61,049) -1.00
	Abolishes a vacant Environmental Senior Specialist position (65002024) in the Wilmington Regional Office's Stormwater Permitting Section. Six Stormwater Engineers and one Engineer who works on National Pollutant Discharge Elimination System permit program will remain in the Wilmington Office.		
45	University Energy Centers (1749)		
	Budgets Stripper Well Settlement funds transferred from budget code 64327-693E to partially offset General Fund support of the university energy centers located at North Carolina State University, North Carolina Agricultural and Technical State University (N.C. A&T), and Appalachian State University. A total of \$1,056,933 is appropriated for these centers.	(\$816,933) NR	(\$816,933) NR
46	Shale Gas (1735)		
	Provides nonrecurring funding for drilling of test wells and core analysis in the State's shale basins. Also provides \$100,000 for marketing and promotion of the State's shale gas resources. There is a corresponding special provision.		\$1,173,324 NR
47	Operating Funds for Oil and Gas Program (1740)	\$176,789	\$176,789
	Provides operating funds to support the Energy Section's requirement to develop and implement a modern regulatory program for oil and gas exploration and development, and to support the Mining and Energy Commission in developing associated administrative rules.		
48	Coal Ash Management - Stormwater (1740)		\$140,811 2.00
	Provides funding for two new positions and associated operating costs to address the long term requirements of stormwater permitting, inspection and compliance activities related to coal based power facilities.		
	Position	Total Cost	
	Engineer	\$82,343	
	Program Assistant V	\$41,244	
	A total of \$1.75 million in recurring funds is provided to the Department for coal ash management. This item is contingent upon S.B. 729, 2013 Regular Session, or substantially similar language, becoming law.		

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

49	Coal Ash Management - Stormwater (1740)	\$150,811 2.00
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Provides funding for two new positions and associated operating costs to address the long term requirements of stormwater permitting, inspection and compliance activities related to coal based power facilities.

Position	Total Cost
Engineer	\$82,343
Program Assistant V	\$41,244

A total of \$1.8 million in recurring funds is provided to the Department for coal ash management.

50	Coal Ash Management - Dams (1740)	\$386,390 5.00
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Provides nonrecurring funding for five new positions and associated operating costs to address the long term requirements of permitting, inspection and safety evaluations of all power generating dam facilities in North Carolina.

Position	Total Cost
2 Engineers	\$165,686
2 Environmental Sr. Specialist	\$151,210
1 Program Assistant V	\$ 41,244

A total of \$1.75 million in recurring funds is provided to the Department for coal ash management. This item is contingent upon S.B. 729, 2013 Regular Session, or substantially similar language, becoming law.

51	Coal Ash Management - Dams (1740)	\$396,390 5.00
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Provides nonrecurring funding for five new positions and associated operating costs to address the long term requirements of permitting, inspection and safety evaluations of all power generating dam facilities in North Carolina.

Position	Total Cost
2 Engineers	\$165,686
2 Environmental Sr. Specialist	\$151,210
1 Program Assistant V	\$ 41,244

A total of \$1.8 million in recurring funds is provided to the Department for coal ash management.

Environmental Assistance and Customer Service

52	Utility Savings Initiative (1615)	
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Budgets Stripper Well Settlement funds transferred from budget code 64327-693E to partially offset General Fund support of the Utility Savings Initiative on a nonrecurring basis.

(\$183,067) NR	(\$183,067) NR
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Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

53	Position Reductions (1615)	(\$113,011) -1.22	(\$113,011) -1.22
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Reduces General Fund support for a vacant Environmental Senior Specialist position (60035972) in the Environmental Assistance Center to 50% and abolishes a vacant Senior Economic Developer position (60080986) that was transferred from Commerce as part of the Energy Office move to DENR. The office supplies line-item is reduced by \$314, leaving \$3,147.

Marine Fisheries

54	Position Shifts (1320)	(\$143,760) -3.00	(\$143,760) -3.00
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Fund shifts three Marine Fisheries Technician II positions (60032634, 60032668, 60032653) from General Fund support to federal grant support and takes a corresponding General Fund reduction.

55	Position Reductions (1495)	(\$148,240) -2.50	(\$148,240) -2.50
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Closes the Marine Fisheries office located in Nags Head for an operating savings of \$19,422, and shifts two positions to home-based operations. Also abolishes two filled positions, an Environmental Health Specialist (60034501), an Environmental Senior Technician (60034515), and a vacant Microbiology Lab Technician III (60034517) that is currently split funded between General Fund support and a federal grant.

56	Marine Patrol (1325)	(\$439,177) NR
	Budgets a transfer from the Advance License Sales special fund to offset General Fund support of the Marine Patrol Section on a nonrecurring basis.	

57	At-Sea Observer Program (1320)	(\$289,000) \$289,000 NR
	Eliminates General Fund support for the At-Sea Observer Program, and provides \$789,000 in nonrecurring support for the program in FY 2014-15 from the following sources: \$289,000 from the General Fund and \$500,000 from the Advance License Sales special fund. Recurring support will be provided from increases in six commercial fishing license fees, which will begin to be collected in the second quarter of 2015.	

58	At-Sea Observer Program (1320)	(\$289,000)
	Eliminates General Fund support for the At-Sea Observer Program. Recurring support will be provided from commercial fishing license fee receipts.	

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

59	Marine Oyster Sanctuary (1320)	\$150,000	\$150,000
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Provides funding for habitat mapping and water column/benthic data collection associated with establishing an oyster sanctuary. Also supports any advance analysis and studies that may be required by State or federal agencies to permit shellfish conservation efforts in the sanctuary.

60	Fisheries Information Network System (1315)		
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Transfers \$2.56 million from the unencumbered cash balance in the Advance License Sales special funds to support the upgrade of the Fisheries Information Network System.

Museum of Natural Sciences

61	Operating Reductions (1360)	(\$195,616) -1.00	(\$195,616) -1.00
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Reduces Museum funding by 1.6% by abolishing a vacant Administrative Assistant I position (60035022) and reducing funding for temporary wages. Also reduces salary reserve by \$30,000 and the carpentry and hardware supplies line-item by \$30,785.

62	Museum of Forestry (1360)		(\$391,117) -3.00 \$97,779 NR
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Eliminates funding for the Museum of Forestry in Whiteville, NC and closes the Museum effective July 1, 2014. Provides nonrecurring funding to support positions for three months to assist with the closure and mothballing of exhibits.

Office of Land and Water Stewardship

63	One NC Naturally Initiative (1610)	(\$59,274) -1.00	(\$59,274) -1.00
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Abolishes a filled Educational Development Consultant position (60036213) that provided outreach and education programs for the One NC Naturally initiative to generate interest in and understanding of the State's conservation needs. Duties will be shifted to the remaining employees.

64	Clean Water Management Trust Fund (1115)		
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\$1,000,000 NR

Provides an additional \$1 million for the Trust Fund in FY 2014-15 bringing the total funding available to \$14.6 million. There is a corresponding special provision.

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Parks and Recreation

65	Parks and Recreation Trust Fund	(\$65,871) -1.00	
	Abolishes a vacant State Parks Facility Architect position (60092635) supported by the Parks and Recreation Trust Fund.		
66	Operating Reductions (1280)		(\$623,360) -1.00
	Abolishes a vacant State Parks Facility Architect position (60092635) supported by the Parks and Recreation Trust Fund. Also reduces various equipment line-items including but not limited to motor vehicles, boats, trailers, voice communication equipment and computers and printers. Operating funds of \$9.4 million remain after this reduction.		
67	Parks and Recreation Trust Fund		(\$70,000)
	Reduces support to the Trust Fund by \$70,000, leaving over \$12.8 million in the Fund.		
68	Camp Sertoma Land Management (1280)	\$70,000	\$70,000
	Provides funds to support the management of the Camp Sertoma Property, which is being transferred from the University System to the State Parks System in Section 11.7(d) of this Act.		

Reserves and Transfers

69	Outer Banks Land Management Fund (1910)		
	Provides a nonrecurring appropriation to the newly created Outer Banks Land Management Fund to be established in the Department of Environment and Natural Resources. Total funding appropriated to the Fund from all sources is \$15 million, including \$3 million in a capital reserve contingent upon the land sale. Fund uses are specified in a corresponding special provision.		
		\$5,000,000	NR

Secretary's Office

70	Salary Reserve (1140)	(\$34,949)	(\$34,949)
	Reduces salary reserve available within the Secretary's Office.		

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

71	Reserve for Coal Ash Management (1910)	\$448,943 6.00	
	<p>Creates a reserve in the Secretary's Office for up to six additional positions to support the coal ash management initiative outlined in Senate Bill 729. Positions and associated operating support will be reallocated to the following divisions as the positions are filled: Water Resources, Waste Management, and Energy, Mineral and Land Resources.</p> <p>A total of \$1.8 million in recurring funds is provided to the Department for coal ash management.</p>		
72	Reserve for Coal Ash Management (1910)		\$438,943 6.00
	<p>Creates a reserve in the Secretary's Office for up to six additional positions to support the coal ash management initiative outlined in Senate Bill 729. Positions and associated operating support will be reallocated to the following divisions as the positions are filled: Water Resources, Waste Management, and Energy, Mineral and Land Resources.</p> <p>A total of \$1.75 million in recurring funds is provided to the Department for coal ash management. This item is contingent upon S.B. 729, 2013 Regular Session, or substantially similar language, becoming law.</p>		
73	Public Information Office (1140)		
	<p>Expands the Department's public information efforts by transferring 50% of a Public Information Officer position (60031534) from the Division of Coastal Management to the Office of Public Affairs. Position will be supported by indirect cost receipts.</p>		

Waste Management

74	Solid Waste Section (1760)	(\$23,606)	(\$23,606)
	<p>Reduces the legal services and motor vehicle insurance line-items in the Solid Waste Section, leaving \$174,974 for these purposes.</p>		
75	Waste Management (1760)		(\$1,000,000)
	<p>Budgets a transfer of solid waste disposal tax receipts to replace General Fund support of positions that inspect and permit hazardous waste and solid waste facilities. Positions also enforce hazardous waste, solid waste and inactive hazardous sites management standards, and ensure the development and implementation of comprehensive plans for management of waste.</p>		

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

76	Noncommercial Fund (1910)		\$1,929,968							
	Provides a \$1.57 million nonrecurring appropriation and a \$1.93 million recurring appropriation for the Noncommercial Leaking Petroleum Underground Storage Tank Fund to assist homeowners with the cleanup cost of petroleum releases from home heating oil tanks and small farm tanks.		\$1,570,032	NR						
77	Coal Ash Management - Waste Management (1760)		\$193,742	2.00						
	Provides funding for two new positions and associated operating costs to support the additional workload that is expected with the permitting of industrial landfills for removed combustion products.									
	<table><tr><td>Position</td><td>Total Cost</td></tr><tr><td>Engineer</td><td>\$82,343</td></tr><tr><td>Geologist/Hydrogeologist</td><td>\$76,615</td></tr></table>	Position	Total Cost	Engineer	\$82,343	Geologist/Hydrogeologist	\$76,615			
Position	Total Cost									
Engineer	\$82,343									
Geologist/Hydrogeologist	\$76,615									
	A total of \$1.75 million in recurring funds is provided to the Department for coal ash management. This item is contingent upon S.B. 729, 2013 Regular Session, or substantially similar language, becoming law.									
78	Coal Ash Management - Waste Management (1760)		\$203,742	2.00						
	Provides funding for two new positions and associated operating costs to support the additional workload that is expected with the permitting of industrial landfills for removed combustion products.									
	<table><tr><td>Position</td><td>Total Cost</td></tr><tr><td>Engineer</td><td>\$82,343</td></tr><tr><td>Geologist/Hydrogeologist</td><td>\$76,615</td></tr></table>	Position	Total Cost	Engineer	\$82,343	Geologist/Hydrogeologist	\$76,615			
Position	Total Cost									
Engineer	\$82,343									
Geologist/Hydrogeologist	\$76,615									
	A total of \$1.8 million in recurring funds is provided to the Department for coal ash management.									

Water Infrastructure

79	Operating Support (1460)	(\$10,000)	(\$10,000)	
	Reduces the supplies line item on a recurring basis, leaving \$5,000 for this purpose.			
80	Drinking Water State Revolving Fund (DWSRF) (1460)			
	Reduces funding for the DWSRF State match by \$600,000 due to an anticipated decrease in the federal capitalization grant for the program in federal fiscal year 2014-15. Also transfers \$800,000 in unused DWSRF State matching funds back to the division's General Fund budget and takes a corresponding nonrecurring reduction in FY 2014-15.	(\$1,400,000)	NR	(\$1,400,000) NR

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

- 81 Water and Sewer Grants (1460)
- Provides additional funds for water and sewer infrastructure development projects in Tier I and Tier II counties. There is a corresponding special provision.

\$500,000 NR

Water Resources

- 82 Aquatic Weed Control Transfer (1620) (\$54,920)
-1.00

Transfers the Aquatic Weed Control program from the Department to the Wildlife Resources Commission as a Type I transfer. Additional adjustments may be implemented through a type 11 budget revision.

- 83 Position Reductions (1620 & 1690) (\$155,976) (\$155,976)
-2.00 -2.00

Abolishes a filled Business & Technology Applications Technician position (60031523) in the Water Resources Management Section and also abolishes a vacant Environmental Regional Supervisor (60035227) in the Fayetteville Regional Office. A receipt-supported supervisor from the Central Office will be reassigned to replace the regional supervisor position.

