

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

House Bill 1473

**North Carolina General Assembly
2007 Session**

July 27, 2007

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Budget Reform Statement General Fund Availability

	FY 2007-2008	FY 2008-2009
1 Unappropriated Balance Remaining from Previous Year	0	270,504,098
2 Projected Reversions FY 2006-07	125,000,000	0
3 Projected Overcollections FY 2006-07	1,368,100,000	0
4 Less Earmarkings of Year End Fund Balance		0
5 Savings Reserve Account	(175,000,000)	0
6 Repairs and Renovations	(145,000,000)	0
7 Beginning Unreserved Fund Balance	1,173,100,000	270,504,098
8		
9 Revenues Based on Existing Tax Structure	18,643,100,000	19,670,200,000
10		
11 Non-tax Revenues		
12 Investment Income	212,000,000	222,200,000
13 Judicial Fees	172,500,000	176,600,000
14 Disproportionate Share	100,000,000	100,000,000
15 Insurance	60,200,000	62,800,000
16 Other Non-Tax Revenues	139,300,000	153,400,000
17 Highway Trust Fund/Use Tax Reimbursement Transfer	172,500,000	172,500,000
18 Highway Fund Transfer	18,190,000	17,610,000
19 Subtotal Non-tax Revenues	874,690,000	905,110,000
20		
21 Total General Fund Availability	20,690,890,000	20,845,814,098
22		
23 Adjustments to Availability: 2007 Session		
24 Maintain State Sales & Use Tax Rate at 4.25%	258,400,000	285,900,000
25 State Takeback of Local Sales Tax	0	184,200,000
26 State Hold Harmless for Counties	(19,300,000)	(3,700,000)
27 Corporate Tax Earmarking Adjustments	44,700,000	0
28 Earned Income Tax Credit	0	(48,300,000)
29 IRC Conformity	(56,900,000)	(49,100,000)
30 Health & Human Services/Health Service Regulation Fees	1,705,501	1,642,407
31 Secretary of State Corporate Annual Report Fees	563,016	563,016
32 Long-term Care Insurance Tax Credit	(7,000,000)	(7,200,000)
33 Adoption Tax Credit	(3,000,000)	(3,000,000)
34 Enhance 529 Plan Deduction (House Bill 1016)	(200,000)	(200,000)
35 Privilege Tax on Software Publishers	(2,800,000)	(4,000,000)
36 Research & Development Credit Enhancement	(400,000)	(800,000)
37 Modify Tax on Property Coverage Contracts	(1,500,000)	(3,100,000)
38 Reserve for Manufacturers' and Farmers Energy Tax Provisions	(10,000,000)	(20,000,000)
39 Non-profit Energy Tax Credit	(500,000)	(500,000)
40 Credit for Constructing Renewable Fuels Facilities	0	(2,300,000)
41 Reserve for Work Opportunity Tax Credit	(3,000,000)	(3,000,000)
42 Sales Tax Refund for Aircraft Part Mfgs.	(800,000)	(800,000)
43 Sales Tax Refund - Research Supplies	0	(2,600,000)
44 Adjust Sales Tax Holiday	0	(600,000)
45 Sales Tax Exemption for Bakery Thrift Store	(100,000)	(100,000)
46 Railroad Incentives	(200,000)	(300,000)
47 Firefighter/EMS Income Tax Deduction	(1,000,000)	(1,000,000)
48 Adjust Transfer from Insurance Regulatory Fund	80,274	56,274
49 Adjust Transfer from Treasurer's Office	110,758	98,758
50 Transfer from Closed Capital Account	3,506,143	0
51 Judicial Fees	35,586,118	38,821,220
52 Subtotal Adjustments to Availability: 2007 Session	237,951,810	360,681,675
53		
54 Revised General Fund Availability	20,928,841,810	21,206,495,773
55		
56 Less: General Fund Appropriations	20,658,337,712	20,685,666,538
57		
58 Unappropriated Balance Remaining	270,504,098	520,829,235

SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

Summary of General Fund Appropriations						
Fiscal Year 2007-2008						
2007 Legislative Session						
	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2007-08	Adjustments	Adjustments	Changes	Changes	2007-08
Education:						
Community Colleges	892,934,482	6,491,128	38,680,550	45,171,678	4.00	938,106,160
Public Education	7,466,321,736	118,741,752	129,366,081	248,107,833	8.00	7,714,429,569
University System	2,525,065,071	62,304,105	38,901,841	101,205,946	31.50	2,626,271,017
Total Education	10,884,321,289	187,536,985	206,948,472	394,485,457	43.50	11,278,806,746
Health and Human Services:						
Office of the Secretary	61,815,967	(617,654)	9,684,700	9,067,046	13.00	70,883,013
Aging Division	34,643,589	836,000	464,000	1,300,000		35,943,589
Blind and Deaf / Hard of Hearing Services	10,277,646	934,894	75,000	1,009,894	7.00	11,287,540
Child Development	296,288,148	10,455,870	0	10,455,870		306,744,018
Education Services	38,655,272	290,247	(151,255)	138,992	7.00	38,794,264
Health Service Regulation	17,903,044	1,942,072	303,368	2,245,440	33.00	20,148,484
Medical Assistance	2,877,566,705	32,792,567	10,000,000	42,792,567	14.00	2,920,359,272
Mental Health	711,971,291	4,174,253	(3,063,723)	1,110,530	33.00	713,081,821
NC Health Choice	51,883,163	7,507,992	0	7,507,992		59,391,155
Public Health	174,643,740	2,407,024	15,445,178	17,852,202	7.00	192,495,942
Social Services	212,060,881	3,588,753	1,267,868	4,856,621	6.00	216,917,502
Vocational Rehabilitation	44,374,525	805,956	(125,684)	680,272	3.00	45,054,797
Total Health and Human Services	4,532,083,971	65,117,974	33,899,452	99,017,426	123.00	4,631,101,397
Justice and Public Safety:						
Correction	1,214,815,488	(9,392,687)	8,642,844	(749,843)	16.00	1,214,065,645
Crime Control & Public Safety	39,283,058	2,452,423	9,765,856	12,218,279	21.00	51,501,337
Judicial Department	407,836,051	21,360,774	3,551,040	24,911,814	386.75	432,747,865
Judicial - Indigent Defense	101,886,218	4,279,033	375,000	4,654,033		106,540,251
Justice	94,586,393	431,122	(156,316)	274,806	28.00	94,861,199
Juvenile Justice & Delinquency Prevention	159,464,742	(22,962,069)	21,499,396	(1,462,673)	-98.48	158,002,069
Total Justice and Public Safety	2,017,871,950	(3,831,404)	43,677,820	39,846,416	353.27	2,057,718,366

Summary of General Fund Appropriations

Fiscal Year 2007-2008

2007 Legislative Session

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2007-08	Adjustments	Adjustments	Changes	Changes	2007-08
<u>Natural And Economic Resources:</u>						
Agriculture and Consumer Services	60,254,939	264,822	13,861,940	14,126,762	-1.00	74,381,701
Commerce	41,365,875	(1,116,931)	23,050,211	21,933,280	3.00	63,299,155
Commerce - State Aid	12,268,085	9,432,150	13,645,000	23,077,150		35,345,235
Environment and Natural Resources	189,617,004	1,229,627	14,307,531	15,537,158	-2.00	205,154,162
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	0	0		100,000,000
Labor	16,209,473	385,285	0	385,285	3.00	16,594,758
NC Biotechnology Center	12,583,395	3,000,000	0	3,000,000		15,583,395
Rural Economic Development Center	24,302,607	0	119,500,000	119,500,000		143,802,607
Total Natural and Economic Resources	456,601,378	13,194,953	184,364,682	197,559,635	3.00	654,161,013
<u>General Government:</u>						
Administration	65,923,562	3,350,567	5,167,600	8,518,167	12.00	74,441,729
Auditor	12,722,540	10,486	120,000	130,486		12,853,026
Cultural Resources	68,672,441	2,319,741	3,378,600	5,698,341	8.00	74,370,782
Cultural Resources - Roanoke Island	2,020,023	0	0	0		2,020,023
General Assembly	55,729,083	(1,190,418)	0	(1,190,418)		54,538,665
Governor	6,462,319	(200,000)	0	(200,000)		6,262,319
Housing Finance Agency	4,750,945	4,857,472	9,000,000	13,857,472	2.00	18,608,417
Insurance	30,841,859	56,274	24,000	80,274	4.00	30,922,133
Insurance - Worker's Compensation Fund	4,500,000	0	0	0		4,500,000
Lieutenant Governor	931,294	(17,172)	0	(17,172)	0.10	914,122
Office of Administrative Hearings	3,495,009	19,349	177,100	196,449		3,691,458
Revenue	87,619,246	(3,669,667)	0	(3,669,667)	-47.00	83,949,579
Secretary of State	10,600,417	56,958	819,615	876,573	1.00	11,476,990
State Board of Elections	5,861,461	81,922	245,089	327,011	3.00	6,188,472
State Budget and Management	5,930,060	(59,325)	0	(59,325)	-1.00	5,870,735
State Budget and Management -- Special	4,938,446	683,000	1,350,000	2,033,000		6,971,446
State Controller	20,646,483	57,708	6,000	63,708	2.00	20,710,191
Treasurer - Operations	9,218,372	98,758	12,000	110,758	3.00	9,329,130
Treasurer - Retirement / Benefits	9,165,457	293,500	0	293,500		9,458,957
Total General Government	410,029,017	6,749,153	20,300,004	27,049,157	-12.90	437,078,174

Summary of General Fund Appropriations

Fiscal Year 2007-2008

2007 Legislative Session

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	
	2007-08	Adjustments	Adjustments	Changes	Changes	
					Appropriation	
					2007-08	
Transportation	0	0	0	0	0.00	0
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	619,793,004	(11,233,632)	0	(11,233,632)		608,559,372
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	621,409,384	(11,233,632)	0	(11,233,632)		610,175,752
Statewide Reserves:						
Compensation Increases		488,655,673	1,668,519	490,324,192		490,324,192
Additional Salary Increase for Teacher Assistants		1,150,240	0	1,150,240		1,150,240
Add Additional Step to Teacher Schedule		9,862,065	0	9,862,065		9,862,065
Additional Step to Judicial Longevity		566,643	0	566,643		566,643
Transfer Public Defenders to Judicial Retirement		573,000	0	573,000		573,000
Salary Adjustment Fund: 2007-09 Biennium	23,688,000	0	0	0		23,688,000
Teachers' and State Employees' Retirement Contribution		35,705,000	0	35,705,000		35,705,000
Retirement System Payback		0	45,000,000	45,000,000		45,000,000
State Health Plan		110,184,490	0	110,184,490		110,184,490
Reserve for Eliminated Positions		(10,038,466)	0	(10,038,466)		(10,038,466)
Contingency and Emergency Fund	5,000,000	0	0	0		5,000,000
Information Technology Fund	4,140,000	0	5,000,000	5,000,000		9,140,000
BEACON HR/Payroll		0	20,000,000	20,000,000		20,000,000
Integrated Tax Administration System Replacement		0	5,000,000	5,000,000		5,000,000
Job Development Investment Grants (JDIG)	12,400,000	0	0	0		12,400,000
Subtotal Statewide Reserves	45,228,000	636,658,645	76,668,519	713,327,164		758,555,164
Total Reserves and Debt Service	666,637,384	625,425,013	76,668,519	702,093,532		1,368,730,916