- 84 Coal Ash Management - Water Quality (1690 & 1695) \$590,114
8.00

Provides funding for eight General Fund and two receipt-supported positions and associated operating costs. Six of the positions will conduct facility inspections and technical reviews of reports, including the evaluation of groundwater monitoring data and proposed corrective action and closure plans of coal ash ponds. Four of the positions will address the long term requirements of permitting, enforcement, data collection and analysis. Data regarding surface waters, sediment, and fish tissue will be provided to the public.

Position	Total Cost
5 Geologist/Hydrogeologist	\$307,896
1 Environmental Sr. Specialist	\$ 75,606
1 Environmental Specialist	\$ 67,219
1 Business & Technology App Analyst	\$ 95,012
1 Engineer (receipt-supported)	\$ 82,843
1 Geologist/Hydrogeologist (receipt-supported)	\$ 84,599

A total of \$1.75 million in recurring funds is provided to the Department for coal ash management. This item is contingent upon S.B. 729, 2013 Regular Session, or substantially similar language, becoming law.

Environment & Natural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

85	Coal Ash Management - Water Quality (1690 & 1695)	\$600,114 8.00
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Provides funding for eight General Fund and two receipt-supported positions and associated operating costs. Six of the positions will conduct facility inspections and technical reviews of reports, including the evaluation of groundwater monitoring data and proposed corrective action and closure plans of coal ash ponds. Four of the positions will address the long term requirements of permitting, enforcement, data collection and analysis. Data regarding surface waters, sediment, and fish tissue will be provided to the public.

Position	Total Cost
5 Geologist/Hydrogeologist	\$307,896
1 Environmental Sr. Specialist	\$ 75,606
1 Environmental Specialist	\$ 67,219
1 Business & Technology App Analyst	\$ 95,012
1 Engineer (receipt-supported)	\$ 82,843
1 Geologist/Hydrogeologist (receipt-supported)	\$ 84,599

A total of \$1.8 million in recurring funds is provided to the Department for coal ash management.

86	On-Site Wastewater Transfer	\$1,177,154 14.00
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Transfers the On-Site Water Protection Unit from the Department of Health and Human Services to the Department of Environment and Natural Resources as Type I transfer. Additional adjustments due to legislative salary increases, retirement and medical adjustments, as well as receipt adjustments and transfers from special funds may be implemented through a type 11 budget revision.

Zoological Park

87	Zoo Trams (1305)	(\$208,624) NR
Reduces funds to the motorized vehicles line item on a nonrecurring basis.		

Department Totals

\$3,111,658	\$3,531,255
9.78	19.78
(\$1,258,801) NR	\$5,441,135 NR

Wildlife Resources Commission

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

88	Compensation Increase Reserve	\$225,059
	Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.	
89	Compensation Increase Reserve	\$179,544
	Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.	
90	State Retirement System Contributions	\$53,953
	Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.	
91	State Retirement System Contributions	\$33,086
	Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.	

Wildlife Resources Commission

92	Management Flexibility Reserve	(\$289,532)
	Reduces funding to the Commission by 2% by creating a management flexibility reserve. The Director shall prioritize the elimination of positions that are redundant, newly created, and vacant.	
93	Beaver Management Assistance Program (1151)	(\$7,700)
	Reduces funding for the Beaver Management Assistance Program by 2%. A total of \$377,300 remains in the budget to support the Program.	

Wildlife Resources Commission

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

94	Position Adjustments		(\$168,785)
	Offsets General Fund appropriated salaries in each of the following programs by budgeting additional fishing and hunting license receipts transferred from the Wildlife Resources Fund established in G.S. 143-250:		
	1101: Administrative Policy and Regulation	(\$38,245)	
	1111: Controller's Office	(\$26,678)	
	1113: Information Technology	(\$58,883)	
	1115: Purchasing Services Warehouse	(\$17,825)	
	1116: Budget, Planning and Audit	(\$10,386)	
	1117: Personnel	(\$16,768)	
95	Budget Realignments		(\$113,047)
	Reduces receipt supported line-items in the customer service and information technology sections and realigns those funds to offset General Fund appropriated salaries in each of those sections as follows:		
	1112: Customer Service	(\$29,122)	
	1113: Information Technology	(\$83,925)	
96	Federal Grant Funds (1166)	(\$1,000,000)	(\$1,000,000)
	Budgets an increase in a federal grant for game land operations and maintenance and reduces the General Fund appropriation by the same amount.		
97	Aquatic Weed Control Transfer		\$554,920 1.00 \$400,000 NR
	Transfers the Aquatic Weed Control program from the Department of Environment and Natural Resources to the Wildlife Resources Commission (WRC) as a Type I transfer. Also transfers \$400,000 from WRC's Boating Safety Account on a nonrecurring basis in FY 2014-15 to be used for the Lake Waccamaw Hydrilla Eradication Project. Additional recurring funding for aquatic weed control is provided from the Shallow Draft Navigation Channel and Lake Dredging Fund. There is a corresponding special provision.		
Department Totals		(\$1,010,520)	(\$521,982) 1.00 \$400,000 NR

Commerce

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Department-wide

98	Management Flexibility Reserve	(\$1,022,654)
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Reduces funding to the Department by 2%, resulting in a revised General Fund appropriation of \$50.1 million (exclusive of Industrial Commission). The Secretary shall prioritize the elimination of positions that are redundant, newly created, and vacant.

Department-wide

99	Management Flexibility Reserve	(\$1,022,654)
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Reduces funding to the Department by 2%, resulting in a revised General Fund appropriation of \$50.1 million (exclusive of Industrial Commission). The Secretary has the flexibility to take the reduction to programs and activities that cause the least disruption in service.

Reserve for Salaries & Benefits

100	Compensation Increase Reserve	\$337,402
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

101	Compensation Increase Reserve	\$272,878
-----	-------------------------------	-----------

Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

102	State Retirement System Contributions	\$56,108
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

103	State Retirement System Contributions	\$91,494
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Commerce

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Administration

104 Special Funds (1111)

Offsets the General Fund appropriation for Administration by directing the unencumbered cash balance as of June 30, 2014 from the following funds toward operating costs:

	(\$663,839) NR	(\$663,839) NR
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Economic Development Reserve (24609-2584)
Energy Research Grants Special Fund (24609-2537)
NC Green Business Fund (24609-2535)
One NC Small Business Fund (24609-2562)
Main Street Solutions Special Fund (24613-2622)

The Economic Development Reserve Fund is closed after the transfer. There is a corresponding special provision.

105 Purchasing Officer (1111)

(\$76,728)	(\$76,728)
-1.00	-1.00

Eliminates a vacant Purchasing Officer position (60077170).

Commerce Finance Center

106 Job Maintenance and Capital Development Fund (JMAC) (1581)

Reduces funds appropriated for JMAC payments. A total of \$7.5 million is available for payments to Bridgestone, Goodyear, and Domtar for the 2013 grant year. Funds disbursed in FY 2013-14 were less than what was appropriated due to companies' underperformance.

(\$364,097) NR	(\$364,097) NR
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Industrial Commission

107 Compromise Settlement Agreement Fees (1831)

(\$500,000)	(\$500,000)
-------------	-------------

Shifts Industrial Commission expenses to Compromise Settlement Agreement fee receipts in the General Fund, which will now be fully budgeted in the General Fund. Net General Fund appropriation to the Commission will be \$5 million.

108 Special Fund (1831)

Offsets the General Fund appropriation for the Industrial Commission by directing the unencumbered cash balance as of June 30, 2014 from the Investigation Management System Special Fund (24611-2240) toward operating costs. This fund is closed after the transfer.

(\$125,000) NR	(\$125,000) NR
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Commerce

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

109	Investigation Management System (1831)	(\$75,000)	(\$75,000)
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Eliminates funding for the Industrial Commission's Investigation Management System, which was intended to process, prioritize, and track investigations by the Insurance Compliance Program. Funding was appropriated to the Commission in FY 2013-14 but has not been used. The Commission is working with the Office of Information Technology Services to evaluate future system needs.

Labor and Economic Analysis Division

110	Common Follow-Up System (CFS) (1130)		
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Budgets \$500,000 in nonrecurring receipts for CFS; the Commission on Workforce Development will prescribe a method for calculating the amount that participating agencies shall contribute to CFS. Agencies will transfer funds by December 31, 2014. There is a corresponding special provision.

111	AccessNC and Demand Driven Data Delivery System (D4) (1130)		
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\$250,000 NR \$500,000 NR

Provides nonrecurring funding for contractual services to merge two information technology platforms (AccessNC and D4). AccessNC inventories available business sites statewide and provides economic data to the public. D4 publishes labor market data. There is a corresponding special provision.

Reserves and Transfers

112	Film and Entertainment Grant Fund (1912)		
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\$20,000,000 NR

Provides funds to encourage the production of motion pictures, television shows, and commercials and to develop the film-making industry within the State.

Rural Economic Development

113	Limited Resource Communities Grants (1534)	(\$2,543,021)
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Eliminates the Limited Resource Communities Grant program established in Section 15.10B of S.L. 2013-360. There is a corresponding special provision.

114	Limited Resource Communities Grants (1534)	(\$1,293,021)
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Reduces funds appropriated to the Limited Resource Communities Grant program established in Section 15.10B of S.L. 2014-360; \$1.25 million remains.

Commerce

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

115	Community Assistance and Office of Urban Development (1620)		(\$637,500)	
	<p>Eliminates approximately 9.15 FTEs from Community Assistance and Office of Urban Development. The Rural Economic Development Division Assistant Secretary has the discretion to make this determination among the 26.5 General Fund appropriated FTEs within fund code 1620. There is a corresponding special provision.</p>			
116	Rural Economic Development Division	(\$637,500)		
	<p>Reduces Rural Economic Development Division funds to offset Community Development Block Grant (CDBG) cash match expansion. Reductions may not be taken to Rural Grant programs. There is a corresponding special provision.</p>			
117	Community Development Block Grant (CDBG) (1620)	\$637,500	\$637,500	
	<p>Provides 50% of the required cash match for the CDBG program. FY 2014-15 funds shall be used to purchase and install a new grants management software program. The other 50% match will be in-kind, achieved via staff salaries' who are dedicated to full-time CDBG activities. There is a corresponding special provision.</p>			
118	NC Broadband (1477)	\$250,000 NR	\$350,000 NR	
	<p>Provides six months of nonrecurring funding to allow for continuation of the NC Broadband program from January 1, 2015 to June 30, 2015 as federal funding ends December 31, 2014. There is a corresponding special provision.</p>			
119	Grant Program Expansion (1534)	\$2,200,000 NR		
	<p>Appropriates on a nonrecurring basis \$2.2 million to the Rural Economic Development Division grant programs. Funds may not be used for administrative costs. There is a corresponding special provision.</p>			
120	Grant Program Reduction		(\$200,000) NR	
	<p>Makes a reduction to the Rural Economic Development Division grant programs.</p>			
121	Challenge Grant for Study of Future Use of Broughton Hospital		\$200,000 NR	
	<p>Provides funds for a challenge grant for a study of the future use of Broughton Hospital facilities.</p>			

Commerce

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Workforce Solutions

122 Apprenticeship Program (1912)

Budgets \$300,000 in nonrecurring receipts for the Apprenticeship Program from the Community Colleges System Office to offset forgone revenue for waived apprentice fees in FY 2014-15. The Department of Commerce will evaluate the fee waivers effect on increasing participation in the program before requesting a permanent fee change.

Department Totals

(\$2,538,507)	(\$3,888,417)
-1.00	-1.00
\$1,547,064 NR	\$19,697,064 NR

Commerce - State Aid

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Biotechnology Center

123	Biotechnology Center (1121)		
	Increases General Fund support to the Biotechnology Center by \$3.6 million. Total funding to the Center will total \$16.2 million for FY 2014-15. There is a corresponding special provision.	\$3,600,000	NR

Farm Bureau - Ag in the Classroom

124	Ag in the Classroom (1913)	(\$21,175)	(\$21,175)
	Eliminates funding to the Ag in the Classroom program due to inability to spend funds.		

Grassroots Science Museums

125	Museum Deletion (1913)	(\$73,352)	
	Eliminates funding for Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc. in Asheville due to closure.		
126	Museum Additions (1913)		\$42,648
	Provides base funding to two additional museums (Marbles in Raleigh and HandsOn! in Hendersonville) and eliminates funding to the Health Adventure museum in Asheville due to closure.		

Research Triangle Institute

127	Research Triangle Institute Grant (1913)		\$250,000 NR
	Provides \$250,000 in nonrecurring funding to the Research Triangle Institute for US Department of Energy grant match requirements. Research findings will be shared with the State Energy Office.		
128	Research Triangle Institute (1913)	\$500,000 NR	
	Provides \$500,000 in nonrecurring funding to the Research Triangle Institute for US Department of Energy grant match requirements. Research findings will be shared with the State Energy Office.		

Commerce - State Aid
(Items in Controversy are Shaded)

<u>House</u>	<u>Senate</u>
FY 14-15	FY 14-15

The Support Center

129	The Support Center (1913)			
	Provides \$1 million in nonrecurring funding to The Support Center.	\$1,000,000	NR	
	<u>Department Totals</u>	(\$94,527)		\$21,473
		\$5,100,000	NR	\$250,000 NR

**JUSTICE
&
PUBLIC SAFETY
Section I**

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House/Senate Comparison Report

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

A. Reserve for Salaries & Benefits

1	Compensation Increase Reserve	\$24,604,298
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees. Employees eligible for a step increase through a statutory pay plan are provided a step increase in lieu of the \$1,000 salary and benefit increase.

2	Compensation Increase Reserve	\$30,052,135
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees. Employees eligible for a step increase through a statutory pay plan are provided at least a step increase in lieu of the \$1,000 salary increase.

3	Experience-based Step Increase Reserve - State Highway Patrol	\$1,826,069
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Provides funds for at least one experience-based step increase for all step-eligible State Highway Patrol Troopers. Salary increases for step-eligible Troopers range from 5% to 6%. State Highway Patrol Troopers who are not eligible for a step are provided a \$1,000 salary increase. A provision in the Salaries and Benefits part of the Appropriations Act provides additional details on this increase.

4	Experience-based Step Increase Reserve - State Highway Patrol	\$1,709,254
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Provides funds for one experience-based step increase for all step-eligible State Highway Patrol Troopers. State Highway Patrol Troopers who are not eligible for a step are provided a \$1,000 salary and benefit increase (\$809 salary increase).

5	State Retirement System Contributions	\$3,649,390
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

6	State Retirement System Contributions	\$5,866,581		
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Department-wide

7	Management Flexibility Reduction			
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Allows the Department to identify additional savings on a nonrecurring basis for FY 2014-15. These reductions will be replaced by the increased savings associated with prison closures and other budget changes that will be annualized in FY 2015-16. This amount is 0.5% of the total Department of Public Safety budget.

(\$6,331,032) NR (\$6,331,032) NR

8	State Crime Laboratory	\$15,023,865		
		193.50		

Transfers the State Crime Laboratory to the Department of Public Safety.

C. Administration

9	Various Administrative Reductions	(\$625,520)	(\$625,520)	
		-3.50	-3.50	

Eliminates 3.5 FTE positions that have been vacant for a year or more. The positions are:

Fund Code	Position Number	Title	Position Cost
1100	60056105	Office Assistant IV	\$44,833
1100	60084591	Processing Assistant III	\$38,651
1100	60001065	Personnel Analyst II	\$80,958
1250	60000343	Office Assistant IV	\$24,739

This item also makes reductions totaling \$436,339 to various operating line items within the Division of Administration, for a total reduction of \$625,520. The total budget for the Division of Administration (including External Affairs, the Governor's Crime Commission and Victims' Services) after this 1.1% reduction is \$55,961,766.

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

10	Rape Crisis and Domestic Violence Center	\$8,676,040 14.00	
	<p>Transfers the Rape Crisis and Domestic Violence Center programs from the Department of Administration. The Department of Public Safety will administer \$11.4 million in grants to non-state entities that provide counseling and other services to women who are victims of sexual assault or domestic violence. The budget for the program is:</p> <p>Total Requirements: \$12,484,834 Total Receipts: \$ 3,808,794 Net General Fund Approp.: \$ 8,676,040</p> <p>Receipts to the program come from the Divorce Filing Fees and the Marriage Filing Fees.</p>		
11	NCVAN (1170)	(\$112,725)	(\$112,725)
	<p>Eliminates the grant to the NC Victims Assistance Network. This is the last direct appropriation to a non-profit in the Department's budget; the others were eliminated in the 2011 budget. This reduction will have no impact on services provided by State agencies to victims of crime.</p>		

D. Law Enforcement

12	State Highway Patrol Vacant Trooper Positions	(\$1,272,375) -25.00	
	<p>Eliminates 25 vacant trooper positions in the State Highway Patrol (SHP). As of March 2014, there were 134.5 vacant trooper positions, of which 56 had been vacant for longer than six months. These positions are budgeted at the starting trooper salary of \$35,700, for a total position cost of \$50,895 each including retirement, social security, and health benefits. After this reduction, there will be 1,769 sworn law enforcement positions in the Highway Patrol.</p>		
13	State Highway Patrol Vacant Trooper Positions		(\$3,817,125) -75.00
	<p>Eliminates 75 vacant trooper positions in the State Highway Patrol (SHP). As of March 2014, there were 134.5 vacant trooper positions, of which 56 had been vacant for longer than six months. These positions are budgeted at the starting trooper salary of \$35,700, for a total position cost of \$50,895 each including retirement, social security, and health benefits. After this reduction, there will be 1,719 sworn law enforcement positions in the Highway Patrol.</p>		

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

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FY 14-15

14	State Highway Patrol Uniforms (1411)	\$873,234	
	<p>Increases funding for State Highway Patrol uniforms to provide adequate resources for Troopers. After the reduction in Item 5, there are a total of 1,701 General Fund supported troopers (68 troopers are supported by federal funds). Uniform expenditures for Troopers are \$985 each for 1,440 traditional patrol and \$1,008 each for 261 Size and Weight troopers. The total annual cost is \$1,681,488. The Authorized Budget for FY 2014-15 appropriates \$808,254 for this purpose, leaving a shortfall of \$873,234. This item increases the budget for uniforms by 108% to fully fund SHP uniform needs.</p>		
15	State Highway Patrol Uniforms (1411)	\$823,984	
	<p>Increases funding for State Highway Patrol uniforms to provide adequate resources for Troopers. After the reduction in Item 5, there are a total of 1,651 General Fund supported troopers (68 troopers are supported by federal funds). Uniform expenditures for Troopers are \$985 each for 1,390 traditional patrol and \$1,008 each for 261 Size and Weight troopers. The total annual cost is \$1,632,238. The Authorized Budget for FY 2014-15 appropriates \$808,254 for this purpose, leaving a shortfall of \$823,984. This item increases the budget for uniforms by 102% to fully fund SHP uniform needs.</p>		
16	State Highway Patrol Vehicles (1411)	\$456,754	
	<p>Provides additional funds for the purchase of State Highway Patrol Vehicles. This is a 14% increase from the FY 2014-15 Authorized General Fund appropriation of \$3,265,619. The total amount available for SHP vehicle purchases in FY 2014-15 will be \$5,995,231 (\$3,722,373 from the General Fund and \$2,272,858 from receipts from the sale of used vehicles).</p>		
17	NC Trooper's Association Caisson Unit	\$100,000	NR
	<p>Provides funding to the NC Trooper's Association (NCTA) Caisson Unit for the purchase of a truck and trailer. The Caisson Unit provides funeral services with a horse drawn military caisson wagon for fallen law enforcement officers and firefighters in North Carolina and the surrounding states. The Unit is a partnership between NCTA and the State Highway Patrol. The NCTA maintains the horses and equipment and the Highway Patrol provides troopers to perform the funeral missions.</p>		

Public Safety

(Items in Controversy are Shaded)

House
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Senate
FY 14-15

18	State Bureau of Investigation (SBI)	\$31,340,747 407.50	
	Transfers the State Bureau of Investigation from the Department of Justice to the Department of Public Safety (DPS), Law Enforcement Division. A total of 445 FTE positions are transferred, including 37.5 receipt supported FTE positions. DPS is directed to identify \$1 million in savings in FY 2014-15 from the merger. Consolidation of all of the State's major law enforcement agencies and criminal information sections under the Department of Public Safety should result in additional savings in the future.		
19	State Bureau of Investigation (SBI)		\$31,590,747 445.00
	Transfers the State Bureau of Investigation from the Department of Justice to the Department of Public Safety (DPS), Law Enforcement Division. DPS is directed to identify \$750,000 in savings in FY 2014-15 from the merger. Consolidation of all of the State's major law enforcement agencies and criminal information sections under the Department of Public Safety should result in additional savings in the future.		
20	SBI Computer Crime Unit	\$252,596 3.00	
	Provides funding to increase the ability of the SBI's Computer Crimes Unit to investigate reports of Internet crimes against children. Federal law requires Internet service providers to make reports to the National Center for Missing and Exploited Children regarding any information they receive indicating the possible sexual abuse or sexual exploitation of a child. Intelligence analysts in the Unit process the reports and send them out to field agents for follow-up investigation. This item adds two sworn agents and one non-sworn intelligence analyst to the Unit.		
21	ALE District Office Consolidation (1401)	(\$231,439)	(\$231,439)
	Reduces the budget for Alcohol Law Enforcement (ALE) district offices. These offices can be co-located with SBI offices, producing savings in rent and lease costs, utilities, and maintenance agreements. This reduction is a prorated amount based on closures effective October 1, 2014. FY 2015-16 annualized General Fund savings will be \$308,585, a reduction of 4% to the General Fund appropriation of \$6,941,552 for ALE.		
22	ALE Positions (1401)	\$724,454 13.00	\$724,454 13.00
	Restores funding for 13 ALE positions that were transferred to nonrecurring receipt support by the Department to meet a management flexibility reduction included in the 2013 budget.		

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

23	Animal Welfare	\$622,192 10.00	
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Transfers the Animal Welfare Section from the Department of Agriculture and Consumer Services to the Department of Public Safety. The program has 10 FTE positions. The total budget is:

Total Requirements: \$655,707
Total Receipts: \$ 33,515
Net General Fund Approp.: \$622,192

The Spay and Neuter Program is also transferred. This program has one FTE position and is wholly receipt supported with a total budget of \$311,525.

E. Emergency Management and National Guard

24	Geodetic Survey Receipts (1511)	(\$89,489) -1.25	(\$89,489) -1.25
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Shifts 1.25 FTE and some operating costs to receipt support. Geodetic Survey has a total budget of \$1,209,391. This item increases budgeted receipts and reduces General Fund support for the program. The budget will be as follows:

Total Requirements: \$1,209,391
Less Receipts: \$ 356,899
Net General Fund Approp.: \$ 852,492

25	Geodetic Survey Transfer (1511)		(\$852,492) -12.67
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Transfers the Geodetic Survey function from the Division of Emergency Management to the Office of the State Chief Information Officer.

26	Geospatial and Technology Management (GTM) (1504)		(\$6,002)
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Transfers the Geospatial and Technology Management (GTM) section of the Division of Emergency Management to the Office of the State Chief Information Officer. GTM is primarily receipt supported and includes floodplain mapping. The total certified budget for FY 2014-15 is:

Total Requirements: \$30,950,905
Less Receipts: \$30,944,903
Net General Fund Approp.: \$ 6,002

27	Joint Forces Headquarters Building Repairs (1500)	(\$89,488)	(\$89,488)
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Reduces Emergency Management's budget for building repairs at its Joint Forces Headquarters facility by 44%. \$111,632 remains in the budget for this purpose.

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

28	Hazardous Materials and Regional Response Teams (1506)	(\$691,277) -3.00	
<p>Creates a fee structure for facilities that store or process hazardous materials. Funds generated by the fee will be used to fund the Hazardous Materials Database for use by first responders and to support the seven Regional Response Teams (RRT) for Hazardous Materials located in Wilmington, Williamston, Raleigh, Fayetteville, Greensboro, Charlotte and Asheville. The RRT are currently funded by a General Fund appropriation that supports a program coordinator and two emergency management officers, as well as operating costs for the teams. Funds may also be used to provide grants to local emergency management entities for equipment, training and exercises related to hazardous material response. The total amount collected by the fee is estimated to be \$1.5 million.</p>			
29	Hazardous Materials and Regional Response Teams (1506)		(\$172,818) -3.00
<p>Creates a fee structure for facilities that store or process hazardous materials. Funds generated by the fee will be used to fund the Hazardous Materials Database for use by first responders and to support the seven Regional Response Teams (RRT) for Hazardous Materials located in Wilmington, Williamston, Raleigh, Fayetteville, Greensboro, Charlotte and Asheville. The RRT are currently funded by a General Fund appropriation that supports a program coordinator and two emergency management officers, as well as operating costs for the teams. FY 2015-16 annualized General Fund savings will be \$691,277. FY 2014-15 savings are prorated to account for delayed collections in the first year of implementation.</p>			
30	Light Detection and Ranging (LiDAR) Technology (1504)		
<p>Provides \$3,220,000 for LiDAR topographical mapping technology in the Geospatial Technology Management Section. These funds are being transferred to DPS from the Department of Commerce's Disaster Relief Fund.</p>			
31	National Guard Adjutant General's Office (1600)	(\$11,000)	(\$11,000)
<p>Reduces the National Guard's Adjutant General's administrative services budget by \$6,000 and the employee travel meal account by \$5,000. The total reduction is a 0.23% reduction to the Adjutant General's budget, leaving \$4,690,442.</p>			

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
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32

Tarheel ChalleNGe Academy

\$425,336
55.00

Provides funding for the operation of a Tarheel ChalleNGe Academy in Stanly County. The new Academy will begin classes in FY 2015-16, but partial year funding is required in FY 2014-15 to hire and train staff. The State provides 25 percent of the costs. The other 75 percent is federally funded. The total annualized operating costs in FY 2015-16 will be \$3,523,233, of which \$880,808 is State funded.

This item also provides funding to transition Tarheel ChalleNGe Academy staff in Salemburg from temporary positions to permanent positions. Currently, those positions do not receive health or retirement benefits. The total cost to pay for health and retirement for these positions is \$696,845, of which \$174,211 is the 25 percent State share.