Summary of General Fund Appropriations						
Fiscal Year 2007-2008						
2007 Legislative Session						
	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2007-08	Adjustments	Adjustments	Changes	Changes	2007-08
Total General Fund for Operations	18,967,544,989	894,192,674	565,858,949	1,460,051,623	509.87	20,427,596,612
Capital Improvements						
Water Resources Development Projects	0	0	20,000,000	20,000,000		20,000,000
Other Capital Improvements	0	0	210,741,100	210,741,100		210,741,100
Total Capital Improvements	0	0	230,741,100	230,741,100		230,741,100
Total General Fund Budget	18,967,544,989	894,192,674	796,600,049	1,690,792,723	509.87	20,658,337,712

Summary of General Fund Appropriations						
Fiscal Year 2008-2009						
2007 Legislative Session						
	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2008-09	Adjustments	Adjustments	Changes	Changes	2008-09
Education:						
Community Colleges	893,151,875	6,491,128	0	6,491,128	4.00	899,643,003
Public Education	7,579,725,190	126,560,095	2,030,000	128,590,095	8.00	7,708,315,285
University System	2,578,824,109	76,406,791	1,216,199	77,622,990	25.50	2,656,447,099
Total Education	11,051,701,174	209,458,014	3,246,199	212,704,213	37.50	11,264,405,387
Health and Human Services:						
Office of the Secretary	64,468,327	(1,876,149)	0	(1,876,149)	8.00	62,592,178
Aging Division	34,645,179	836,000	264,000	1,100,000		35,745,179
Blind and Deaf / Hard of Hearing Services	10,321,452	1,113,191	0	1,113,191	7.00	11,434,643
Child Development	296,303,468	14,680,739	0	14,680,739		310,984,207
Education Services	38,518,759	336,698	0	336,698	7.00	38,855,457
Health Service Regulation	17,919,184	2,234,294	502,750	2,737,044	33.00	20,656,228
Medical Assistance	3,158,802,006	221,191,464	10,000,000	231,191,464	14.00	3,389,993,470
Mental Health	713,269,114	8,370,609	0	8,370,609	-9.79	721,639,723
NC Health Choice	51,883,163	7,507,992	0	7,507,992		59,391,155
Public Health	174,331,447	3,694,624	4,136,639	7,831,263	7.00	182,162,710
Social Services	215,228,584	5,998,454	0	5,998,454	6.00	221,227,038
Vocational Rehabilitation	44,712,409	805,956	0	805,956	3.00	45,518,365
Total Health and Human Services	4,820,403,092	264,893,872	14,903,389	279,797,261	75.21	5,100,200,353
Justice and Public Safety:						
Correction	1,235,981,287	(9,353,706)	0	(9,353,706)	16.00	1,226,627,581
Crime Control & Public Safety	39,307,071	2,181,966	0	2,181,966	16.00	41,489,037
Judicial Department	413,500,354	38,073,921	815,642	38,889,563	653.75	452,389,917
Judicial - Indigent Defense	105,772,513	10,218,835	0	10,218,835		115,991,348
Justice	91,003,762	1,167,908	0	1,167,908	28.00	92,171,670
Juvenile Justice & Delinquency Prevention	163,791,473	(21,312,405)	(2,922,964)	(24,235,369)	-125.00	139,556,104
Total Justice and Public Safety	2,049,356,460	20,976,519	(2,107,322)	18,869,197	588.75	2,068,225,657

Summary of General Fund Appropriations						
Fiscal Year 2008-2009						
2007 Legislative Session						
	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2008-09	Adjustments	Adjustments	Changes	Changes	2008-09
Natural And Economic Resources:						
Agriculture and Consumer Services	60,434,179	264,822	0	264,822	-1.00	60,699,001
Commerce	41,406,272	(1,116,931)	0	(1,116,931)	3.00	40,289,341
Commerce - State Aid	12,268,085	2,657,150	6,436,250	9,093,400		21,361,485
Environment and Natural Resources	191,595,711	1,219,952	0	1,219,952	-2.00	192,815,663
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	0	0		100,000,000
Labor	16,209,666	385,285	0	385,285	3.00	16,594,951
NC Biotechnology Center	12,583,395	3,000,000	0	3,000,000		15,583,395
Rural Economic Development Center	24,302,607	0	0	0		24,302,607
Total Natural and Economic Resources	458,799,915	6,410,278	6,436,250	12,846,528	3.00	471,646,443
General Government:						
Administration	66,457,866	4,668,951	0	4,668,951	12.00	71,126,817
Auditor	12,735,993	10,486	0	10,486		12,746,479
Cultural Resources	69,561,683	2,319,741	0	2,319,741	8.00	71,881,424
Cultural Resources - Roanoke Island	2,020,023	0	0	0		2,020,023
General Assembly	56,931,204	(1,190,418)	0	(1,190,418)		55,740,786
Governor	6,500,587	(200,000)	0	(200,000)		6,300,587
Housing Finance Agency	4,750,945	4,857,472	0	4,857,472	2.00	9,608,417
Insurance	30,880,430	56,274	0	56,274	4.00	30,936,704
Insurance - Worker's Compensation Fund	4,500,000	0	0	0		4,500,000
Lieutenant Governor	932,281	(17,172)	0	(17,172)	0.10	915,109
Office of Administrative Hearings	3,502,386	19,349	0	19,349		3,521,735
Revenue	87,711,626	(2,548,298)	0	(2,548,298)	-47.00	85,163,328
Secretary of State	10,686,083	56,958	0	56,958	1.00	10,743,041
State Board of Elections	5,874,026	84,172	88,670	172,842	3.00	6,046,868
State Budget and Management	5,936,765	(59,325)	0	(59,325)	-1.00	5,877,440
State Budget and Management -- Special	4,938,446	683,000	0	683,000		5,621,446
State Controller	20,669,990	57,708	0	57,708	2.00	20,727,698
Treasurer - Operations	9,227,432	98,758	0	98,758	3.00	9,326,190
Treasurer - Retirement / Benefits	9,165,457	293,500	0	293,500		9,458,957
Total General Government	412,983,223	9,191,156	88,670	9,279,826	-12.90	422,263,049

Summary of General Fund Appropriations						
Fiscal Year 2008-2009						
2007 Legislative Session						
	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2008-09	Adjustments	Adjustments	Changes	Changes	2008-09
Transportation	0	0	0	0	0.00	0
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	653,799,484	5,217,423	0	5,217,423		659,016,907
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	655,415,864	5,217,423	0	5,217,423	0.00	660,633,287
Statewide Reserves:						
Compensation Increases		488,655,673	0	488,655,673		488,655,673
Additional Salary Increase for Teacher Assistants		1,150,240	0	1,150,240		1,150,240
Add Additional Step to Teacher Schedule		9,862,065	0	9,862,065		9,862,065
Additional Step to Judicial Longevity		566,643	0	566,643		566,643
Transfer Public Defenders to Judicial Retirement		573,000	0	573,000		573,000
Salary Adjustment Fund: 2007-09 Biennium	23,688,000	0	0	0		23,688,000
Teachers' and State Employees' Retirement Contribution		35,705,000	0	35,705,000		35,705,000
Retirement System Payback		0	0	0		0
State Health Plan		122,890,207	0	122,890,207		122,890,207
Reserve for Eliminated Positions		(10,038,466)	0	(10,038,466)		(10,038,466)
Contingency and Emergency Fund	5,000,000	0	0	0		5,000,000
Information Technology Fund	2,840,000	0	5,000,000	5,000,000		7,840,000
BEACON HR/Payroll		0	0	0		0
Integrated Tax Administration System Replacement		0	0	0		0
Job Development Investment Grants (JDIG)	12,400,000	0	0	0		12,400,000
Subtotal Statewide Reserves	43,928,000	649,364,362	5,000,000	654,364,362		698,292,362
Total Reserves and Debt Service	699,343,864	654,581,785	5,000,000	659,581,785		1,358,925,649
Total General Fund for Operations	19,492,587,728	1,165,511,624	27,567,186	1,193,078,810		20,685,666,538

Summary of General Fund Appropriations						
Fiscal Year 2008-2009						
2007 Legislative Session						
	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2008-09	Adjustments	Adjustments	Changes	Changes	2008-09
Capital Improvements						
Water Resources Development Projects	0	0	0	0		0
Other Capital Improvements	0	0	0	0		0
Total Capital Improvements	0	0	0	0		0
Total General Fund Budget	19,492,587,728	1,165,511,624	27,567,186	1,193,078,810	691.56	20,685,666,538

EDUCATION
Section F

Public Education

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$7,466,321,736	\$7,579,725,190

Legislative Changes

A. Reductions to Continuation Budget

1 Partnership for Excellence	(\$37,500)	R	(\$37,500)	R
Eliminates pass-through appropriation to Partnership for Excellence (formerly "Total Quality Education"), a private non-profit provider of professional development services. Local Education Agencies (LEAs) may use State funds to contract for these services.				
2 Replacement School Buses	(\$4,500,000)	NR		
Reduces the number of buses replaced in 2007-08 by approximately 170. The remaining \$53.9 million budgeted in 2007-08 for this purpose will support replacement of 658 buses.				
3 High Priority Elementary Schools	(\$520,067)	R	(\$520,067)	R
Eliminates special supplementary funding for the two remaining (of thirty-seven original) High Priority elementary schools identified per section 29.1 of S.L. 2001-424. Funding will be reprogrammed to support ongoing State initiatives to address low-performing schools. The State Board may use funds from the ADM Contingency Reserve to assist the remaining two schools should they decide to continue operating as High Priority elementary schools.				
4 Teacher Assistants	(\$5,459,534)	R	(\$5,459,534)	R
Reduces State allotment for teacher assistants.				

B. Expansion - Technical Adjustments

5 Teaching Fellows	\$650,000	R	\$1,300,000	R
Provides funding required to annualize cost of the 100 additional scholarships funded 2 years ago.				
6 Principals for STEM Schools	\$812,500	R	\$812,500	R
Provides funding to annualize principal positions at each of the 10 restructured Science, Technology, Engineering, & Math (STEM) high schools given planning grants and 4 months of principal salary in 2006-07 to support preparations for implementation in 2007-08. Annualized principal positions not included in Governor's expansion budget (remainder of operational funding must come from non-State sources, per language in 2006-07 budget).				

7 Restructured High Schools

Provides funding to support implementation of 7 restructured high schools given planning grants in 2006-07.

\$1,367,254	R	\$1,367,254	R
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8 Education Value Added Assessment System (EVAAS)

Provides funding to support EVAAS licenses for LEAs funded out of the \$845,000, including carryforward, available for expenditure in 2006-07. Consistent with General Assembly's direction to fund as many LEAs as possible within funds available, this additional funding maintains the number of LEAs currently funded.

\$345,000	R	\$345,000	R
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C. Expansion - State Public School Fund

9 ABC Bonuses

Funds ABC bonuses for schools that met or exceeded expected growth in the 2006-07 school year.