F. Adult Correction and Juvenile Justice - Prisons

33

Regional Office and Female Command

(\$477,134)
-13.00

(\$477,134)
-13.00

Eliminates a prison regional office and the female command and distributes the prisons into four remaining regional offices. Sixteen prisons have closed since 2009 and the four regional offices are capable of supporting the remaining facilities. The female command will end operations effective November 1, 2014, and a regional office for male prisons will close March 1, 2015. FY 2015-16 annualized General Fund savings will be \$1,017,778.

34

Chaplains

(\$244,532)
-4.00

Eliminates the following Chaplain positions:

Fund Code	Position Number	Title	Position
1305	60064442	Chaplain Coord.	\$71,505
1345	60067018	Clinical Chaplain I	\$53,720
1345	60064443	Clinical Chaplain II	\$64,124
1345	60067065	Clinical Chaplain II	\$55,183

35

Tillery CC and Caledonia CI

(\$1,565,182)
-32.00

(\$1,565,182)
-32.00

Consolidates the management of Tillery Correctional Center (CC) and Caledonia Correctional Institution (CI) in Halifax County. The prisons are adjacent to one another and Tillery CC supports the mission of Caledonia CI.

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

36	Operating and Vacant Position Reduction	(\$1,056,848) -11.00	
<p>Reduces line items in supplies (\$28,000), medical contracts and equipment (\$258,196), PC software (\$200,000), and training (\$38,299). This item also eliminates 11 vacant health care-related positions at NC Correctional Institution for Women and Pender Correctional Institution (\$532,353).</p>			
37	Operating and Vacant Position Reduction		(\$1,056,848) -11.00
<p>Reduces line items in supplies (\$28,000), medical contracts and equipment (\$258,196), PC software (\$200,000), and training (\$38,299). This item also eliminates 11 vacant health care-related positions at Central Prison, NC Correctional Institution for Women and Pender Correctional Institution (\$532,353).</p>			
38	Prison Misdemeanants	(\$2,662,357)	(\$2,662,357)
<p>Eliminates all misdemeanants from State prison. Currently, offenders with sentences between 91-180 days serve their sentence in county jails supported by the Statewide Misdemeanant Confinement Program (SMCP). SMCP is managed by the NC Sheriffs' Association and pays counties for housing, transportation, and medical care for offenders. SMCP will support approximately 1,000 additional misdemeanants with sentences greater than 180 days. The misdemeanants will shift to county jails with convictions on or after October 1, 2014, and DWI offenders will shift on or after January 1, 2015. SMCP will also expand to provide appropriate treatment for DWI offenders. Currently, North Carolina is one of three states that house misdemeanants in the state prison system without exceptional circumstances. FY 2015-16 annualized General Fund savings will be \$4,374,854.</p>			
39	Fountain Correctional Center for Women (CCW)	(\$4,397,312) -176.00	(\$4,397,312) -176.00
<p>Closes Fountain CCW, a 531-bed minimum-custody unit in Nash County, effective October 1, 2014. This closure is part of the plan to convert Eastern Correctional Institution to a female minimum-custody facility. FY 2015-16 annualized General Fund savings will be \$8,794,623.</p>			
40	North Piedmont CCW	(\$1,965,095) -44.00	(\$1,965,095) -44.00
<p>Closes North Piedmont Correctional Center for Women, a 136-bed minimum-custody unit in Davidson County, effective August 1, 2014. This closure is part of the plan to convert Eastern Correctional Institution to a female minimum-custody facility. FY 2015-16 annualized General Fund savings will be \$2,143,740.</p>			

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

41	Eastern CI	(\$2,560,955) -102.00	(\$2,560,955) -102.00
<p>Converts Eastern Correctional Institution, a 429-bed medium-custody male facility in Greene County, to a female minimum-custody facility effective November 1, 2014. This conversion is part of the Division's prison closure plan and is dependent on the elimination of all misdemeanants from State prison. FY 2015-16 annualized General Fund savings will be \$4,336,433.</p>			

G. Adult Correction and Juvenile Justice - Community Corrections

42	Burke County Confinement in Response to Violation (CRV) Facility		\$3,743,335
<p>Provides funding for a facility dedicated to housing offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act.</p>			
43	Burke County Confinement in Response to Violation Facility	\$3,382,396 43.00	
<p>Provides funding, effective August 1, 2014, for a facility dedicated to housing offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The annualized cost for this facility will be \$3,689,886.</p>			
44	Robeson County CRV Facility	\$1,247,776 43.00	
<p>Provides funding, effective March 1, 2015, for a facility dedicated to housing offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The annualized cost for this facility will be \$3,743,334.</p>			
45	Robeson County CRV Facility		\$3,743,335
<p>Provides funding for a facility dedicated to housing offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act.</p>			
46	Vehicles for Probation/Parole Officers (1370)		
<p>Provides funds to purchase new vehicles required for 100 new Probation/Parole Officer positions funded in the 2014-15 budget. Funds will be transferred to the Department of Administration Motor Fleet Management Division to purchase the vehicles, which will then be leased to the Department of Public Safety. Funds for the annual lease costs of each vehicle were included in the position costs for 175 new Probation/Parole Officers authorized by the 2013-15 budget.</p>			
		\$1,829,300 NR	\$1,829,300 NR

Public Safety

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Department Totals

\$67,481,360

\$65,131,903

177.75

174.08

(\$4,401,732) NR

(\$4,501,732) NR

A. Reserve for Salaries & Benefits

47	Compensation Increase Reserve	\$314,759
----	--------------------------------------	-----------

Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

48	Compensation Increase Reserve	\$989,918
----	--------------------------------------	-----------

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

49	State Retirement System Contributions	\$70,774
----	--	----------

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

50	State Retirement System Contributions	\$199,810
----	--	-----------

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Department-wide

51	Management Flexibility Reserve	(\$1,000,000)
----	---------------------------------------	---------------

Directs the Department to identify efficiencies in its operations by eliminating positions, transitioning expenditures to receipt support, or reducing operating line items such as travel, purchased services, and supplies. This is a 2.8% reduction to the Department's remaining budget after transfer of the State Bureau of Investigation and the State Crime Laboratory.

52	Management Flexibility Reserve	(\$1,000,000)
----	---------------------------------------	---------------

Directs the Department to identify efficiencies in its operations by eliminating positions, transitioning expenditures to receipt support, or reducing operating line items such as travel, purchased services, and supplies. This is a 2.0% reduction to the Department's remaining budget after the transfer of the State Bureau of Investigation.

C. State Bureau of Investigation (1300)

53	Transfer to Department of Public Safety	(\$32,340,747) -445.00
----	--	---------------------------

Transfers the State Bureau of Investigation from the Department of Justice to the Department of Public Safety (DPS), Law Enforcement Division. DPS is directed to identify \$750,000 in savings in FY 2014-15 from the merger. Consolidation of all of the State's major law enforcement agencies and criminal information sections under the Department of Public Safety should result in additional savings in the future.

54	Transfer to Department of Public Safety	(\$32,340,747) -407.50
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Transfers the State Bureau of Investigation from the Department of Justice to the Department of Public Safety (DPS), Law Enforcement Division. A total of 445 FTE positions are transferred, including 37.5 receipt supported FTE positions. DPS is directed to identify \$1 million in savings in FY 2014-15 from the merger. Consolidation of all of the State's major law enforcement agencies and criminal information sections under the Department of Public Safety should result in additional savings in the future.

D. State Crime Laboratory (1400)

55	Toxicology Outsourcing Funds	(\$250,000)
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Reduces the appropriation for private toxicology testing by 33% to \$500,000.

56	Toxicology Outsourcing Funds	(\$750,000)
----	-------------------------------------	-------------

Eliminates the appropriation for outsourcing of toxicology cases to private labs.

57	Transfer to DPS	(\$15,023,865) -193.50
----	------------------------	---------------------------

Transfers the State Crime Laboratory to the Department of Public Safety.

Justice

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

58

Western Crime Lab - Forensic Biology/DNA Unit

\$802,169
10.00

Provides funding to establish a new Forensic Biology/DNA Unit at the Western Regional Laboratory. Approximately 20% of Forensic Biology/DNA submissions to the Crime Laboratory originate from counties served by the Western Lab. An additional 20% originate from counties served by the Triad Lab. Currently, only the Raleigh Lab has Forensic Biology/DNA capabilities. Adding a unit to the western region will decrease turnaround time on analysis and reduce analysts' court and travel time. The unit will consist of the following positions:

- 6 Forensic Scientist I
- 2 Forensic Scientist II
- 1 Evidence Technician
- 1 Forensic Scientist Supervisor

Approximately \$1.2 million in federal grant funds will be used to pay for the equipment and other nonrecurring start-up costs for the unit.

Department Totals

(\$32,098,850)
-397.50

(\$48,229,079)
-638.50

Judicial - Indigent Defense
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

A. Reserve for Salaries & Benefits

59	Compensation Increase Reserve	\$524,880
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

60	Compensation Increase Reserve	\$648,801
----	--------------------------------------	-----------

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

61	State Retirement System Contributions	\$124,866
----	--	-----------

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

62	State Retirement System Contributions	\$203,616
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Department-wide

63	Administrative Reduction for IDS	(\$466,380)
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Reduces the appropriation for IDS administrative costs not related to the direct representation of clients.

B. Indigent Defense Service (1380)

64	Administrative Reduction for IDS	(\$233,190) -1.00
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Reduces the appropriation for the IDS administrative division by 10%, leaving \$2,102,388. This reduction includes the elimination of the Public Defender Administrator (65014895) with a budgeted salary of \$79,006, for a total position cost reduction of \$102,091.

Judicial - Indigent Defense

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Department Totals

\$386,037

\$416,556

-1.00

A. Reserve for Salaries & Benefits

65	Compensation Increase Reserve	\$3,671,777
	Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees. Employees eligible for a step increase through a statutory pay plan are provided at least a step increase in lieu of the \$1,000 salary increase.	
66	Compensation Increase Reserve	\$2,970,428
	Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees. Employees eligible for a step increase through a statutory pay plan are provided a step increase in lieu of the \$1,000 salary and benefit increase.	
67	Experience-based Step Increase Reserve - Assistant & Deputy Clerks of Superior Court	\$3,621,172
	Provides funds for one experience-based step increase for all step-eligible Assistant and Deputy Clerks of Superior Court. Assistant and Deputy Clerks of Superior Court who are not eligible for a step are provided a \$1,000 salary increase.	
68	Experience-based Step Increase Reserve - Assistant & Deputy Clerks of Superior Court	\$3,621,172
	Provides funds for one experience-based step increase for all step-eligible Assistant and Deputy Clerks of Superior Court. Assistant and Deputy Clerks of Superior Court who are not eligible for a step are provided a \$1,000 salary and benefit increase (\$809 salary increase).	
69	Experience-based Step Increase Reserve - Magistrates	\$3,733,327
	Increases the entry rate of pay and all subsequent steps of the Magistrate pay plan defined in G.S. 7A-171.1(a)(1) and provides all step-eligible Magistrates with one step. Salaries of Magistrates not eligible for a step shall be increased to reflect the new salary schedule. A provision in the Salaries and Benefits part of the Appropriations Act provides additional details on this increase.	
70	Experience-based Step Increase Reserve - Magistrates	\$2,570,088
	Provides funds for one experience-based step increase for all step-eligible Magistrates. Magistrates who are not eligible for a step are provided a \$1,000 salary and benefit increase (\$809 salary increase).	

Judicial

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

71	State Retirement System Contributions	\$1,510,066
	Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.	
72	State Retirement System Contributions	\$926,036
	Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.	
73	Consolidated Judicial Retirement System	(\$427,000)
	Reduces the State's contribution to the Consolidated Judicial Retirement System for FY 2014-15 to match the Annual Required Contribution after providing a 1.44% cost-of-living adjustment to retirees.	
74	Consolidated Judicial Retirement System	(\$686,000)
	Reduces the State's contribution to the Consolidated Judicial Retirement System for FY 2014-15 to match the Annual Required Contribution after providing a 0.8% cost-of-living adjustment to retirees.	

B. Administration and Service (1100)

75	Technology Services	(\$3,737,904)
	Reduces the appropriation for the Administrative Office of the Court's (AOC) Technology Services Division by 24%, leaving \$11,858,113.	

B. Department-wide

76	Administrative Reduction for AOC	(\$4,950,051)
	Allows AOC to identify additional savings to achieve a \$4,950,051 reduction.	
77	Salary Reserve	(\$401,799)
	Directs the Administrative Office of the Courts (AOC) to budget salaries at actual levels.	

Judicial

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

C. Administration and Service (1100)

78	Administrative Reduction for AOC		(\$1,489,582)
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Reduces the appropriation for the remaining areas under the AOC Administrative and Service budget code other than Technology Services by 5%, leaving \$28,208,088.

C. Specialty Court Services (1410)

79	Family Court	(\$962,910) -11.00
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Eliminates the State funding for Family Court Administrators.

D. Pass-throughs (1800)

80	Access to Civil Justice Grant	(\$671,250)	(\$671,250)
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Eliminates the Access to Civil Justice funds, which pass through AOC's budget to the NC State Bar.