\$70,000,000	NR
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10 Class Size Reduction

Provides funding for K-3 teachers to maintain K-3 student/teacher ratios at 18:1.

\$37,500,000	NR
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11 Disadvantaged Student Supplemental Funding (DSSF)

Expands DSSF allotment for all LEAs to increase each LEA's capacity to meet the needs of all of its students.

\$17,563,000	R	\$17,563,000	R
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12 Learn & Earn

Twelve schools were provided planning grants in FY 2006-07 to become Learn & Earn high schools, however only nine schools have indicated that they will be operational in FY 2007-08. As such, this item provides funding for implementation at nine additional Learn & Earn high schools in FY 2007-08, and an additional three Learn & Earn high schools in FY 2008-09. Provides \$10,000 in non-recurring funds per site to support start-up costs associated with first year of implementation. The additional non-recurring money in 2007-08 will provide planning grants for 15 additional high schools.

\$2,445,011	R	\$3,260,015	R
\$700,000	NR	\$30,000	NR

13 Learn & Earn Online

Provides funding to support the delivery of online college credit courses that will be made available to high school students. The non-recurring funds are appropriated to a reserve, and will not revert if they are unused in 2007-08.

\$6,500,000	R	\$10,100,000	R
\$5,000,000	NR		

14 School Connectivity

Provides funding to support partial implementation of a new plan for State-funded and supported IT infrastructure in the LEAs. Part of effort to increase schools' abilities to use up-to-date instructional technology.

\$12,000,000	R	\$12,000,000	R
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15 Instructional Supplies/Materials

Provides additional funds to LEAs for purchase of instructional supplies and materials. Increases funding factor by \$1.94 (4% per ADM) bringing factor to \$50.44 per ADM

\$2,833,994	R	\$2,833,994	R
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16 Academically & Intellectually Gifted

\$1,750,000 R \$1,750,000 R

Increases funds allotted to LEAs to support programming for students identified as academically and intellectually gifted. Increases funding factor by \$29.93 per ADM (for 4% of ADM), bringing factor to \$1,042.53 per student.

17 Children with Disabilities

\$5,000,000 R \$5,000,000 R

Increases funds allotted to LEAs to support special education and related services for students with identified disabilities. Increases funding factor by \$42.01 student in funded headcount (171,617), bringing factor to \$3,199.57 per student.

18 Small County Supplemental Funding

\$2,100,000 R \$2,100,000 R

Provides additional \$1,315,297 to be distributed evenly between each of the 27 LEAs projected to receive funding through this allotment in FY 2007-08 and FY 2008-09 (\$48,715 per LEA). Provides an additional \$784,703 to county LEAs that have less than 1,300 ADM and have experienced a decline in ADM since FY 2001-02. This additional money is to be used to reduce the student-to-teacher ratio in grades K-5 by 1, in grades 6-8 by 2, and in grades 9-12 by 3.

19 Literacy Coaches

\$5,704,400 R \$5,704,400 R

Provides funds to support 100 school-based literacy coaches to be placed in 100 schools that contain an eighth grade. Coaches will provide research-based teaching practices and job-embedded professional development to assist teachers in the development of specialized curricula.

20 Regional Military Family Counselors

\$240,000 R \$240,000 R

Funds four additional counselor positions – one each for the LEAs in Cumberland, Craven, Wayne, and Onslow counties – to provide assistance to families in those counties with issues related to deployment and family relocation. Pursuant to interlocal agreements between local school administrative units, the counselors shall serve families in similar circumstances who reside in adjoining counties.

21 Critical Foreign Language Pilots

\$500,000 R \$500,000 R

Provides funding to support development and piloting of online and traditional high school courses in Chinese, Farsi, or other critical foreign languages; development of licensure standards for critical foreign languages; a lateral entry program for heritage speakers; and grants to LEAs to use as incentives for hiring critical foreign language teachers. Funding will support the creation of two critical foreign language courses in 07-08, and two additional critical foreign language courses in 08-09.

22 Dropout Prevention Grants

\$7,000,000 NR

Establishes new grant program that will distribute funding on a competitive basis to support innovative LEA programs that address dropout prevention.

23 Focused Education Reform Pilot Program

\$4,423,094 R \$7,176,433 R

Funds the first two years of a three-year education reform pilot program in five LEAs to be administered by the Public School Forum of North Carolina, in conjunction with the North Carolina Science, Mathematics and Technology Education Center. Participating LEAs will be selected based on hard-to-staff criteria, geographic diversity, continuing low performance, and high-risk student population. The pilot program will incorporate targeted professional development, after-school programming, teacher recruitment and retention bonuses, principal achievement bonuses, teacher mentoring, and science and math instructional assistance. Where necessary, pilot LEAs will receive funding to support EVAAS licensure. In each FY, \$2,342,705 will be allocated to the Public School Forum of North Carolina for the creation of after-school programs, the creation of a leadership development program for school administrators, food/lodging costs for campus-based summer training, provision of staff/consultants, and administration/coordination of the pilot program. All remaining funds will be distributed through DPI as directed by the parameters of the pilot.

24 School Technology Pilot

\$3,000,000 NR

Provides funds to be used along with a grant from the Golden LEAF Foundation and private sector funds to establish 8 pilot high schools that will incorporate technology in the classroom by providing computers for all teachers and students in the pilot schools. Non-State funds will be used to purchase student and teacher portable computers. State funds will be used to fund a program evaluation, improve network connectivity at each of the pilot sites, assist with professional development for teachers and principals, provide technical support staff, and purchase any additional software, hardware, or other equipment necessary to support the program. Any unused funds at the end of the 2007-08 fiscal year will not revert.

25 Low Wealth Counties Supplemental Funding

\$5,445,081 NR

Provides one-time funding to LEAs that experienced decreases in Low Wealth Counties Supplemental Funding in 2007-08. This money will restore 75% of each LEA's decrease in Low Wealth Counties Supplemental Funding.

26 More at Four

\$56,000,000 R \$56,000,000 R

This appropriation expands the More at Four program by 10,000 slots in 2007-08 and increases the per slot amount by \$400. This will result in 28,653 total available More at Four slots at a per slot amount of \$4,450. This appropriation will also support operating costs, and start-up costs associated with new slots.

D. Expansion - Department of Public Instruction

<p>27 DPI Consolidated Assistance Program Provides funding to support effort to budget assistance program components rather than funding them each year out of reversions. DPI shall budget all components of the Consolidated Assistance Program beginning in FY 2008-09.</p>	<p>\$150,000 R</p>	<p>\$150,000 R</p>
<p>28 DPI Legacy Computer System Upgrades Provides funding to complete technical upgrades required by ITS's review of DPI computing systems (per SB 991). These non-recurring appropriations support the 2nd and 3rd phases of a 3-year phased implementation (\$2 million per year; total of \$6 million, including NR funds in 2006-07).</p>	<p>\$2,000,000 NR</p>	<p>\$2,000,000 NR</p>
<p>29 DPI Testing Positions Funds 3 new positions in the DPI Accountability Services Division.</p>	<p>\$234,600 R 3.00</p>	<p>\$234,600 R 3.00</p>
<p>30 DPI Positive Behavior Support Coordinator Provides funding to support a State-level coordinator of the Positive Behavior Support Initiative, an effort to improve the learning environment for all students by establishing and reinforcing clear behavioral expectations throughout the school building and school day.</p>	<p>\$90,000 R 1.00</p>	<p>\$90,000 R 1.00</p>
<p>31 Financial Literacy Curriculum Provides funding to support training of certain civics and economics teachers in financial literacy in 2007-08. It is the intent of the General Assembly that financial literacy modules be established within the core high school civics and economics curriculum in 2008-09.</p>	<p>\$500,000 R</p>	<p>\$500,000 R</p>
<p>32 Centralization of Professional Development Establishes the Office of Professional Development under the State Board of Education. The Office will catalogue current professional development opportunities, develop a user rating system for professional development programs, examine new professional development opportunities, and ensure that all LEAs are aware of available professional development opportunities. Additionally, the office will develop standards for evaluating professional development providers, provide technical advice to LEAs in order to ensure that professional development expenditures align with local needs, and study the effectiveness of professional development funding.</p>	<p>\$550,000 R 4.00</p>	<p>\$550,000 R 4.00</p>
<p>33 State Board of Education Operating Support Provides additional funds to support operations of the State Board of Education.</p>	<p>\$100,000 NR</p>	

**34 Education Value Added Assessment System (EVAAS) /
Teacher Evaluation Module**

Provides \$355,000 to support EVAAS licenses for all LEAs that have never had EVAAS licenses. The remaining \$750,000 will be used to purchase EVAAS Teacher Analysis to be used in conjunction with EVAAS.

\$1,105,000 NR

35 Receipt-Supported Positions

Creates the following permanent receipt supported positions in the Department of Public Instruction:

A. Comprehensive Exceptional Children Accountability System (CECAS) – Federal IDEA VI-B Handicapped Funds

- 4 Training Consultants - \$318,462
- 1 Training Coordinator - \$89,947
- 1 Quality Analyst - \$99,130
- 1 Office Assistant - \$40,155

Positions will maintain and support LEA usage of CECAS, the management system for personal education plans and identification of children with disabilities. Converts contracted position to permanent State positions.

B. Safe Schools – Federal 21st Century Community Learning Centers

Education Consultant - \$75,024

Consultant will provide technical assistance to schools and LEAs on middle and high school counseling issues, and provide technical assistance and monitor the 190 centers providing after-school programs to at-risk students. Converts a contract position to a permanent State position.

C. Child Nutrition – Federal Child Nutrition Funds

2 School Meals Program Consultants - \$152,444

Consultants will assist local education agencies in ensuring that all compliance requirements for federal child nutrition programs are met and that the State's nutritional standards are implemented. Consultants will coordinate the implementation and oversight of the US Department of Agriculture's Seamless Summer Food Service program, Summer Milk program, Fruit and Vegetable program, USDA Best Practice program, and the Healthier US program.

D. DPI Communications and Information – Receipts from Use of Services

- 2 IT Technical Support Analysts - \$95,431
- 1 Operations & Systems Technician - \$38,291

Analyst positions will assist DPI with website maintenance and development. Technician will finish jobs in the department's printing and duplicating centers. Converts contracted positions to permanent State positions.

E. Children with Special Needs – Federal IDEA VI-B Handicapped Funds

3 Education Program Administrators - \$257,943

One administrator will be responsible for charter school monitoring, one for local education agency (LEA) program monitoring, and one will be assigned for dispute resolution. Converts contracted positions to permanent State positions.

F. Financial and Business Services – Indirect Cost Funds

Social Research Assistant - \$41,735

Research assistant will help design the research intern program being established in the Financial and Business Services Area by coordinating hiring of graduate student interns and monitoring research projects.

G. Reading First – Federal Reading First Funds

Education Consultant - \$94,830

Consultant will oversee roll-out of NC Reads training to all K-3 schools that do not receive Reading First grants and support incoming calls relating to participation in and implementation of NC FEADS I and II.

H. Technology Services – ½ Lottery funds, ½ Federal Title I Funds

Business & Technology Applications Specialist - \$107,165

Specialist will serve as a technical documenter and will facilitate the modification/maintenance of systems that support More at Four and Title I programs. Converts contracted position to permanent State position.