Department Totals

\$5,123,332 -11.00	\$3,502,988
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House/Senate Comparison Report

ABC Commission

Budget Code: 5455X

	FY 2014-15	
Beginning Unreserved Fund Balance	\$0	
Recommended Budget		
Requirements	\$0	
Receipts	\$0	
Positions	0.00	
<hr/>		
Legislative Changes		
Requirements:		
ABC Commission	\$4,873,156	R
Transfers the budget for the ABC Commission from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.	\$0	NR
	46.00	
ABC Warehouse	\$8,131,662	R
Transfers the ABC Commission's Warehouse budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.	\$0	NR
	0.00	
Underage Drinking Initiative	\$2,568	R
Transfers the ABC Commission's Underage Drinking Initiative budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.	\$0	NR
	0.00	
Subtotal Legislative Changes	\$13,007,386	R
	\$0	NR
	46.00	

FY 2014-15

Receipts:**ABC Commission**

\$4,873,156 R

Transfers the cash balance in the ABC Commission budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety.

\$1,069,328 NR

ABC Warehouse

\$8,131,662 R

Transfers the cash balance from the ABC Commission's Warehouse fund in the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety.

\$2,564,818 NR

Underage Drinking Initiative

\$2,568 R

Transfers the budget and the cash balance for the Underage Drinking Initiative from Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety.

\$1,229,788 NR

Subtotal Legislative Changes

\$13,007,386 R

\$4,863,934 NR

Revised Total Requirements

\$13,007,386

Revised Total Receipts

\$17,871,320

Change in Fund Balance

\$4,863,934

Total Positions

46.00

Unappropriated Balance Remaining

\$4,863,934

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**GENERAL
GOVERNMENT
Section J**

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House/Senate Comparison Report

(1.0) Cultural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

1	Compensation Increase Reserve		\$629,536
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

2	Compensation Increase Reserve	\$778,215	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

3	State Retirement System Contributions	\$155,620	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

4	State Retirement System Contributions		\$95,433
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Agency Wide

5	Position Eliminations		(\$255,000) -5.00
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Eliminates vacant positions across the Department of Cultural Resources. These positions have been vacant for over 100 days.

60083555 Development Manager \$52,342
60083615 History Preservation and Restoration Specialist II \$43,751
65010816 Museum Librarian/Archivist \$33,190
60083880 Library Supervisor \$45,420
60083380 Processing Assistant V \$34,881

(1.0) Cultural Resources

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Archives and Records (1230)

6	Operations Reduction		(\$65,000)
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Reduces funds appropriated for operations by 2% within the Archives and Records Division and leaves a total budget of \$2,953,572.

Historic Publications (1220)

7	Historic Publications	(\$247,449) -4.00	(\$247,449) -4.00
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Reduces staff and operations funds for the Historic Publications Unit. There remains approximately \$173,484 in the account to be used to continue producing the publications that are required in G.S. 121-4.

60083324 Editor I \$39,761
60083313 Administrator \$61,676
60083316 Editor III \$44,600
60083322 Administrative Secretary II \$38,947

Historic Sites (1241)

8	House in the Horseshoe		(\$127,551) -3.00
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Eliminates funds available for House in the Horseshoe, and closes this historic site effective July 1, 2014.

60083479 Manager I \$36,248
60083480 Site Assistant \$25,159
60083481 Interpreter I \$25,375

9	Position Elimination	(\$63,870) -1.00	(\$63,870) -1.00
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Eliminates an educator position located in Kinston vacated by a retirement.

60084315 Education Coordinator \$47,887

Marketing

10	Strategic Marketing	\$43,000	
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Continues funding for a strategic marketing initiative that began in FY 2013-14.

(1.0) Cultural Resources
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

NC Museum of Art (1320)

11	Museum of Art		(\$123,925)
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Reduces funds appropriated to the Museum of Art by 2%; the budget for FY 2014-15 will be \$6.4 million.

NC Museum of History (1500)

12	Museum of History	(\$114,961)	(\$114,961)
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Reduces funds appropriated to the Museum of History by 2%. State appropriations for the museum will be \$5.6 million for FY 2014-15.

Statewide Library Programs and Grants (1480)

13	Library Grants	(\$284,000)	(\$284,000)
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Reduces funds appropriated for grants to local libraries by 2%. There remains \$13,207,033 in State appropriations and \$4,381,126 available in federal grants for FY 2014-15.

Tryon Palace

14	Tryon Palace Operations	\$400,000	
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Provides funds to continue FY 2014-15 level of operations at Tryon Palace.

Department Totals

\$666,555	(\$556,787)
-5.00	-13.00
\$0	NR

(2.0) Cultural Resources - Roanoke Island C
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Roanoke Island Commission

15 Operations

(\$9,000)

(\$9,000)

Reduces funds appropriated to the Roanoke Island Commission for operation of the Roanoke Island Festival Park by 2%. The State appropriations for FY 2014-15 will be \$441,000.

Department Totals

(\$9,000)

(\$9,000)

(3.0) Insurance

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

16	Compensation Increase Reserve	\$455,884	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

17	Compensation Increase Reserve		\$368,001
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

18	State Retirement System Contributions	\$141,585	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

19	State Retirement System Contributions		\$86,826
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Administration (1100)

20	Operations	(\$20,000)	(\$20,000)
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Reduces funds available for miscellaneous contracts throughout Administration by .36% and leaves \$5,570,747 remaining for FY 2014-15.

Agency Wide

21	Over-realized Receipts	(\$200,000)	(\$200,000)
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Reduces appropriations based upon anticipated additional receipts from collection agencies for license fees.

(3.0) Insurance

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

22	Position Eliminations	(\$433,955) -7.80	(\$433,955) -7.80
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Eliminates 4 vacant and 3.8 filled positions. The remaining amount is \$34,206,053 in personal services for FY 2014-15.

60013402 Office Assistant IV \$26,013
60013409 Administrative Assistant I \$29,856
60013487 Program Assistant V \$27,875
60013668 Insurance Company Examiner \$54,648
60013694 Insurance Co. Examiner \$69,401
60013467 Office Assistant IV \$34,518
60013489 Office Assistant III \$29,745
60013531 Insurance Regulations Analyst III (.8 FTE) \$47,116

Office of State Fire Marshal (1500)

23	Communications, Printing, and Various Line Items	(\$200,000)	(\$200,000)
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Reduces funds appropriated for the purpose of communications, data, and programming and brings the budget closer to actual expenditures of prior years. The FY 2014-15 State appropriations for 5328XX accounts will be approximately \$800,000.

Department Totals

(\$256,486)	(\$399,128)
-7.80	-7.80
\$0 NR	

(5.0) State Board of Elections
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

24	Compensation Increase Reserve		\$51,013
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

25	Compensation Increase Reserve	\$63,056	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

26	State Retirement System Contributions	\$17,925	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

27	State Retirement System Contributions		\$10,992
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Information Systems Division (1300)

28	Contract Elimination	(\$117,415)	(\$117,415)
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Eliminates funds for contracting of data services; the functions previously performed by a vendor are now completed by State Board of Elections staff.

Investigations

29	Investigator Positions (1200)	\$201,657	
		3.00	

Provides funding for three new positions to investigate fraud in elections, discrepancies in voter registration information, including duplicate registrations, and to pursue prosecution for violations of election law.

(5.0) State Board of Elections

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Department Totals

\$165,223

(\$55,410)

3.00

\$0 NR

(6.0) General Assembly
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

30	Compensation Increase Reserve	\$529,381	\$529,381
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

31	Compensation Increase Reserve	\$654,365	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

32	State Retirement System Contributions	\$230,513	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

33	State Retirement System Contributions		\$141,360
----	--	--	-----------

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

House and Senate (1110 & 1120)

34	General Government Oversight Committee	\$34,733	\$34,733
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Provides funds for the Joint Legislative Oversight Committee on General Government. The Committee will be comprised of 12 members who will meet during the interim to monitor implementation of laws, budget, and reports from the seventeen agencies within the purview of the appropriations subcommittees on General Government.

(6.0) General Assembly
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Information Systems Division (1217)

35	Operations		
		(\$600,000) NR	(\$750,000) NR
	Reduces funds appropriated for operations for FY 2014-15. This reduction will be offset by one-time carry-forward funds that would have otherwise transferred into a reserve account.		

Legislative Research (1220)

36	Health Insurance Mandates Study		
		\$500,000	NR
	Provides funding for issuing a Request-for-Information from consulting firms for potential studies of the impact of health insurance mandates on individuals, employers, health insurance companies, the providers of health care, the State, and the State's economy.		

Youth Legislature

37	Youth General Assembly	\$56,833	
		1.00	
	Transfers funding from the Department of Administration's Youth Involvement Division to fund one position and benefits to coordinate the Youth General Assembly. The Youth Advocacy and Involvement Fund is also transferred and renamed the Youth General Assembly Fund.		

Department Totals

\$1,505,825	\$705,474
1.00	
(\$100,000) NR	(\$750,000) NR

(7.0) Governor

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

38	Operations Reduction and Position Elimination	(\$115,430)
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Eliminates funding for one Washington, DC-based federal government liaison and other operating costs. Funds had been transferred annually to North Carolina Department of Transportation to partially fund this position.

60014914 Federal Legislative Programs Coordinator \$80,000

Reserve for Salaries & Benefits

39	Compensation Increase Reserve	\$63,922
		\$0 NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

40	Compensation Increase Reserve	\$51,713
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

41	State Retirement System Contributions	\$12,919
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

42	State Retirement System Contributions	\$21,067
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

(7.0) Governor

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Administration

43	Transfer of Youth Internship Program (1210)	\$254,974 1.00
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Transfers the Youth Internship Program from the Department of Administration to the Office of the Governor. The Program Director Position (60014064) will transfer to manage the internship program.

Agency Wide

44	Management Flexibility Reduction	(\$103,442)
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Reduces the Office of the Governor's operating budget.

Department Totals

\$236,521	(\$50,798)
1.00	
\$0	NR

(8.0) State Budget & Management
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

45	Compensation Increase Reserve		\$60,695
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

46	Compensation Increase Reserve	\$75,025	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

47	State Retirement System Contributions		\$18,730
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

48	State Retirement System Contributions	\$30,543	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Administration

49	Position Elimination	(\$50,684)	(\$50,684)
		-1.00	-1.00

Eliminates one vacant position.

60056045 Grants Assistant \$37,000

Technology and Data Services (1310)

50	Contract	(\$100,000)	(\$100,000)
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Reduces funds for a maintenance agreement/server software contract by 15%, leaving \$587,487 for FY 2014-15.

(8.0) State Budget & Management

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Department Totals

(\$45,116)

(\$71,259)

-1.00

-1.00

\$0 NR

(9.0) State Budget and Management - Special
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Special Appropriations

51	Resources Education Assistance Counseling and Housing of Macon County		
		\$75,000	NR
	Provides funding to Resources Education Assistance Counseling and Housing of Macon County, Inc. (REACH) to match other funds for the construction of a shelter for battered women and families. The complex will serve individuals in and around Macon and Jackson counties.		

52	Amphitheater Rehabilitation		
		\$100,000	NR
	Provides funds to The Andrew Jackson Historical Foundation, Inc. to rebuild a dilapidated amphitheater. This grant requires a match of other funds locally.		

Special Appropriations (13085)

53	North Carolina Humanities Council	(\$20,000)	
	Eliminates the grant-in-aid to the Humanities Council.		

Department Totals

(\$20,000)

\$175,000 NR

(10.0) Auditor

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

54	Compensation Increase Reserve	\$150,841	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

55	Compensation Increase Reserve		\$122,030
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

56	State Retirement System Contributions	\$54,314	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

57	State Retirement System Contributions		\$33,308
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Agency Wide

58	Operations Reductions	(\$37,000)	(\$37,000)
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Reduces funds appropriated for travel, lodging and telephone services in the 537XX accounts. There remains \$286,303 in these accounts for FY 2014-15.

Department Totals

\$168,155

\$118,338

\$0 NR

(11.0) Revenue

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

59	Compensation Increase Reserve		\$930,480
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

60	Compensation Increase Reserve	\$1,151,362	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

61	State Retirement System Contributions		\$181,532
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

62	State Retirement System Contributions	\$296,020	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Administrative Services (1681)

63	Asheville Office Space Lease	\$103,061	\$103,061
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Increases the budget for the Asheville office space lease to pay for the physical security upgrades required by new IRS regulations.

(11.0) Revenue

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Agency Wide

64	Vacant Position Elimination	(\$634,375) -9.00
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Eliminates vacant positions. The positions eliminated are:

60081349 Business And Technology ApplicSpec I(\$62,865)
60081578 Processing Assistant III (\$26,215)
60081418 Tax Administrator I (\$86,681)
60081363 Business And Technology Applic Analyst (\$43,917)
60082209 Business Systems Analyst (\$51,487)
60081943 Tax Auditor Mgr (\$47,195)
60081872 Revenue Field Auditor Supv (\$70,668)
60081970 Field Auditor Team Leader (\$60,311)
60082632 Processing Assistant IV (\$28,832)

65	Vacant Positions Elimination	(\$627,180) -9.00
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Eliminates positions vacant for more than one year. The positions eliminated are:

60081349 Business And Technology ApplicSpec I(\$62,865)
60081578 Processing Assistant III (\$26,215)
60081418 Tax Administrator I (\$86,681)
60081363 Business And Technology Applic Analyst (\$43,917)
60082209 Business Systems Analyst (\$51,487)
60081943 Tax Auditor Mgr (\$47,195)
60082400 Field Auditor Team Leader (\$68,454)
60081970 Field Auditor Team Leader (\$60,311)
60082578 Processing Assistant IV (\$25,199)

66	Operating Expenses Transferred to Receipt Support	(\$2,360,425) -1.00	(\$2,360,425) -1.00
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Shifts ongoing expenses and one position to the Collection Assistance Fee.
The position is Revenue Officer I and a salary of \$40,125.