I. Human Resource Management – Federal Troops to Teachers and Licensure Receipts

- 1 Administrative Officer - \$61,662
- 1 Education Licensure Specialist - \$49,770

The administrative officer coordinates the federal program that facilitates the transition of qualified military personnel into the teaching profession. The licensure specialist works with prospective and current teachers in maintaining/securing their license to teach in North Carolina. Administrative officer will be a permanent State position, converted from a contracted position.

J. Curriculum and Instructional Services – Federal Title I Funds

Chief Consultant - \$92,242

Consultant will manage the program operation of the Department's largest federal grant (over \$300 million).

K. Attorney General's Office – Worker's Compensation

Public Education

Receipts

Attorney III - \$102,881

Attorney will be placed in the Tort Claims Section of the Department of Justice and will manage claims associated with the DPI's workers' compensation cases.

E. Expansion - Pass-Throughs

36 Communities in Schools

Provides additional funds to private non-profit organization that assists with the establishment and development of local student support programs designed to prevent academic failure and dropout. The funding shall be granted to local programs as "seed money" for both new and established programs. In addition, the General Assembly recommends that CIS use up to \$300,000 from its cash reserves for additional grants to local programs.

\$500,000	R	\$500,000	R
\$550,000	NR		

37 Teacher Academy

Provides funds to the Teacher Academy to provide specialized training of literacy coaches. Funds shall be used to provide both ongoing training to coaches employed in FY 2006-07 and initial training to coaches employed for the first time in FY 2007-08.

\$2,000,000	R	\$2,000,000	R
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38 Teach for America

Provides additional pass-through funds to support this private non-profit organization's efforts to recruit teachers to hard to staff schools in North Carolina.

\$200,000	NR		
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39 Science Competitions

Provides \$100,000 in additional funding for Science Olympiad. Also provides \$100,000 to the North Carolina Science, Mathematics and Technology Education Center, Inc. to support the establishment of new interscholastic science competitions.

\$200,000	R	\$200,000	R
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40 Kids Voting

Provides funding to support continued operation of the Kids Voting program which received a non-recurring appropriation of the same amount in FY 2006-07. \$50,000 will be used to implement new Kids Voting programs in nonparticipating counties across the State. \$200,000 will be divided on the basis of the North Carolina Department of Public Instruction's Average Daily Membership with a minimum of \$2,500 for the following counties: Alleghany, Buncombe, Cabarrus, Catawba, Clay, Cumberland, Davie, Durham, Greene, Guilford, Haywood, Henderson, Iredell, Jackson, Lee, Madison, Mecklenburg, New Hanover, Onslow, Randolph, and Wake to assist those counties with their Kids Voting programs.

\$250,000	NR		
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41 Ag in the Classroom

Provides funding to support the delivery of the Ag in the Classroom program

\$50,000	NR		
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42 Schools Attuned

Provides additional recurring funds to private non-profit organization that delivers professional development training to North Carolina public school educators for recognizing, understanding, and managing students with differences in learning.

\$300,000 R \$300,000 R

43 Teacher Cadet Program

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

\$278,500 NR

44 Project Enlightenment

Provides funds to non-profit program to administer the NC Literacy Connection Program. The program will develop a statewide network of preschool early literacy leaders, and provide them with research-based training and support for coaching preschool teachers on literacy instruction strategies. In addition, the program will provide training and technical support to the More at Four program.

\$200,000 NR

45 NC Humanities Council Teacher Institute Program

Provides additional funds to non-profit program focused on promoting teaching and learning that develops teachers' capacities to understand, empathize with, and relate to various cultures.

\$100,000 NR

46 PTA Parental Involvement Initiative

Provides funds to the North Carolina Congress of Parents and Teachers, Incorporated, a non-profit organization, to implement the PTA Parental Involvement Initiative.

\$262,500 NR

47 ExplorNet

Provides additional funds to the Centers for Quality Teaching and Learning, a program that promotes effective use of information technology in public schools, run by ExplorNet, a private non-profit organization.

\$125,000 NR

Total Legislative Changes	\$118,741,752	R	\$126,560,095	R
	\$129,366,081	NR	\$2,030,000	NR
Total Position Changes	8.00		8.00	
Revised Budget	\$7,714,429,569		\$7,708,315,285	

UNC System

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$2,525,065,071	\$2,578,824,109

Legislative Changes

A. Base Budget Adjustments

48 Principals' Executive Program Budget Change	(\$1,266,170)	R	(\$1,266,170)	R
Converts the Principals' Executive Program (PEP) budget to nonrecurring funds for the FY 07-09 biennium. Funding will be returned to a recurring basis if PEP demonstrates to the General Assembly that its programs make a positive, measurable impact on conditions for teaching and learning in schools.	\$1,266,170	NR	\$1,266,170	NR
49 Future Efficiency Reductions	(\$15,000,000)	R	(\$22,000,000)	R
Reduces campus operating budgets based on future recommendations of the President's Advisory Committee on Efficiency and Effectiveness (PACE).				
50 NC Progress Board Elimination	(\$227,971)	R	(\$227,971)	R
Eliminates the funding for the North Carolina Progress Board, which ceased operation in December 2006.				
51 Building Reserve Adjustments	(\$1,711,153)	NR	(\$4,092,971)	NR
Adjusts the building reserves for new and renovated buildings due to changes in completion dates, recalculation of reserve costs, and deletion of projects pending legislative approval.				
52 FSU Equipment Reduction	(\$9,500)	R	(\$2,000)	R
Removes an error made in the calculation of equipment for Fayetteville State University.				
53 Medical Scholarships Reduction	(\$50,000)	R	(\$50,000)	R
Reduces the amount appropriated for medical scholarships for students in the State's four medical schools based on their actual tuition and fee rates instead of estimated rates.				
54 Religious College Grant Reduction	(\$63,000)	NR		
Makes one-time grant reduction because Fall 2007 payments to Roanoke Bible College and Southeastern College are determined in Spring of 2007. Only \$357,000 of the \$420,000 appropriation is needed in FY 07-08.				

55 Affiliate Institutions- Efficiency Reduction

(\$2,873,935) R (\$2,873,935) R

Implements the reductions recommended by the President's Advisory Committee on Efficiency and Effectiveness (PACE) for UNC Affiliate institutions. The reductions are as follows:

-11.00

-11.00

Information Technology

\$90,000 - Eliminate the Multimedia Educational Resource for Learning and Online Teaching (MERLOT) project and professional development support for the Teaching & Learning with Technology Conference.

\$90,000 - Eliminate the Collaborative Procurement Director position in the Coordinated Technology Management program

\$223,136 - Eliminate UNC Distance Education support operation.

\$550,000 - Reduce NC Research and Education Network (NOREN) equipment refresh funding.

Higher Education Student Aid Programs

\$83,065 - Eliminate one applications programmer position.

\$821,358 - Fund SEAA operations from state and federal receipts.

\$38,089 - Eliminate SPA Program Director.

Center for School Leadership Development

\$85,000 - Eliminate one Director position by consolidating teacher recruitment programs.

\$25,000 - Relocate the NC Model Teacher Consortium into the CSLD facility.

\$146,931 - Eliminate the Education Law North Carolina publication operation.

\$135,628 - Consolidate CSLD program support into a central service operating unit.

\$125,000 - Transfer State funded conferencing direct support activities to conference receipts to consistently match revenues with associated expenses.

\$100,000 - Reduce Hunt Institute administrative costs through program consolidation along with implementing in-house research.

UNC Center for Public Television

\$150,000 - Realize savings from operational audit.

\$89,952 - Eliminate seasonal in-house manufacturing interface services by obtaining service in equipment acquisitions.

Other UNC Program Reductions

\$85,170 - Leverage operational capacities between Education Pathways and SEAA.

\$35,606 - Reduce personnel costs by consolidating the Higher Education Facility Commission with the Institutional Research and Analysis Division.

FY 07-08

FY 08-09

56 Office of the President - Efficiency Reduction

(\$1,271,352) R (\$1,271,352) R
-12.50 -12.50

Implements the reductions recommended by the President's Advisory Committee on Efficiency and Effectiveness (PACE) for the Office of the President. \$1.9 million in savings were made by reducing operating expenses and by eliminating 15.5 positions in Finance(3.5), Human Resources(1), Academic Affairs(4), Information Resources(1), President's Office(1), Strategy Development and Analysis(1), University Affairs(2) and University Schools(2). Approximately \$570,000 of the reduction was reallocated to hire a Chief of Staff, a VP for Economic Development, and an Audit Compliance and Oversight Officer.

57 NC Center for Nursing

(\$509,824) R (\$509,824) R
\$509,824 NR -6.00

Eliminates funding for the North Carolina Center for Nursing in FY 08-09. Restoration of FY 2008-09 funds is subject to the findings of a legislative continuation review.

58 Need-Based Financial Aid

(\$21,587,990) R

Makes the UNC need-based grants 100% funded from the Escheat Fund in FY 08-09.

B. Expansion - Technical Adjustments

59 Graduate Nurse Scholarship Program for Faculty Production

\$1,200,000 R \$1,200,000 R

Funds the second year of this scholarship loan program for nurse faculty production that was created in the 2006 Session. Adds 80 additional \$15,000 scholarships. Priority will be given to Community College faculty needing an advanced degree to meet new accreditation standards for nursing instructors.

60 NC School of Science and Math Tuition Grant

\$449,905 R \$834,099 R

Funds the tuition remission for the fourth class of graduates from the NC School of Science and Math. Also adjusts the appropriation for increased tuition/fees and for increased class participation in the program. In FY 07-08, 800 students will receive an average tuition award of \$3,441.

61 Future Teacher Scholarship Loan

\$325,000 R \$325,000 R

Funds the second year cost of the 50 scholarship loans added in the 2006 Session. The scholarships are \$6,500 each.

62 UNC Enrollment Growth Adjustment

\$5,988,206 R \$5,988,206 R

Restores funding cut in projected enrollment cost for FY 07-08 made by the Office of State Budget and Management in the base budget process. Uses previously agreed upon enrollment funding model to project expenditures.

63 Private College Enrollment Growth

\$2,372,250 R \$2,372,250 R

Increases the appropriation for the Legislative Tuition Grant and the State Contractual Scholarship Fund for a 3% increase in the number of NC residents attending the State's private colleges. In FY 07-08, the number of students is projected to increase from 33,493 to 34,498.

64 Elizabeth City State University Pharmacy Space

Funds the leases of six modular units that house the Pharmacy Program until a permanent facility is constructed.

\$43,000 NR \$43,000 NR

65 UNC-Pembroke Modular Building Leases

Funds the leases of two facilities that house offices of faculty that were hired due to campus growth and one facility for a new Entrepreneur Center in the School of Business.

\$83,843 R \$88,035 R

C. Expansion

66 Need-Based Financial Aid

Funds the inflationary cost of room board, books and supplies, and the scheduled increase in tuition and fees for the 41,143 students that receive UNC need-based grants (\$22 million). Also funds the 5,421 income eligible students that typically go unfunded each year because their applications are filed after the aid has been dispersed in the spring (\$13.6 million). The \$35.6 million in increased cost is funded from the Escheat Fund each year.

67 UNC Online

Funds the continued development of UNC Online, a virtual online education center with related support and technology infrastructure that will provide one-stop access to and delivery of UNC online degree and certificate programs.

\$2,000,000 R \$2,000,000 R
\$2,200,000 NR

68 Information Technology Initiatives

Funds the creation of a secondary data center (hot site) for disaster recovery operations. Also funds a shared hardware platform and regional (multi-campus) hosted enterprise systems and services solution center.

\$640,000 R \$640,000 R

69 AHEC Residencies

Increases funding of the AHEC program that trains family physicians and other primary care doctors to address ongoing chronic shortages in the most underserved parts of the state. Also funds development of clinical training sites for students in pharmacy, medicine, nursing, allied health, and mental health, and supports development of programs to improve quality of care.

\$570,791 R \$570,791 R

70 ECU Brody Outpatient Center Indigent Care

Provides partial reimbursement of the free medical services ECU physicians provide to indigent patients at the Brody Outpatient Center.

\$2,500,000 NR

71 UNC Hospitals Indigent Care

Provides funds for indigent care services at UNC Hospitals.

\$1,000,000 NR

72 ECU Dental School Operations

Funds the professional staff needed for planning and operation of the new dental school.

\$1,000,000 R \$1,000,000 R

73 TEACCH

\$368,000 R \$368,000 R

Provides funds to the TEACCH (Treatment and Education of Autistic and Related Communication-Handicapped Children) program for the following:

- 1) \$175,702 - Expands TEACCHing At Home Program to Asheville and Wilmington to provide home-based early intervention services to autistic preschoolers from 18 months to 3 years of age.
- 2) \$142,298 - Provides a 4% raise to complete the therapist pay increase plan initiated in the 2006 Session.
- 3) \$50,000 - Provides funds to match federal research grants.

74 Perinatal Mortality and Disease

\$50,000 R \$50,000 R

Appropriates funds to the UNC-Chapel Hill School of Medicine to support the Perinatal Quality Collaborative of North Carolina. This group is committed to improving clinical and health system issues in perinatal care.

75 UNC-CH Cochlear Implant Program

\$400,000 NR

Appropriates funds to the UNC Board of Governors to be allocated to the Center for the Acquisition of Spoken Language through Listening Enrichment (CASTLE), which is operated by the Carolina Children's Communicative Disorders Program of The University of North Carolina Health Care System to 1) train teachers and therapists to work with deaf preschool-age children with cochlear implants and 2) provide oral preschool classes to these children.

76 ECU Auditory Learning Center

\$100,000 NR

Appropriates funds to the UNC Board of Governors to be allocated to East Carolina University Health Sciences Division and the Auditory Learning Center to 1) train teachers and therapists to work with deaf preschool-age children with cochlear implants and 2) provide oral preschool classes to these children.

77 NC Research Campus at Kannapolis

\$8,500,000 R \$8,500,000 R
 \$8,000,000 NR

Provides operating funds for UNC programs located at the North Carolina Research Campus in Kannapolis. Of the recurring funds, \$4.2 million is for leases and \$4.3 million is for new faculty positions. The nonrecurring funds are to be used for faculty startup (\$4 million) and for equipment (\$4 million).

78 North Carolina Engineering Technology Center at Hickory

\$600,000 R \$600,000 R

Provides operating funds for the North Carolina Engineering Technology Center in Hickory.

79 Gateway Technology Center

\$177,000 R \$177,000 R

Provides funding to the Gateway Technology Center located on the campus of North Carolina Wesleyan College for a) operating funds for the Center which offers online courses from East Carolina University and NC State University (\$150,000) and b) support for the summer math and engineering camps for school children (\$27,000).

80 State Contractual Scholarship Fund Increase

\$3,220,000 R \$3,220,000 R

Increases the State Contractual Scholarship Fund from \$1,250 per Full Time Equivalent (FTE) North Carolina student in the state's private colleges to \$1,350 per FTE student. These funds are for financially needy students.

81 Legislative Tuition Grant Increase

\$1,600,000 R \$1,600,000 R

Increases the Legislative Tuition Grant from \$1,900 to \$1,950 per North Carolina resident student in the state's private colleges.

82 Legislative Tuition Grant for Part-Time Students

\$1,500,000 R \$1,500,000 R

Expands the Legislative Tuition Grant to include part-time North Carolina resident students who take a minimum of nine credit hours per semester.

83 NC LIVE for Private Colleges

\$90,000 NR

Funds a portion of the costs charged to private colleges for their participation in NC LIVE (North Carolina Libraries for Virtual Education), the state's electronic library that provides access to magazine articles, national and local newspapers, business and professional journals, reference sources and research material.

84 Religious College Grant

\$29,700 R \$29,700 R

Increases the Religious College Grant from \$1,800 to \$1,950 per North Carolina resident student attending Roanoke Bible College and Southeastern College.

85 Hunt Institute

\$500,000 R \$500,000 R

Provides funding for additional operating support and for research on improving science and math instruction, encouraging out-of-school programs, and assisting groups involved in educational improvement.

86 UNC-TV Statewide Programs

\$289,952 R \$289,952 R

Provides funds to support UNC-TV's statewide programming of North Carolina Now, North Carolina Legislative Review, and Legislative Week in Review.

87 North Carolina in the World Project

\$200,000 NR

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

88 UNC System Lateral Entry Programs

\$750,000 NR

Supports lateral entry programs at the constituent institutions of The University of North Carolina. Funds shall be allocated to the programs in the amounts designated by the Board of Governors.

89 NCSU Center for Universal Design

Provides funding to this Center in the College of Design at North Carolina State University that promotes accessible and universal design in housing, buildings, outdoor and urban environments and related products. The Center works with builders and manufacturers on new design solutions and provides information, referrals and technical assistance to individuals with disabilities.

\$300,000 NR

90 Joint Program in Nanotechnology

Funds the creation of a joint graduate School of Nanoscience and Nanoengineering at NC A&T and UNCG's Millennium Campus.

\$1,400,000 R \$1,400,000 R

91 North Carolina Central University Law School

Provides funding to the NCCU Law School to address the American Bar Association accreditation recommendations.

\$2,500,000 R \$2,500,000 R

92 UNC-CH Law School

Provides funding to the UNC-Chapel Hill Law School to address deficiencies in the operating budget.

\$2,000,000 R \$2,000,000 R

93 Special Focus Institutions

Provides additional funding to UNC-Asheville (\$500,000), to the North Carolina School of the Arts (\$500,000), and to the North Carolina School of Science and Math (\$100,000) for nonrecurring needs. The missions and limited sizes of these institutions make it difficult for them to generate sufficient funds from the student credit hour enrollment funding model and other sources to provide the services students need.

\$1,100,000 NR

94 Fire Protection for UNC-Pembroke

Provides a grant-in-aid to the Pembroke Rural Volunteer Fire Department, Inc. to purchase a 100-foot aerial fire truck and equipment to ensure adequate fire protection services to the University of North Carolina at Pembroke.

\$750,000 NR

95 North Carolina Specialty Crops Program

Provides operating support to the North Carolina Specialty Crops Program, a statewide partnership of the College of Agriculture and Life Sciences at North Carolina State University and the Marketing Division of the North Carolina Department of Agriculture and Consumer Services.

\$300,000 NR

96 EARN Scholars

Funds the proposed EARN (Education Access Rewards North Carolina) Scholars program. This program will be funded with \$27.6 million from the General Fund in FY 07-08 and \$60 million from the General Fund and \$40 million from the Escheat Fund in FY 08-09.

\$27,605,210 R \$60,000,000 R

97 Veterinary Medicine Clinical Teaching and Research Fund

Provides funds to the NC State University College of Veterinary Medicine to establish a Veterinary Medicine Clinical Teaching and Research Fund. This fund will allow advanced diagnostic and treatment options for animals where a) owner financing of such options are limited, b) significant instructional value exists, or c) the diagnostic and treatment options have the potential of adding significantly to core knowledge in the relevant clinical area.

\$200,000 NR

98 Shellfish Restoration Funds

Funds a shellfish restoration project conducted by the UNC Chapel Hill Institute of Marine Sciences in Morehead City. The project will attempt to 1) restore the North Carolina bay scallop, 2) conduct a pilot project to protect oyster sanctuaries from cownose ray and skate predation, and 3) evaluate and combat the damage done by the cownose rays and skates to seagrass nursery habitat. The UNC Chapel Hill Institute of Marine Sciences shall work in conjunction with the Department of Environment and Natural Resources to facilitate this initiative.

\$300,000 NR

99 Statewide Program for Infection Control and Epidemiology

Funds the Statewide Program for Infection Control and Epidemiology (SPICE) at the UNC Chapel Hill School of Medicine.

\$150,000 NR

100 UNC Press

Provides funds to establish a Digital Asset Management System to manage and manipulate electronic files for all new books, and to digitize out-of-print titles.

\$160,000 NR

101 NCSU Entrepreneurship & Regional Cluster-Based Economic Development Funds

Provides funding to NCSU to expand the activities of the Industrial Extension Service, foster new microenterprises, capture the production of new high technology-based products, and pursue focused recruitment and retention efforts in high-priority job clusters.

\$500,000 NR

102 NCSU College of Engineering

Provides additional operating funds for the bioengineering program in the NCSU College of Engineering.

\$5,000,000 R \$5,000,000 R

55.00

55.00

103 Teacher Education Recruitment and Retention Efforts

\$1,500,000 R \$1,500,000 R

Provides funds to implement teacher recruitment and retention efforts in the UNC system's 15 teacher education programs.

Of these funds, \$750,000 is dedicated to the following:

1) To NCSU to strengthen on-going programs to develop new teaching methods for science and math teachers across the state, including the Kenan Fellows program and the statewide network of 4-H educational programs.

2) To UNC-CH to support a model program to train new teachers in science and math education and develop a National Board Science and Math Teacher Center in collaboration with the Center for Teaching Quality, which will increase the number of National Board certified teachers in hard-to-staff schools.

104 Principals' Executive Program Leadership Program for Middle & High Schools

\$607,000 NR

Continues the joint effort of the Principals' Executive Program (PEP) and the Kenan-Flagler Business School at UNC-CH to improve the management and leadership skills of leadership teams from low-performing middle and high schools. This funding will cover the cost of Kenan-Flagler's services, instructor fees, books and materials, lodging, and venue rental for 110 participants each year.

105 UNC/NCCCS 2+2 Joint E-Learning Initiative

\$1,000,000 R \$1,000,000 R

Provides recurring funds for the UNC/NCCCS 2+2 Joint E-Learning Initiative that was established in 2005 with nonrecurring funds. In FY 2007-09 biennium, these funds will be used to develop a method to track student progress and articulation among and across campuses and to develop technology to support online courses and 2+2 programs.

106 Academic Summer Bridge and Retention Pilot Programs

\$1,193,000 R \$1,193,000 R

Funds Academic Summer Bridge and Retention Pilot Programs at the seven Focused Growth institutions (ECSU, FSU, NC A&T, NCU, UNCP, WCU, and WSSU) to target first generation college students or students requiring additional college preparation. Students will attend a four to five week residential summer session before their freshman year to study English and math. Students attending these sessions will earn 6 hours of credit toward their degree.