Fund 1605 - Information Technology
Fund 1660 - Collection
Fund 1663 - Examination
Fund 1681 - Administrative Services

(11.0) Revenue

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Information Technology (1605)

67 Scanner Replacement

\$2,500,000 NR

Provides nonrecurring funds to the Department of Revenue to purchase new document scanners. The current scanners are out of date and will be vulnerable to computer viruses once Microsoft ceases patching Windows XP. The Department of Revenue will receive four new scanners responsible for scanning correspondence, checks, and returns. In 2013, the current scanners processed more than 11 million documents.

Property Tax (1629)

68 MotoTax Project

Authorizes the Department of Revenue to pay for expenditures related to the MotoTax Project, a collaboration between the Department of Transportation and the Department of Revenue. The cost will be \$795,236 recurring and will come from property tax collections on motor vehicles collected by the Division of Motor Vehicles.

69 Local Government Division Positions

Adds five positions to the Local Government Division. The cost of the positions will be \$400,575 recurring and \$36,575 nonrecurring. Funding for the positions will come from local sales and use tax receipts. These positions will aid counties in auditing refund requests from nonprofits and governmental units.

Department Totals

(\$1,444,357)

(\$1,772,532)

-10.00

-10.00

\$0

NR

\$2,500,000

NR

(12.0) Secretary of State
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

70	Compensation Increase Reserve	\$215,224
		\$0 NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

71	Compensation Increase Reserve	\$173,793
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

72	State Retirement System Contributions	\$29,658
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

73	State Retirement System Contributions	\$48,362
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Agency Wide

74	Management Flexibility Reduction	(\$150,511)
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Reduces the budget for the Secretary of State.

(12.0) Secretary of State

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Corporations (1210)

75	Position Eliminations	(\$75,660) -2.00	(\$75,660) -2.00
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Eliminates two vacant positions from the Corporations Division. The positions are:

60008687	Processing Assistant IV (\$26,013)
60094557	Processing Assistant IV (\$26,946)

Publications Division (1120)

76	Position Eliminations	(\$150,511) -3.00
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Reduces staff in the Publications Division. The positions eliminated are:

60008653	Public Information Assistant V (\$35,971)
60008654	Public Information Assistant (\$38,402)
60094565	Editorial Assistant (\$35,326)

Department Totals

\$37,415	(\$22,720)
-2.00	-5.00
\$0	NR

(13.0) Lieutenant Governor
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

77	Compensation Increase Reserve		\$6,001
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

78	Compensation Increase Reserve	\$7,418	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

79	State Retirement System Contributions		\$1,872
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

80	State Retirement System Contributions	\$3,053	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Administration (1100)

81	Operating Expense Reductions	(\$13,502)	(\$13,502)
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Reduces the budget for the following line items.

Reduces in State ground transportation by 50%, leaving \$1,500.
Reduces in State lodging by 71%, leaving \$1,229.
Reduces in State meals by 84%, leaving \$1,133.
Reduces telephone services by 16%, leaving \$5,096.
Reduces food supplies by 83%, leaving \$400.

Department Totals

(\$3,031)	(\$5,629)
\$0	NR

(14.0) State Controller

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

82	Compensation Increase Reserve	\$183,755
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

83	Compensation Increase Reserve	\$227,139
		\$0 NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

84	State Retirement System Contributions	\$80,862
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

85	State Retirement System Contributions	\$49,588
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Agency Wide

86	Personnel Reductions	(\$531,783) -4.75
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Eliminates 2.75 filled and two vacant positions. The positions eliminated are:

60087099	Financial/Business Systems Manager (\$111,320)
60087082	(.75 Full Time Equivalent) Administrative Assistant (\$41,328)
60087102	Deputy State Controller (\$115,298)
60087105	Business and Technology Application Specialist (\$95,165)
60087116	Support Services Supervisor (\$40,632)

(14.0) State Controller

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Office of State Controller (1000)

87	Maintenance for the Cash Management System	\$180,821	\$180,821
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Provides funds for ongoing maintenance of the Cash Management System.

88	BEACON Hardware	\$130,000	NR
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Provides funds to extend the warranty on hardware for BEACON through July 2015.

89	Operating Budget Adjustment	\$114,015	
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Appropriates General Fund money to decrease the amount of the transfer between the State Controller's special and general fund budget codes.

90	Lease Increase	\$15,764	
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Appropriates money for a contractual inflationary lease increase for the Bush Street building.

91	BEACON Hardware		\$2,117,205	NR
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Provides nonrecurring funds to upgrade the computer systems that process the State's human resources and payroll functions.

92	Oracle DSS Contract Increase	\$21,000	\$21,000
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Provides funds to pay for the increase in Oracle software licensing fees.

93	Operating Budget Reductions	(\$520,086)	(\$520,086)
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Reduces budgeted line items for communication and data processing accounts to bring them in line with prior year actual expenditures, leaving \$1,702,770 for these purposes.

(14.0) State Controller

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

94

Personnel Reductions

(\$531,783)
-4.75

Eliminates 3.75 filled and one vacant positions. The positions eliminated are:

60087099	Financial/Business Systems Manager (\$111,320)
60087082	(.75 Full Time Equivalent) Administrative Assistant (\$41,328)
60087181	Deputy State Controller (\$115,298)
60087105	Business and Technology Application Specialist (\$95,165)
60087116	Support Services Supervisor (\$40,632)

95

IBM Cognos DSS Contract Increase

\$100,000

\$100,000

Provides funds for a software license fee increase. Cognos Decision Support System is a data warehouse of financial transactions.

Department Totals

(\$312,268)		(\$516,705)	
-4.75		-4.75	
\$130,000	NR	\$2,117,205	NR

(15.0) Administration

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

96	Compensation Increase Reserve		\$469,030
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

97	Compensation Increase Reserve	\$579,765	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

98	State Retirement System Contributions	\$156,101	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

99	State Retirement System Contributions		\$95,727
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Agency Wide

100	Operations Reductions and Efficiency	(\$184,451)	(\$184,451)
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Reduces operating budgets throughout divisions within the Department to more closely reflect actual expenditures and to achieve efficiencies. The Divisions impacted are as follows:

1121 - Fiscal Management:	\$22,900
1122 - Human Resources:	\$11,818
1123 - Historically Underutilized Business:	\$12,727
1241 - Management Information Systems:	\$16,341
1411 - State Construction:	\$43,704
1412 - State Property:	\$17,749
1511 - Purchase and Contract:	\$59,212

(15.0) Administration

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

101	Vacant Positions		(\$586,352) -10.00
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Eliminates ten full time equivalent positions and benefits throughout the Department of Administration that have been vacant for more than a year. The positions are as follows:

65015255 Engineering/Architectural Technician \$40,000
60014820 Building & Environmental Technician (0.25 FTE) \$33,515
60014768 Facility Maintenance Tech - Bldg. Trades \$39,915
60013897 Contract Specialist II \$52,467
60013862 Attorney \$57,566
65015257 Administrative Officer III \$24,000
60013923 Administrative Assistant I I (0.75 FTE) \$24,001
60014242 Processing Assistant IV \$32,796
60014704 Maintenance Mechanic V \$35,926
60013870 Strategic Sourcing Specialist II \$65,000
60014218 W/A Processing Assistant IV \$31,470

102	Vacant Positions	(\$586,352)
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Eliminates vacant positions throughout the Department. The Department has the flexibility to determine which positions are to be eliminated.

Council for Women and Domestic Violence

103	Women and Domestic Violence Transfer	(\$8,676,040) -14.00
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Transfers the Rape Crisis (1734) and Domestic Violence Center (1781 and 1782) programs to the Department of Public Safety (DPS). DPS will administer \$11.4 million in grant-in-aid programs to non-State entities, of which \$3.8 million are from the Divorce Filing Fee and the Marriage Filing Fee.

Facilities Management (1421)

104	Janitorial Services Contract	(\$300,000)	(\$300,000)
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Reduces the janitorial services contract (532184) by 11% to more closely reflect actual expenditures leaving \$2,206,823.

105	Utilities Expenditures	(\$1,224,000)	(\$1,224,000)
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Reduces the appropriation for utilities within the Department (5322XX) by 8% to more closely reflect actual expenditures leaving \$13,247,559.

(15.0) Administration

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Historically Underutilized Business (1123)

106	Office of Historically Underutilized Business	\$59,554 1.00	
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Appropriates one new position within the Office to assist in the implementation of Executive Order #24.

Office of State Human Resources (1311)

107	Operations Reduction - Agency Wide	(\$71,175)	(\$71,175)
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Reduces funds appropriated for operations. There remains approximately \$7 million for Office of State Human Resources' operations.

108	Learning Management System	(\$75,000)	
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Reduces funds available for the Learning Management System; there remains \$779,300 for the continuance of this program in account code 532441.

109	Position Elimination	(\$71,193) -1.00	(\$71,193) -1.00
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Eliminates a position within Office of State Human Resources identified in the voluntary reduction in force project.

State Ethics Commission (1810)

110	Operating Expense Reductions	(\$12,865)	(\$12,865)
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Reduces line items for information technology expenditures, printing expenses, and office supplies. The total operating reduction is 11% and leaves \$105,281 in operating funds.

Veterans Affairs (1771)

111	Aid to County Veterans' Services Offices		(\$138,000)
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Eliminates the grant-in-aid program to county governments for the provision of veterans' services.

(15.0) Administration

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Veterans' Affairs (1771)

112	Aid to County Veterans' Services Offices	(\$138,000)
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Eliminates the grant-in-aid program to county governments for the provision of veterans' services. The program gave county veterans' services offices administration a supplement for the provision of veterans' services.

Veterans Home Program (1772)

113	Veterans' Homes Building Reserves	
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Appropriates funds from the State Veteran's Trust Fund to fully operate the two recently opened State Veterans' Homes in Black Mountain and Kinston. The additional amount appropriated from the Trust Fund is \$18,268,588 which brings the total operating budget for the Homes to \$42,056,930 for FY 2014-15.

Youth Involvement (1761)

114	Transfer Youth Internship and Youth Legislature	(\$529,389) -5.00
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Transfers the State Internship and Youth Legislature related functions of the Youth Involvement Office to the Office of the Governor and the General Assembly, respectively. As part of the transfer, three positions and related benefits are eliminated. The Program Director (60014064) position will transfer to the Governor's Office and funding for one position will transfer to the General Assembly.

<u>Department Totals</u>		
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(\$11,073,045)	(\$2,023,279)
-19.00	-11.00
\$0 NR	

(16.0) Housing Finance Agency
(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

HOME Match (1100)

115	HOME Match	(\$29,678)	(\$29,678)
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Reduces the State match for the federal HOME Program by 2%. The General Fund appropriation for FY 2014-15 is \$1,458,649.

Housing Trust Fund (1100)

116	Housing Trust Fund	(\$140,000)	(\$140,000)
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Reduces the General Fund appropriation to the Housing Trust Fund by 2%. For FY 2014-15, the General Fund appropriation to the Housing Trust Fund is \$6,860,000.

117 Workforce Housing Loan Program

\$10,000,000	NR	\$10,000,000	NR
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Appropriates funds to the Housing Trust Fund in order to create a Low Income Housing Loan program to assist in the development of low-income housing units throughout the State.

Department Totals

(\$169,678)	(\$169,678)
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\$10,000,000	NR	\$10,000,000	NR
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(17.0) Office of Administrative Hearings

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

118	Compensation Increase Reserve	\$55,638	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

119	Compensation Increase Reserve		\$45,011
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

120	State Retirement System Contributions		\$11,621
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

121	State Retirement System Contributions	\$18,951	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

Administration (1100)

122	Operating Reduction	(\$32,111)	(\$32,111)
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Reduces various operating line items within the Office to more closely reflect actual expenditures. The following line items are reduced: Maintenance Agreements/Service Contracts (532499), Intangible Assets(5347XX), Postage/Freight/Delivery (532840). The operating reduction reflects a 1% decrease to the Office, leaving \$2,999,244.

Department Totals

\$42,478

\$24,521

\$0 NR

(18.0) Treasurer

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Reserve for Salaries & Benefits

123	Compensation Increase Reserve	\$46,241	
		\$0	NR

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

124	Compensation Increase Reserve		\$37,409
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

125	State Retirement System Contributions	\$16,072	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

126	State Retirement System Contributions		\$9,856
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Financial Operations (1510)

127	Operating Reduction	(\$70,662)	(\$70,662)
-----	---------------------	------------	------------

Reduces budgeted Computer and Data Processing (532821) expenditures to more closely reflect actual expenditures.

(18.0) Treasurer

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Investments (1210)

128	Investments Internalization	\$1,485,386 9.00 \$46,746 NR
-----	-----------------------------	------------------------------------

Provides funds to the Investments Division to internalize a variety of investments currently managed by external fund managers. The appropriation will provide funding to hire five Portfolio Managers and four Investment Analysts to manage investments for global equity, private equity, credit strategies, real estate, and inflation protection. There is also additional funding for software licenses and employee related expenses.

Investments (1510)

129	Investments Internalization	\$1,920,597 12.00 \$62,328 NR
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Provides funds to the Investments Division to internalize a variety of investments currently managed by external fund managers. The appropriation will provide funding to hire five Portfolio Managers and seven Investment Analysts to manage investments for global equity, private equity, credit strategies, real estate, and inflation protection. There is also additional funding for software licenses and employee related expenses.