107 Graduate Student Recruitment and Retention

\$2,000,000 R \$2,000,000 R

Funds new tuition waivers aimed at recruiting and retaining top tier graduate students in science and technology.

108 Biomanufacturing Research Institute & Technology Enterprise (BRITE)

\$1,000,000 R \$1,000,000 R

Provides additional operating funds for the Biomanufacturing Research Institute & Technology Enterprise (BRITE) initiative at NCU.

109 Competitiveness Fund

Creates a research competitiveness fund to support strategic investments in emerging areas of importance to the economic competitiveness of the state. The awards would emphasize interdisciplinary research to encourage the involvement of multiple UNC campuses. The fund would be focused on such areas as: Nanosciences, Marine Sciences, Natural Products, Environmental Sciences, Information Technology, Biomanufacturing, Port Logistics, Marine Aerodynamics, Pharmacogenomics, Biomedical Sciences, Advanced Materials Sciences and Biotechnology.

\$3,000,000 NR

110 University Cancer Research Fund

Provides General Fund support to the President of the University of North Carolina for distribution to UNC Hospitals for cancer research. The following funds are also appropriated to the University Cancer Research Fund: 1) \$8 million from the Tobacco Trust Fund each year and 2) \$11.4 million in FY 07-08 and \$16.5 million in FY 08-09 from an increase in the tax on tobacco products other than cigarettes. The total available in the University Cancer Research Fund is \$25 million in FY 07-08 and \$40 million in FY 08-09. A total of \$50 million will be available in FY 09-10 and annually thereafter.

\$5,600,000 R \$15,500,000 R

111 Distinguished Professors Endowment Fund

Provides \$4.6 million to be administered by the University of North Carolina Board of Governors for a private Challenge Grant Initiative to be allocated to each of the sixteen constituent universities as per G.S. 116-41.5.

\$6,000,000 NR

Provides \$1.4 million to be administered by the UNC Board of Governors to address the existing backlog of endowed professorships.

112 Center for Design Innovation

Provides funding for the Center for Design Innovation, a program jointly operated by the NC School of the Arts, Winston-Salem State University, and Forsyth Technical Community College since 2004. This Center specializes in the application of digital design in entertainment, life science, education, product design, and product marketing to generate and facilitate design-focused instruction, research, workforce development, and entrepreneurial activity; to promote educational programming that emphasizes innovation; and to act as a design-based business cluster accelerator in the Piedmont Triad.

\$500,000 R \$500,000 R

113 Inland Port Study

Provides funding to the Institute for the Economy and the Future of Western Carolina University, to study the feasibility of establishing an inland port within the 23 county region of the North Carolina Regional Economic Development Commission, known as AdvantageWest. Western Carolina University shall work with AdvantageWest in conducting the study.

\$100,000 NR

114 The Soldier Institute for Regenerative Medicine

Provides funds to Wake Forest Institute for Regenerative Medicine at Wake Forest University to attract federal investment in The Soldier Institute for Regenerative Medicine at Piedmont Triad Research Park to develop advanced regenerative techniques for treatment of soldier wounds – from the battlefield to the hospital and through long-term care by creating major tissue reconstruction for limbs, fingers and toes, facial reconstruction, and skin burn repair. Except as may be restricted by the Department of Defense, the contract for the grant shall require the grantee to provide the State an equitable share of any revenue from patents, royalties, licensing agreements, or other ancillary revenues that might be generated.

\$8,000,000 NR \$4,000,000 NR

115 Teacher Education Pilot Program

Provides funds for summer term teacher education programs at UNC campuses.

\$750,000 R \$750,000 R

116 Center for Bioenergy Technologies

Provides funds to expand initiatives at North Carolina State University for research and development of bioenergy technologies. Three components of the Center for Bioenergy Technologies would be (i) new technologies for efficient and clean use of traditional energy sources; (ii) alternative, environmentally safe, and renewable energy sources; and (iii) research of energy technologies and the impacts on the environment and North Carolina's rural economy. The Southeastern Energy Field Laboratory (Duplin Co.) would be the focal point of the production and bioprocessing of various agricultural substrates into biofuels. It also would serve as a demonstration facility by being operated using alternative energy sources including bioenergy, wind, thermal, or solar.

\$1,500,000 NR

117 John B. McLendon Leadership Awards

Establishes the John B. McLendon Scholarship Fund to award two leadership scholarships each year to two student athletes at each of North Carolina's ten Historically Black Colleges and Universities. The \$1,250 awards are paid from the interest of the Fund beginning in FY 08-09.

\$500,000 NR

118 Hugh Morton Collection

Provides funds to the North Carolina Collection in the Louis Round Wilson Library at UNC-Chapel Hill to process and preserve the collection of photographic prints and negatives donated by Hugh Morton.

\$150,000 NR

Total Legislative Changes	\$62,304,105	R	\$76,406,791	R
	\$38,901,841	NR	\$1,216,199	NR
Total Position Changes	31.50		25.50	
Revised Budget	\$2,626,271,017		\$2,656,447,099	

Community Colleges

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$892,934,482		\$893,151,875	

Legislative Changes

A. Enrollment and Tuition

119 Fully Fund Enrollment Growth

\$3,315,117	R	\$3,315,117	R
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Provides funds to fully fund enrollment growth. Community college enrollment has increased by 2,296 FTE, from 193,027 to 195,323, an increase of 1.2%. This enrollment growth requires a total appropriation of \$8.8 million. The continuation budget included \$5.5 million for this purpose. However, the data needed to accurately calculate enrollment growth requirements were not available at the time the continuation budget was developed. This appropriation provides the remaining \$3.3 million needed.

120 Increase Tuition by 6.3%

(\$7,500,000)	R	(\$7,500,000)	R
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Increases community college tuition by 6.3%. In-state tuition will increase from \$39.50 to \$42.00 per credit hour up to 16 hours; full-time resident students will pay \$672 per semester or \$1,344 per year. Out-of-state tuition will increase from \$219.50 to \$233.30 per credit hour up to 16 hours. These additional tuition receipts will remain with the NC Community College System to fund expansion items, increasing total spending by an additional \$7.5 million.

121 Enrollment Growth Reserve

\$2,000,000	NR		
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Provides funds for an Enrollment Growth Reserve to assist colleges that experience high growth in the fall semester. Funds shall be distributed to colleges that realize an increase greater than 5% over the previous fall semester.

B. Formula Enhancement

122 Allied Health

\$5,600,000	R	\$5,600,000	R
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Provides additional funds to support allied health programs. Funds may be used for allied health equipment and supplies, or to supplement the salaries of allied health faculty. Funds shall be distributed on the basis of Allied Health FTE.

C. Distance Learning

123 Data Connectivity

\$3,827,600	R	\$3,827,600	R
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Provides funds to increase community college bandwidth. Enhanced connectivity is necessary to expand distance learning initiatives. Funds shall be used to provide base-level bandwidth at each community college commensurate with institutional size.

124 Virtual Learning Centers

Provides funds to establish three additional Virtual Learning Centers (VLCs). VLCs develop and refine online course content. The VLCs shall be established by the System Office through a request for proposal (RFP) process, soliciting participation from colleges interested in hosting a VLC. Funds may be used for staff and operating expenses related to course development, course editing, and professional development of instructors delivering online instruction.

\$550,000	R	\$550,000	R
\$45,000	NR		

125 Virtual Computing Lab

Provides funds to contract for 100 "seats" dedicated for community college students at NCSU's Virtual Computing Lab. The lab provides students state-of-the-art secure computing services, either as part of classroom instruction or individualized assistance. The virtual computing lab should result in reduced IT support, computer down-time, and duplicative software costs.

\$130,600	R	\$130,600	R
\$500,400	NR		

126 Distance Learning System Office Support

Provides funds to establish three positions - an instructional designer, an applications integrator, and an IT services support analyst - to support the NCCCS distance learning initiatives.

\$255,743	R	\$255,743	R
\$6,000	NR		
3.00		3.00	

D. Categorical and Miscellaneous Programs

127 Reallocate Minimum Faculty Salary Adjustment Funds

Eliminates funding appropriated in 2004 for specific full-time faculty members that were being paid below the minimum salary levels adopted that year by the General Assembly and reallocates those funds to support community college expansion items.

(\$1,200,000)	R	(\$1,200,000)	R
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128 Equipment

Provides additional funds for the purchase of instructional equipment at all 58 community colleges. These funds shall be distributed in accordance with the existing equipment formula.

\$10,000,000	NR		
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129 Multi-Campus Center Funds

Provides additional funds to support multi-campus centers (MCCs), satellite campuses that provide students services and at least one degree program. One additional MCC - Ashe County MCC of Wikes Community College - was approved by the State Board of Community Colleges in FY 2006-07, bringing the total number of MCCs to 24.

\$100,000	R	\$100,000	R
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130 NC Military Business Center

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

\$1,250,000 R \$1,250,000 R

131 NC REAL

Provides funds for NC REAL (NC Rural Entrepreneurship through Active Learning). This program was formerly supported by the Worker Training Trust Fund.

\$250,000 NR

132 Motorsports Consortium Funds

Provides funds for curriculum development activities of the North Carolina Motorsports Consortium, which is established to help create a highly trained workforce to support the State's motorsports industry.

\$500,000 NR

133 Hosiery Technology Center

Provides funds to establish a research and development center for the seamless manufacturing industry. The center shall operate under the Hosiery Technology Center at Catawba Valley Community College and Randolph Community College. These funds shall be used to enhance diversification in hosiery manufacturing operations where seamless production is compatible with hosiery manufacturing.

\$100,000 NR

134 Male Minority Mentoring

Provides funds to expand the Male Minority Mentoring program to 15 additional community colleges.

\$475,000 NR

135 NC Center for Viticulture and Enology

Provides funds for the NC Center for Viticulture and Enology located at Surry Community College. Funds may be used for equipment, staff, and building operations. An additional \$500,000 has been appropriated in the Department of Commerce budget for viticulture promotion, providing a total of \$1 million for the advancement of the viticulture industry in the State.

\$500,000 NR

136 NC Research Campus

Provides funds for the Rowan-Cabarrus Community College Biotechnology Training Center and Greenhouse at the NC Research Campus in Kannapolis. Funds may be used for equipment, staff, and building operations.

\$100,000 R
\$1,300,000 NR

E. System Office

137 Workers' Compensation Analyst

Establishes one workers' compensation analyst position in the System Office to administer workers' compensation claims for NCCCS and to work with community colleges to identify methods and practices to contain workers' compensation costs. The community college shall implement risk management strategies to reduce claims at least by an amount equivalent to the cost of this position.

\$62,068	R	\$62,068	R
\$4,150	NR		
1.00		1.00	

F. Community College Capital

138 Advanced Planning Funds

Provides funds for advanced planning of community college capital projects and the development of facility master plans. These funds shall be matched in accordance with G.S. 115D-31.

\$8,000,000	NR
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139 Facilities and Equipment Grant Fund

Provides funds for the purpose of awarding grants to community colleges for facility and equipment needs. Grants shall be awarded based on a competitive grant application process that gives priority to projects that are consistent with the college's strategic plan, to projects that have a high potential for promoting economic development, and to colleges that did not receive a grant during FY 2006-07.