Supplemental Retirement

130	Start Up Funds	House
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Appropriates \$150,000 from the Qualified Excess Benefit Arrangement to fund the start-up costs to administer the State-wide 403(b) plan created under S.L. 2011-310.

Department Totals

\$1,477,037 9.00 \$46,746 NR	\$1,897,200 12.00 \$62,328 NR
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(19.0) Fire Rescue Nat Guard Pensions & LD

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Firefighters' Pension Fund (1412)

131	General Fund Contribution	(\$696,253)	(\$696,253)
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Reduces the General Fund contribution to match the Annual Required Contribution to the Firefighters' and Rescue Squad Workers' Pension Fund. The reduction reflects changes that allow distributions at age 55 regardless of pay status. The payment of these pension benefits is made pursuant to Article 86 of G.S. 58, as amended in a special provision. The amount of the recurring General Fund contribution is \$13,319,481.

National Guard (1414)

132	General Fund Contribution		(\$1,747,897)
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Reduces the General Fund contribution to the National Guard Pension Fund to match the Annual Required Contribution. The payment of these pension benefits is made pursuant to G.S. 127A-40. The amount of the recurring General Fund contribution to the fund is \$5,259,546.

133	General Fund Contribution	(\$773,237)	
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Reduces the General Fund contribution to the National Guard Pension Fund to match the Annual Required Contribution. The reduction reflects benefits increases of \$5 per month. The payment of these pension benefits is made pursuant to G.S. 127A-40. The amount of the recurring General Fund contribution to the fund is \$6,234,206.

Rescue Squad (1413)

134	General Fund Contribution	(\$30,346)	(\$30,346)
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Reduces the General Fund contribution to match the Annual Required Contribution to the Rescue Squad Workers' Pension Fund. The reduction reflects changes that allow distributions at age 55 regardless of pay status. The payment of these pension benefits is made pursuant to Article 86 of G.S. 58, as amended in a special provision. The amount of the recurring General Fund contribution is \$580,519.

Department Totals

(\$1,499,836)

(\$2,474,496)

TRANSPORTATION

Section K

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House/Senate Comparison Report

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Adjustments to Availability

1 Revenue Adjustment

Reflects the repeal of the Motor Fuels Tax refund for taxicabs in G.S. 105-449.106(b), effective on January 1, 2015, increasing revenue availability by \$69,420 in FY 2014-15.

2 Revenue Adjustment

Repeals the Motor Fuels Tax refund for taxicabs in G.S. 105-449.106(b), effective on January 1, 2015, increasing revenue availability by \$69,188 in FY 2014-15.

3 Intermodal Division Balances

Transfers \$12,000,000 of the unallotted and unexpended balance of funds within the intermodal divisions to the Pavement Preservation Program.

4 Intermodal Division Balances

Reallocates \$12,000,000 of the unallotted and unexpended balance of funds within the intermodal divisions.

5 Shallow Draft Navigation Channel and Lake Dredging Fund

Reduces Highway Fund revenue availability to reflect a one-time transfer of \$1,677,134 to the Shallow Draft Navigation Channel and Lake Dredging Fund.

6 DENR - Underground Storage Tank Clean Up

Redirects revenue from G.S. 105-449.125 (Gasoline Inspection Tax) to the Department of Environment and Natural Resources (DENR) for underground storage tank clean up. Revenues are reduced by \$3,458,927.

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Administration

7	Division Cuts	(\$1,705,907)	(\$1,705,907)
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Reduces the Communications, Strategic Planning Office, Office of Inspector General, Financial Management, Information Technology, and Facilities Management programs by 2% of the certified 2014-15 budgets for these programs, as recommended in the Governor's Budget. The cuts include \$1,705,907 to the Highway Fund and \$10,130 in receipts.

Divisional adjustments are enumerated below:

Communications Division (Fund Code 84210-0002): \$29,957
Strategic Planning Office (Fund Code 84210-1096): \$3,958
Office of Inspector General (Fund Code 84210-7011): \$39,353
Financial Management Division (Fund Code 84210-7020): \$149,903
Information Technology Division (Fund Code 84210-7025): \$1,091,183
Facilities Management Division (Fund Code 84210-7030): \$401,683

8	Division of Highways Administration Cuts		
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Reduces the Intergovernmental Affairs, Program Development, Technical Services, Transportation Planning, and Transportation Mobility and Safety programs by 2% of the certified 2014-15 budgets for these programs, as recommended in the Governor's Budget. The cuts include \$198,056 to receipts.

Divisional adjustments are enumerated below:

Intergovernmental Affairs (Fund Code 84210-1078/1129): \$13,878
Program Development Division (Fund Code 84210-1256): \$15,266
Technical Services Division (Fund Code 84210-7153): \$110,738
Transportation Planning Program (Fund Code 84210-7070): \$4,000
Transportation Mobility and Safety Division (Fund Code 84210-0149): \$54,174

9	Financial Management	(\$4,200,000)	(\$4,200,000)
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Reduces funding for the Financial Management Division (Fund Code 84210-7020) by \$4,200,000 to realign the budget to reflect actual spending. Budgeted funds total \$5,688,248 in FY 2014-15.

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

10	Governance Office		(\$424,545)
			-5.00

Eliminates one vacant support staff position in the Governance Office (Fund Code 84210-1104) that has been vacant less than 180 days. Eliminates four positions, of which three are filled positions, and associated costs previously associated with the Quality Enhancement Unit.

Position	Title	Total Position Cost
60015422	Management Engineer II	\$96,657
60015416	Business Systems Analyst	\$110,260
60015423	Management Engineer I	\$82,516
60015420	Management Engineer I (vacant)	\$84,840
60027692	Administrative Assistant I (vacant)	\$50,272

11	Governance Office	(\$82,516)
		-1.00

Eliminates a position and associated costs within the Quality Enhancement Unit.

Position	Title	Total Position Cost
60015423	Management Engineer I	\$82,516

12	Occupational Safety & Health Program (OSHA)	(\$7,307)	(\$7,307)
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Reduces funding for the OSHA Program (Fund Code 84210-7832), as recommended in the Governor's budget. The program provides funding to address safety deficiencies that impact the workplace environment. Eligible projects include mitigation of deficiencies discovered in routine inspections by OSHA, building code, or health code inspectors and employee safety training. This \$7,307 reduction represents a 2.0% adjustment to the certified 2014-15 budget for this program. Budgeted funds total \$358,030 in FY 2014-15.

13	Secretary's Office	(\$300,365)
		-3.00

Eliminates one full-time filled position in the Secretary's Office (Fund Code 84210-0007) and two vacant positions that have been vacant less than 180 days.

Position	Title	Total Position Cost
60014914	Federal Legislative Programs Coord	\$180,669
60014929	Processing Asst V (vacant)	\$46,095
60015792	Administrative Officer I (vacant)	\$73,601

14	Position Eliminations	(\$2,006,362)
		-27.00

Eliminates 27 administrative positions and 270 vacant receipt-supported positions assigned to equipment, HTF field, and HF field units which have been vacant for 180 days or longer. Estimated recurring savings total \$2,006,362.

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

15	Vacant Position Eliminations		(\$1,483,664) -21.00
Eliminates 21 vacant administrative positions and 270 vacant positions assigned to equipment and field units which have been vacant for 180 days or longer. Estimated recurring savings total \$1,483,664.			

Aid to Municipalities

16	State Aid to Municipalities	\$9,453,990	\$9,453,990
Appropriates additional funding for the Aid to Municipalities program based on revised projections for motor fuels tax consumption in accordance with G.S. 136-41.1. Budgeted funds total \$146,328,000 in FY 2014-15.			

Construction

17	Economic Development Program Fund		(\$4,036,171) NR
Eliminates all funding for the Economic Development Program (Fund Code 84210-7838).			
18	Economic Development Program Fund	\$8,000,000	
		(\$4,036,171) NR	
Provides \$4.0 million of additional funding for the Economic Development Program (Fund Code 84210-7838) and converts program funding to recurring.			

Division of Motor Vehicles

19	Credit/Debit Transaction Payments	(\$3,707,308)	(\$3,707,308)
		(\$648,879) NR	(\$648,879) NR
Realigns funding for payments to card vendors for credit/debit transactions based on actual transaction rates and the deployment of point-of-sale capability to driver license offices. Funding for Vehicle Services (Fund Code 84210-7055) is reduced by \$3,707,308 recurring, a 28.0% adjustment to the certified 2014-15 budget for this line item. Funding for Driver Services (Fund Code 84210-0049) is reduced by \$648,879 nonrecurring, a 46.9% adjustment to the certified 2014-15 budget for this line item.			
20	Title Conversion Fees	(\$30,000)	(\$30,000)
Budgets anticipated net receipts from the authorized \$3.00 fee for the conversion of paper titles under the Electronic Lien and Titling system required pursuant to G.S. 20-58.4A.			

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

21	License and Identification Card Costs	\$1,585,443	\$1,585,443
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Increases funding for the production of new format driver license and identification cards issued by the Division of Motor Vehicles, as recommended in the Governor's budget. This \$1,585,443 increase to Driver Services (Fund Code 84210-0049) represents a 36.2% adjustment to the certified 2014-15 budget for this line item.

22	Medical Review Unit	\$350,000	\$350,000
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Increases funding for contractual physician case reviews and Medical Review Board hearings, as recommended in the Governor's budget. This \$350,000 increase represents a 0.7% adjustment to the certified 2014-15 budget for Driver Services (Fund Code 84210-0049).

23	Ignition Interlock Program	\$617,495	\$617,495
		10.00	10.00
		\$46,450 NR	\$46,450 NR

Increases funding to establish a stand-alone Ignition Interlock Unit, as recommended in the Governor's budget. This \$663,945 increase represents an 8.4% adjustment to the certified 2014-15 budget for the Commissioner's Office.

24	Call Center	\$694,331	
		13.00	
		\$77,649 NR	

Provides funding for thirteen Information Processing Technicians to increase the Division's capacity to handle general call center requests and divert call volumes from driver license offices, as recommended in the Governor's budget. This \$771,980 increase represents a 2.0% adjustment to the certified FY 2014-15 budget for this program.

25	Driver License Examiner Facilitators	\$793,515	
		14.00	
		\$28,882 NR	

Provides funding for fourteen Driver License Examiners to reduce customer wait times at high volume offices, as recommended in the Governor's budget. This \$822,397 increase represents a 1.8% adjustment to the certified 2014-15 budget for Driver Services (Fund Code 84210-0049).

Governor's Highway Safety Program

26	Governor's Highway Safety Program	(\$5,699)	(\$5,699)
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Reduces the Governor's Highway Safety Program (Fund Code 84210-0042) administrative budget for car mileage reimbursement by \$11,398, including \$5,699 in receipts, as recommended in the Governor's Budget. Budgeted funds for the program total \$279,233 in FY 2014-15.

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Information Technology

27	SOA Governance and Competency Center			\$640,000	
	Provides funds to establish enterprise-level Service Oriented Architecture (SOA) Governance to support the design, development and deployment of products and services as part of the Division of Motor Vehicle Modernization effort and other ongoing initiatives, as recommended in the Governor's budget. The Department will also establish an SOA competency center to retrain existing technical resources and develop the new technologies to be delivered via modernization. This \$3,000,000 funding increase represents a 5.6% adjustment to the certified 2014-15 budget for the Information Technology Division.			\$2,360,000	NR
28	Modernization of Driver Services				
	Increases funding to advance Phase 3 of the State Automated Driver License System replacement project, supplementing \$5.3 million of available funding from current appropriations for the modernization initiative in FY 2014-15. This \$3,024,503 funding increase represents a 5.6% adjustment to the certified 2014-15 budget for the Information Technology Division.			\$3,024,503	NR
29	Online License Renewal				
	Provides \$475,000 nonrecurring to develop an online renewal capability for Driver Services. This \$475,000 funding increase represents a 0.9% adjustment to the certified 2014-15 budget for the Information Technology Division.	\$475,000	NR	\$475,000	NR
30	Hearing Fee Implementation				
	Provides \$256,000 nonrecurring for web application development to facilitate the future implementation of hearing fees. This \$256,000 funding increase represents a 0.5% adjustment to the certified 2014-15 budget for the Information Technology Division.			\$256,000	NR
31	DMV Service Initiatives			\$830,707	
	Provides additional Information Technology (IT) staffing for the State Automated Driver License System (SADLS) and State Titling and Registration System (STARS) project teams, as recommended in the Governor's budget. Four (4.00) additional positions are authorized for the SADLS project team and three (3.00) additional positions are authorized for the STARS project team. This \$830,707 funding increase represents a 1.5% adjustment to the certified 2014-15 budget for the Information Technology Division.			7.00	

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

32	Channel Strategy Development	\$1,800,000
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Provides funding to design, develop and deploy tools, applications, solutions and systems for internal and external users, as recommended in the Governor's budget. This \$1,800,000 funding increase represents a 3.3% adjustment to the certified 2014-15 budget for the Information Technology Division.

33	Card Payment Operation and Maintenance	\$1,032,919
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Provides funding for maintenance, licensing costs, and required Payment Card Industry (PCI) Data Security Standards associated with the acceptance of credit cards, as recommended in the Governor's budget. This \$1,032,919 funding increase represents a 1.9% adjustment to the certified 2014-15 budget for the Information Technology Division.