\$15,000,000	NR
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Total Legislative Changes

\$6,491,128	R	\$6,491,128	R
\$38,680,550	NR		

Total Position Changes

4.00	4.00
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Revised Budget

\$938,106,160	\$899,643,003
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**HEALTH
&
HUMAN SERVICES
Section G**

Health and Human Services

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$4,532,083,971	\$4,820,403,092

Legislative Changes

(1.0) Office of the Secretary

1 Department-Wide Reduction Reserve

Reduces funding from the line items in the following budget categories: purchased services (2000), supplies (3000), property, plant, and equipment (4000), and other expenses (5000). (\$1,775,000) NR

2 Controller's Office Reduction

Eliminates funding for the continuation budget increase in the Controller's Office for the Financial Audit Consulting Fees line item (\$549,641) R (\$549,641) R

3 Information Resource Management Reduction

Reduces funding for inflationary increases for the Communications and Data processing line item in the Division of Information Resource Management. (\$1,500,000) R (\$3,000,000) R

4 Automation Reserve Fund Reduction

Reduces funding for the Automation Reserve Fund. (\$1,000,000) R (\$1,000,000) R

5 Office of Policy and Planning

Eliminates recurring funding for the Office of Policy and Planning and provides nonrecurring fund for the program in FY 2007-08. This program is subject to continuation review. (\$414,536) R (\$414,536) R
\$414,536 NR -5.00

6 Prior Year Earned Revenue - Department-Wide

Requires prior year earned revenue to be budgeted throughout the department and reduces State appropriations. (\$3,385,000) NR

7 Unbudgeted Non-Federal Receipts - Department-Wide

Requires unbudgeted non-federal receipts to be budgeted throughout the department and reduces State appropriations. (\$4,105,142) NR

8 Medicaid Management Information System (MMIS)

Provides funding to support the Office of Medicaid Management Information Services and to replace the Medicaid Management Information System \$3,855,142 NR

9 Legal Services

Provides funding for a contract with the Department of Justice for additional legal support for the following Divisions: Health Service Regulation, Medical Assistance, and Child Development. \$300,000 R \$300,000 R

10 NC Health Net

Provides funding to sustain provider networks that coordinate free care for low-income, uninsured patients.

\$2,880,000 NR

11 Health Care Access

Provides funding for a grant-in-aid to the North Carolina Association for Healthcare Access for operations, board development, and an annual conference.

\$250,000 NR

12 Aid to Community Health Centers

Provides funding on a competitive grant basis to rural health centers, local health departments, qualified health centers, free clinics, school-based clinics, and entities providing preventive care.

\$5,000,000 NR

13 Medication Access and Review Program

Provides realigned funding from the Atypical Antipsychotic Drug program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for the Medication Access and Review Program (MARP). MARP streamlines the process of obtaining free prescription drugs from pharmaceutical manufacturers' Prescription Assistance Programs.

\$512,835 R \$633,920 R

14 Medical and Dental Recruitment Incentives

Provides funding to increase resources to recruit and retain primary medical and dental providers in health shortage areas.

\$349,000 R \$349,000 R

15 Health Information Systems

Provides funding to complete and implement a new Health Information System to capture, monitor, report, and bill services provided by local health departments.

\$775,086 R \$775,086 R
\$4,287,834 NR

16 Rural Hospital Operations and Maintenance

Provides funding for small rural hospitals for assistance with operations and infrastructure maintenance.

\$2,000,000 NR

17 NC Rx Program

Provides funding for the Seniors Health Insurance Information Program to provide grants-in-aid to community organizations to assist seniors in enrolling in NCRx and Medicare Part D.

\$250,000 NR

18 CARELINE

Provide funding for ten new positions to increase staffing for the CARELINE from an eight to five, five days a week program to a twenty-four hour, seven days a week program. The new positions include eight Information and Referral Specialists and two Administrative Officers.

\$361,261 R \$481,681 R
\$12,330 NR
10.00 10.00

19 Housing and Homelessness Positions

\$248,341 R \$248,341 R

Provides funding to convert three time-limited, grant supported positions to permanent, full-time staff funded through the General Fund. The positions include one community development specialist and two human services planners. These positions support departmental housing and homelessness initiatives.

3.00 3.00

20 Institute of Medicine Studies

\$300,000 R \$300,000 R

Provides funding for the Institute of Medicine to hire staff to undertake additional studies annually at the request of the North Carolina General Assembly, including a specific study on substance abuse services. Also provides funding to support a rapid-response capacity to analyze secondary data sources on health or provide other health-related data to the North Carolina General Assembly and to State and local government agencies.

(2.0) Division of Aging and Adult Services

21 Pilot for Adult Care Home Quality Improvement

\$264,000 NR \$264,000 NR

Provides funding to support the Quality Improvement Pilot Initiative, a collaboration between the adult care home industry and the State. The pilot will include up to 100 adult care homes in the following counties: Alamance, Buncombe, Nash, and Rutherford.

22 Area Agencies on Aging

\$300,000 R \$300,000 R

Provides funding for the seventeen Area Agencies on Aging for services and planning activities, including funding for professional and administrative services to benefit senior citizens. Also provides funding to support and coordinate aging services and activities throughout the State.

23 Senior Center General Purpose Fund

\$200,000 NR

Provides funding for the Senior Center General Purpose Fund to provide additional funding for senior centers.

24 Home and Community Care Block Grant

\$536,000 R \$536,000 R

Provides funding for the Home and Community Care Block Grant Program

25 Receipt-Supported Position - Division of Aging and Adult Services

Creates one new position in the Division of Aging and Adult Services to provide day-to-day coordination of a health promotion program to reduce the disability of chronic disease among seniors.

Aging Program Specialist II - \$66,988

This position is 100 percent receipt-supported through a grant from the federal Administration on Aging and state match.

(3.0) Division of Child Development

26 Under-Budgeted Receipts - Licensure Fees	(\$20,000)	R	(\$20,000)	R
Increases budgeted receipts from licensure fees to reflect actual collections and reduces State appropriations.				
27 Under-Budgeted Receipts - Sale of Publications	(\$10,000)	R	(\$10,000)	R
Increases budgeted receipts from the sale of publications to reflect actual collections and reduce State appropriations.				
28 Touching the Lives of Children	(\$300,000)	R	(\$300,000)	R
Eliminates funding for the grant-in-aid to Touching the Lives of Children.				
29 Child Care Subsidies	\$8,400,000	R	\$8,400,000	R
Provides funding to remove 643 children from child care subsidy waiting lists and implements rate adjustments, by region, as defined in the 2007 Child Care Market Rate Study.				
Additional funding in the Child Care Development Fund Block Grant will remove 877 children from the waiting lists.				
30 T.E.A.C.H. Program	\$1,100,000	R	\$1,100,000	R
Provides funding to the North Carolina T.E.A.C.H. Early Childhood Project.				
31 Smart Start	\$1,285,870	R	\$5,510,739	R
Provides funding for local Smart Start initiatives.				

(4.0) Office of Education Services

32 Utilities Inflationary Increase Reduction	(\$122,661)	R	(\$130,321)	R
Reduces funding for the continuation budget increase for utilities by 50 percent.				
33 Equipment Reduction	(\$151,255)	NR		
Eliminates funding for the continuation budget increase for equipment in FY 2007-08.				
34 Textbooks Reduction	(\$73,243)	R	(\$77,466)	R
Eliminates funding for the continuation budget increase for textbooks.				
35 Student Life Services at GMS	\$68,288	R	\$91,051	R
Provides funding to add three student life services staff at the Governor Morehead School for the Blind.				
	3.00		3.00	
36 Resource Officers at Schools for the Deaf	\$82,000	R	\$82,000	R
Provides funding to contract for school resource officers at the Eastern NC School for the Deaf and the NC School for the Deaf in Morganton.				

	FY 07-08		FY 08-09	
37 Behavior Support at Schools for the Deaf and Blind	\$106,712	R	\$142,283	R
Provides funding to add two behavior programming technicians at the Eastern NC School for the Deaf and the Governor Morehead School for the Blind to support the North Carolina Positive Behavior Support Program	4.00		4.00	
38 Beginnings, Inc.	\$229,151	R	\$229,151	R
Provides funding for family support services for children who are deaf or hard of hearing.				
(5.0) Division of Public Health				
39 Under-Budgeted Receipts - State Public Health Laboratory	(\$4,000,000)	R	(\$4,000,000)	R
Increases budgeted receipts from Medicaid for the State Public Health Laboratory to reflect actual collections and reduce State appropriations.				
40 Utilities Inflationary Increase Reduction	(\$25,000)	R	(\$25,000)	R
Reduces funding for the continuation budget increase for the utilities line item in the Division of Public Health.				
41 Dental Health Services	(\$125,000)	R	(\$125,000)	R
Eliminates funding for a portion of the Drugs and Pharmaceutical Supplies line item in Dental Health Services Program and appropriates nonrecurring funding for FY 2007-08. This line item is subject to continuation review	\$125,000	NR		
42 Child Developmental Service Agencies	(\$4,000,000)	R	(\$4,000,000)	R
Reduces a portion of the funding for the Child Developmental Service Agencies and appropriates nonrecurring funding for each year. The Child Developmental Centers are directed to increase receipts from Medicaid and insurance to offset the nonrecurring appropriations. This program is subject to continuation review	\$4,000,000	NR	\$3,000,000	NR
43 Pandemic Influenza Planning	\$50,400	R	\$50,400	R
Provides funding for the purchase of 634,458 treatment courses of antivirals (507,566 of Tamiflu and 126,892 of Relenza). The federal government will pay for 25 percent of the cost of purchasing the antivirals. Additionally, provides funding for climate controlled storage space for the antivirals.	\$8,254,618	NR	\$1,136,639	NR
44 Public Health Lab Testing	\$235,877	R	\$329,895	R
Provides funding and positions to expand testing at the state public health laboratory for Human Papilloma Virus (HPV), food-borne diseases, tick-borne diseases, and HIV testing for pregnant women. The two positions are a medical laboratory technologist and an accountant technician. In addition to the appropriation from the General Fund, \$128,212 in FY 2007-08 and \$128,283 in FY 2008-09 in receipts will support the expansion of these tests.	\$2,500	NR		
	2.00		2.00	

FY 07-08

FY 08-09

45 Food-borne/Tick-borne Diseases

Provides funding for two nurse consultant/epidemiologist positions (one focusing on food-borne diseases and one focusing on tick-borne diseases). Additionally provides \$25,000 in each year for tick control demonstration projects. Also provides \$145,862 in FY 2007-08 and \$139,802 in FY 2008-09 to be transferred to the Department of Environment and Natural Resources to fund their participation in the tick control demonstration projects.

\$280,747	R	\$374,329	R
\$6,060	NR		
2.00		2.00	

46 HIV Prevention - Counseling and Testing

Provides funding for HIV prevention for the following purposes:

- Funding to local health departments, historically black colleges and universities, and other community organizations for HIV counseling, testing, and early medical interventions.
- Funding to implement 3 community-based harm reduction programs as a part of a comprehensive Hepatitis C and HIV disease prevention program. These funds shall be used to support these programs in providing case management services, outreach, transportation, referrals for housing and medical care, and other services that will further the purpose of HIV and Hepatitis-C prevention.
- Funding to support peer-to-peer counseling efforts.