Intermodal

34	Ferry Capital Improvement Account	\$6,200,000
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Establishes funding for the Ferry Capital Improvement Account.

35	Aviation, Rail, Public Transportation, and Ferry Operating Reductions	(\$6,726,408)
----	--	---------------

Reduces operating and grant funding for the Divisions of Aviation, Rail, Public Transportation, Ferry, and Bicycle and Pedestrian Transportation. Recurring reductions total \$6,726,407, a 4.0% adjustment to the certified 2014-15 budgets for these programs. Funds allocated for grants for transportation services associated with the High Point Furniture Market are exempt from this reduction.

Divisional adjustments are enumerated below:

Aviation Division (Fund Code 84210-7830): \$800,000
Rail Division (Fund Code 84210-7829): \$960,325
Public Transportation Division (Fund Code 84210-7831): \$3,393,723
Ferry Division (Fund Code 84210-7825): \$1,542,317
Bicycle & Pedestrian Division (Fund Code 84210-0035): \$30,043

36	Division of Aviation - Executive Passenger Program	(\$8,452) -1.00
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Reallocates operating and maintenance funding attributed to the Sikorsky S-76C+ helicopter and eliminates one vacant Pilot position (60080839), as recommended in the Governor's budget. Of the \$158,452 in savings, \$150,000 is reserved for contractual passenger service.

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Maintenance

37	Primary System	(\$6,678,148)	(\$6,678,148)
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Reduces funding for Primary System Maintenance Program, as recommended in the Governor's budget. Budgeted funds total \$140,845,060 in FY 2014-15.

38	Secondary System	(\$10,709,290)	(\$10,709,290)
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Reduces funding for the Secondary System Maintenance Program, as recommended in the Governor's budget. Budgeted funds total \$262,872,935 in FY 2014-15.

39	Contract Resurfacing	\$11,500,000	
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Increases funding for Contract Resurfacing (Fund Code 84210-7824). Budgeted funds total \$413,923,088 in FY 2014-15.

40	Pavement Preservation	\$50,269,379	
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Establishes funding for the Pavement Preservation Program.

41	Pavement Preservation Program		\$80,824,381
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Establishes funding for the Pavement Preservation Program.

Reserves

42	Reserve for Compensation Increases		\$7,516,510
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Provides a \$1,000 recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

43	Compensation Increase Reserve	\$9,291,113	
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

44	State Retirement System Contributions	\$2,006,900	
----	--	-------------	--

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees

45	State Retirement System Contributions		\$1,220,000
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees.

Highway Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

46	State Health Plan	(\$1,050,000)	(\$1,050,000)
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Reduces the reserve for health benefit coverage for enrolled active and retired employees supported by the Highway Fund to reflect zero premium increase at January 1, 2015.

47	Disability Income Plan	(\$98,700)	(\$98,700)
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Reduces contributions to the Disability Income Plan for FY 2014-15 to match the Annual Required Contribution.

48	Reserve for Future Benefit Needs	(\$1,745,000)	(\$1,745,000)
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Eliminates the Highway Fund reserve for future benefit needs.

Transfers

49	Global TransPark		(\$250,000)
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Reduces the operating transfer to the Global TransPark Authority by \$250,000, a 25% adjustment to the certified 2014-15 budget.

50	Governor's Office		(\$80,000)
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Eliminates an \$80,000 transfer from the Governor's Office used to pay a portion of the salary for Position No. 60014914. This position is eliminated in Item 9.

51	Department of Public Instruction - Driver Education		(\$26,682,132)
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Converts funding to nonrecurring and adjusts the transfer from the Highway Fund to the Department of Public Instruction based on the forecast ninth-grade Average Daily Membership (ADM) for the 2014-15 school year.

\$26,376,131 NR

52	Department of Public Instruction - Driver Education	(\$306,001)	
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Reduces transfers to the Department of Public Instruction based on the revised forecast for 9th grade Average Daily Membership (ADM), as recommended in the Governor's budget. This \$306,001 reduction is a 1.1% adjustment to the certified FY 2014-15 budget for this transfer.

Department Totals

\$68,429,928	\$39,978,520
9.00	-13.00
(\$4,057,069) NR	\$27,853,034 NR

Highway Trust Fund

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

Adjustments to Availability

53 Revenue Adjustment

Reflects the repeal of the Motor Fuels Tax refund for taxicabs in G.S. 105-449.106(b), effective January 1, 2015. The repeal increases revenue availability by \$23,140 in FY 2014-15.

54 Revenue Adjustments

Raises the Highway Use Tax caps in G.S. 105-187.3 to phase in a higher cap for certificates of title issued for a Class A or Class B motor vehicle that is a commercial vehicle (currently set at \$2,000) and for recreational vehicles (currently set at \$1,500). The caps increase to \$2,000 on January 1, 2015 and to \$3,000 on July 1, 2015.

Raises the Highway Use Tax cap in G.S. 105-187.6(c) on out-of-state vehicles from \$150 to \$250, effective October 1, 2014.

Repeals the Motor Fuels Tax refund for taxicabs in G.S. 105-449.106(b), effective January 1, 2015.

These changes increase revenue availability by \$5,691,890 in FY 2014-15.

Administration

55	Administration	(\$11,000,000)	(\$11,000,000)
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Reduces funding for Highway Trust Fund administration by \$11,000,000 to realign the budget to reflect actual spending. Budgeted funds total \$34,590,880 in FY 2014-15.

Construction

56	Strategic Transportation Investments		\$73,661,890
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Increases funding for Strategic Transportation Investments to \$1,023,763,562 in FY 2014-15.

57	Strategic Transportation Investments	\$67,993,140	
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Increases funding for Strategic Transportation Investments to \$1,018,094,812 in FY 2014-15.

Department Totals

\$56,993,140

\$62,661,890

RESERVES AND DEBT SERVICE

Section L

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House/Senate Comparison Report

Statewide Reserves

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

A. Employee Benefits

1	Reserve for Future Benefit Needs	(\$56,400,000)	(\$56,400,000)
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Eliminates the General Fund Reserve for Future Benefit Needs.

2	State Health Plan	(\$22,000,000)	(\$22,000,000)
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Reduces the reserve for health benefit coverage for enrolled active and retired employees supported by the General Fund to reflect a zero premium increase as of January 1, 2015.

3	Disability Income Plan	(\$3,200,000)	(\$3,200,000)
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Reduces contributions to the Disability Income Plan for FY 2014-15 to match the Annual Required Contribution.

B. Other Reserves

4	Information Technology Fund	\$2,493,162	
		0.00	
		\$3,510,000	NR

Maintains funding of \$7,416,816 to support the Office of the State Chief Information Officer and statewide information technology projects. Additional funding of \$3.5 million is provided to the Government Data Analytics Center (GDAC) to improve fraud detection. An additional \$1,129,488 is provided for the Criminal Justice Law Enforcement Automated Data System (CJLEADS) to support law enforcement and the Administrative Office of the Courts.

5	Information Technology Fund	\$1,679,488	
		\$3,005,000	NR

Provides \$15.1 million to support the Office of the State Chief Information Officer and statewide information technology projects. Additional funding is provided for the Government Data Analytics Center and the NC Financial Accountability and Compliance Technology System. An additional \$1.3 million is provided for the Criminal Justice Law Enforcement Automated Data System (for additional funding details, see Information Technology in Section N.)

Statewide Reserves

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

6	Information Technology Reserve			(\$2,043,607) 0.00 (\$9,617,485) NR
	Continues funding of \$19,921,393 to upgrade, simplify, and modernize the State's IT operations and internal infrastructure. This includes replacing obsolete computers and applications and ensuring State agencies are meeting IT security requirements.			
7	Information Technology Reserve	(\$729,933)		
	Provides \$21.2 million to continue upgrades and modernization of the State's IT operations and internal infrastructure.	(\$9,612,485) NR		
8	Job Development Investment Grant (JDIG) Reserve			
	Decreases funding for the JDIG Reserve to align funding with needs for FY 2014-15. Combined with available cash balance, total funds appropriated for FY 2014-15 will be \$54,024,000.	(\$15,571,684) NR	(\$15,571,684) NR	
9	One North Carolina Fund			
	Decreases funding for the One NC Fund to align funding with needs for FY 2014-15. Combined with available cash balance, total funds appropriated for FY 2014-15 will be \$11,402,677.	(\$7,144,263) NR	(\$7,144,263) NR	
10	Conservation Reserve			
	Provides funds for the Clean Water Management Trust Fund, bringing total funding available from the General Fund in FY 2014-15 to over \$21.6 million. Also provides funds for the Parks and Recreation Trust Fund, bringing total funding available from the General Fund in FY 2014-15 to \$16 million.	\$10,000,000 NR		
11	Pending Legislation and Legislative Services Commission Litigation	\$5,000,000		
	Provides additional funds for bills pending in the NC House of Representatives, including \$1 million for H.B. 1192, and up to \$1.5 million for expenditures authorized by the Legislative Services Commission.	\$1,500,000 NR		
12	Medicaid Risk Reserve	\$117,800,000		
	Provides additional funding for the Medicaid program to address funding issues arising during the fiscal year.			
13	Savings Reserve			
	Provides additional funding to the Savings Reserve.			\$250,000 NR

Statewide Reserves

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

C. Debt Service

14	Debt Service Adjustment	(\$9,340,916)	
	Adjusts debt service appropriations based on updated cash flow requirements.		(\$9,340,916) NR
15	Debt Service Increase	\$1,300,000	\$1,300,000
	Increases debt service to reflect the authorization of Two-Thirds bonds to construct the Western Crime Lab.		
16	Debt Service Increase	\$850,000	
	Increases debt service to reflect the authorization of Two-thirds bonds to replace the Albemarle Building.		
17	Debt Service Savings	(\$200,000)	(\$200,000)
	Decreases debt service to reflect the authorization of Two-Thirds bonds to replace existing authorized but unissued special indebtedness.		
<u>Department Totals</u>		\$34,758,639	(\$80,050,445) 0.00
		(\$17,823,432) NR	(\$37,914,348) NR

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CAPITAL

Section M

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House/Senate Comparison Report

Capital

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

A. Department of Agriculture and Consumer Services

1 McGough Arena Roof Repair

\$2,000,000 NR

Provides funding to repair the roof of the McGough Arena located at the Western North Carolina Agricultural Center. Any unexpended funds from this project may be used for other repair and renovation projects located on the State Fair Grounds.

A. Department of Cultural Resources

2 Museum of History Expansion

\$1,800,000 NR

Appropriates \$1.8 million to the Department of Cultural Resources for advance planning for the expansion and renovation of the Museum of History in Raleigh in accordance the Museum's strategic plan. The total estimated cost of the expansion and renovation is \$45.2 million.

B. Department of Cultural Resources

3 U.S.S. North Carolina Battleship

\$3,000,000 NR

Appropriates funds to repair the U.S.S. North Carolina Battleship's hull. The funds will match non-State funds. The total estimated cost of the project is \$13 million.

B. Department of Environment and Natural Resources

4 Water Resource Development Projects

\$5,810,000 NR \$5,810,000 NR

Provides funds for the State's share of Water Resource Development Projects. State funds will match \$9.65 million in federal funds and \$1.47 million in local funds. The projects are specified in a special provision.

Capital

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

B. Office of State Budget and Management

5 Museum of History Expansion

\$1,000,000 NR

Appropriates funds to the Museum of History to plan an expansion, renovation, and exhibit development for the Museum of History in Raleigh. Funds are to match non-State funds. The total amount appropriated is \$2 million, of which \$1 million is from the General Fund. There is an accompanying special provision detailing the requirements of the State General Fund appropriation. The estimated total cost of the project is \$45.2 million.

C. Office of State Budget and Management

6 USS North Carolina Battleship Hull Repair

\$3,000,000 NR

Provides a \$3 million dollar challenge grant to the Department of Cultural Resources to repair the USS North Carolina Battleship. The total project is expected to cost \$13 million. The requirements of the grant are outlined in a special provision.

D. Office of State Budget and Management

7 Outer Banks Land Management Reserve

\$3,000,000 NR

Creates a reserve to be used for Oregon Inlet land purchases. Funds shall remain in the reserve and shall not be released until the federal government enters into an agreement to sell land on, or near Oregon Inlet.

D. University of North Carolina

8 Appalachian State University Health Sciences Building Planning

\$4,000,000 NR

Appropriates \$4 million in General Funds and an additional \$1,202,883 in non-State funds to Appalachian State University to fully plan the Health Sciences Building. The total cost of construction is estimated to be \$73.4 million and the total square footage is 203,000 gross square feet.

E. Two-Thirds Bonds

9 Department of Administration - Albemarle Building Renovation

House

Authorizes the issuance of Two-Thirds Bonds to fully renovate the Albemarle Building in Raleigh, NC. The total amount of debt of authorized is \$42.23 million.

Capital

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

10 Bond Reauthorization

Reauthorizes \$206 million of authorized but unissued special indebtedness with Two-Thirds Bonds.

11 Department of Justice - Western Crime Lab

Authorizes the issuance of Two-Thirds Bonds for the purpose of constructing the Western Crime Lab in Edneyville, NC, as planned in S.L. 2012-142 and S.L. 2013-360. The total amount of debt authorized is \$15.4 million.

Department Totals

\$14,610,000	NR	\$14,810,000	NR
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