\$2,000,000	R	\$2,000,000	R
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47 ADAP Inflation Correction

Provides funding to correct inflation in the second year of the biennium for the AIDS Drug Assistance Program to maintain the FY 2007-08 funding level in FY 2008-09.

\$500,000	R
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48 Health Disparities Initiative

Provides funding for grants-in-aid awarded through the Community-Focused Eliminating Health Disparities Initiative (CFEHI).

\$500,000	NR
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49 Special Population Dentistry

Provides funding for a mobile dental provider to deliver services to the frail elderly and persons with disabilities in unserved areas.

\$200,000	NR
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50 Healthy Carolinians

Provides funding for local health departments to establish and maintain necessary infrastructure to reduce rates of diabetes, cancer, heart disease, obesity, injury, and infant mortality.

\$1,000,000	NR
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51 Women's Health Services

Provides funding for family planning services to uninsured women who are not eligible for Medicaid.

\$200,000	R	\$200,000	R
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	FY 07-08		FY 08-09	
52 Monitoring of Birth Defects	\$200,000	R	\$200,000	R
Provides funding for the surveillance and collection of clinical data on birth defects, and linking the data to vital statistics, newborn metabolic screening, and children's health services. Also provides funding for three new positions for birth defects monitoring registry. Those positions are two Social Research Assistant IIs, and one Social Research Associate.	3.00		3.00	
53 Aid to Local Health Departments	\$2,000,000	R	\$2,000,000	R
Provides funding to local health departments, based on need and current health data, for the ten essential services of public health.				
54 Health Care Provider Training	\$150,000	R	\$150,000	R
Provides funding for development, training, and communications initiatives among hospitals and emergency medical services for stroke victims.				
55 Stroke Public Awareness	\$360,000	NR		
Provides funding for a stroke public awareness campaign, a survey of gaps and needs in the prevention and treatment of stroke, and to continue to the Justus-Warren Heart Disease and Stroke Task Force.				
56 NC Collaborative Stroke Registry	\$390,000	R	\$390,000	R
Provides funding for the state match to existing federal funds for the NC Collaborative Stroke Registry to increase hospital participation in the registry.				
57 Funds for UNC School of Medicine OASIS Program	\$100,000	R	\$100,000	R
Provides funding for the UNC School of Medicine Department of Psychiatry for the Outreach and Support Intervention Services (OASIS) Program to provide early treatment to adolescents diagnosed with schizophrenia.				
58 Breast and Cervical Cancer Control Program	\$2,000,000	R	\$2,000,000	R
Provides funding for additional screening and diagnostic services for breast and cervical cancer through the North Carolina Breast and Cervical Cancer Control Program				
59 School Nurse Funding	\$2,700,000	R	\$3,300,000	R
Provides funding for an additional 54 school nurse positions in FY 2007-08 and 66 school nurse positions in FY 2008-09.				
60 Recruitment of Minorities into Pharmacy Schools	\$275,000	NR		
Provides funding to continue a pilot program to enhance recruitment of minority students for Schools of Pharmacy.				
61 Adolescent Pregnancy Prevention	\$100,000	R	\$100,000	R
Provides funding for a grant-in-aid to the Adolescent Pregnancy Prevention Coalition of North Carolina.	\$75,000	NR		

62 Funds for Healthy Start Foundation

\$150,000 R

\$150,000 R

Provides funding for a grant-in-aid to the Healthy Start Foundation.

63 Funds for Pediatric Diabetes Education and Prevention

\$250,000 NR

Provides funding for the support and expansion of community-based pediatric education and prevention programs. A portion of these funds used to contract with non-profit entities.

64 Safe-Sleep Awareness Campaign

\$150,000 NR

Provides funding for the development and implementation of a safe-sleep awareness campaign to strengthen SIDS risk reduction.

65 Prevention of Pre-term Births

\$97,000 NR

Provides funding to educate women on the benefits of progesterone for those who have had pre-term births and to purchase medication for eligible minority and low-income women.

66 Prevent Blindness

\$150,000 NR

Provides funding for a grant-in-aid to Prevent Blindness North Carolina to expand the Pre-K Vision Screening Program

67 Receipt-Supported Position - Division of Public Health

Creates one new position in the Division of Public Health to coordinate the Centers for Disease Control-funded, hospital-based, public health epidemiologist positions in the 11 largest hospital systems in the state.

Public Health Nurse Consultant II - \$84,207

This position is 100 percent receipt-supported through a grant from the federal Centers for Disease Control.

68 Receipt-Supported Position - Division of Public Health

Creates one new position in the Division of Public Health to plan, organize, implement, and administer the Diabetes Education Umbrella project.

Public Health Nurse Consultant II - \$80,345

This position is 100 percent receipt-supported through a grant with the federal Centers for Disease Control.

69 Receipt-Supported Position - Division of Public Health

Creates one new position in the Division of Public Health to provide leadership and direct the clinical activities of the Family Planning and Reproductive Health Unit.

Public Health Nurse Consultant II - \$81,911

This position is 100 percent receipt-supported through the federal Family Planning Block Grant.

70 Receipt-Supported Position - Division of Public Health

Creates one new position in the Division of Public Health to provide expert statewide training and technical assistance to tobacco-use prevention and treatment programs, with an emphasis on health care providers.

Public Health Nurse Consultant II - \$58,506

This position is 100 percent receipt-supported through the federal CDC Tobacco Prevention and Control Program

71 Receipt-Supported Position - Division of Public Health

Creates one new position in the Division of Public Health to support activities to expand the identification, recruitment, enrollment, and training of health care providers to participate in the vaccine program to serve adolescents.

Public Health Consultant I - \$57,418

This position is 100 percent receipt-supported through a federal Centers for Disease Control grant.

72 Receipt-Supported Position - Division of Public Health

Creates one new position in the Division of Public Health to serve as an influenza specialist and have sole responsibility for influenza surveillance testing.

Lab Medical Specialist - \$54,362

This position is 100 percent receipt-supported through a grant from the federal Centers for Disease Control.

73 Receipt-Support Position - Division of Public Health

Creates one new position in the Division of Public Health to support the Paul Coverdell National Acute Stroke Registry and use the registry to improve the delivery of care to patients with acute stroke.

Public Health Consultant I - \$61,249

This position is 100 percent receipt-supported through a grant from the federal Centers for Disease Control.

(6.0) Division of Social Services

74 State/County Special Assistance

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

Reduces funding for the State/County Special Assistance Program based on lower enrollment projections.

75 State/County Special Assistance Rate Adjustment

\$1,875,000 R \$2,500,000 R

Provides funding for an increase the State/County Special Assistance monthly rate from \$1,148 to \$1,173 per month, effective October 1, 2007.

76 Child Welfare Post-Secondary Support Program

\$2,003,600 R \$3,718,250 R

Provides funding to implement a new program to meet the post-secondary educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12. The program will provide tuition, fees, room and board, and books to these children that attend public institutions of higher education in this State.

Provides \$1,553,600 in FY 2007-08 and \$3,168,250 in FY 2008-09 from the Escheat Fund and \$1,553,600 in FY 2007-08 and \$3,168,250 from the General Fund for the scholarship awards.

Provides \$400,000 in FY 2007-08 and \$500,000 in FY 2008-09 from the General Fund for the Division of Social Services to contract with an entity to administer the program and to provide support services to scholarship participants.

Provides \$50,000 in FY 2007-08 and FY 2008-09 from the General Fund to the NC State Education Assistance Authority to administer the program's scholarship funds.

77 Hearings and Appeals Program

\$88,993 R \$118,657 R

Provides funding to add a hearing officer supervisor and two hearing officers in the DHS Office of Hearings and Appeals.

\$6,607 NR
3.00 3.00

78 Child Welfare Oversight

\$121,160 R \$161,547 R

Provides funding to support three Social Services Program Consultant positions to strengthen oversight of Child Welfare Services.

\$11,261 NR
3.00 3.00

79 Food Banks

Provides funding to be equally distributed to the regional network of food banks in North Carolina.

\$1,000,000 NR

80 Child Advocacy Centers

Provides funding for grants-in-aid for each certified child advocacy center.

\$250,000 NR

(7.0) Division of Medical Assistance

81 FY 2007-08 Provider Inflationary Increases

(\$35,441,213) R (\$37,707,413) R

Reduces funding for FY 2007-08 Medicaid provider inflationary increases. The reduction applies to all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, school-based and school-linked health centers, state institutions, pharmacy, outpatient hospital, and the noninflationary components of the case-mix reimbursement system for nursing facilities.

82 Drug Utilization Management Savings

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

Reduces funding for the Medicaid Program due to additional drug utilization management activities and the implementation of new federal payment requirements for generic prescription drugs.

83 Cost Containment Activities

(\$15,345,711) R (\$16,996,129) R

Reduces funding for the Medicaid Program due to savings from the implementation of new software and other activities related to prior authorization and utilization review of high-cost diagnostic testing, automated pharmacy procedures, and increased fraud and abuse detection and recovery activities.

84 Mental Health Drug Management

(\$2,000,000) R (\$2,000,000) R

Reduces funding due to savings from the management of mental health prescription drugs.

85 Prior Authorization - Personal Care Services

(\$2,907,387) R (\$3,387,384) R

Reduces funding due to savings from the prior authorization of all personal care services. Effective October 1, 2007.

86 Medicaid Special Fund Replacement Funding

\$10,000,000 NR \$10,000,000 NR

Provides funding for the Medicaid Program to reduce funding from the transfer from the Medicaid Special Fund. This transfer has been reduced to provide \$10,000,000 for the hospital supplemental payment program to maintain payments for private non-profit hospitals at the FY 2006-07 percentages.

87 In-Home Services Rate Adjustment

\$1,875,000 R \$2,500,000 R

Provides funding for rate increases for home health personal care services providers. Effective October 1, 2007

88 Increase Division Staff

\$327,412 R \$436,549 R

Provides funding for fourteen additional staff in the Division of Medical Assistance: two DMA Nurse IIs, one DMA Services Consultant, four Income Maintenance Quality Analysts, and seven Accountant IIs.

14.00 14.00

89 CAP-MR/DD Slots

\$4,500,000 R \$4,500,000 R

Provides funding for 300 additional Community Alternatives Program Mental Retardation/Developmental Disability (CAP-MR/DD) slots. Funding for this item comes from realigned developmental disability services funding in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

90 Expand Medicaid Coverage for Foster Care Adolescents

\$216,466 R \$645,841 R

Provides funding to expand Medicaid coverage to foster care adolescent's ages 18, 19, and 20 under the Federal Foster Care Independence Act.

91 County Medicaid Share

\$86,200,000 R \$271,200,000 R

Provides funding to reduce the county share of Medicaid from 15% of the nonfederal share to 11.25% of the nonfederal share effective October 1, 2007 and 7.5% of the nonfederal share effective July 1, 2008.

92 NC Kids' Care

\$368,000 R \$7,000,000 R

Provides funding for a report on the most cost effective manner to implement an expansion of health care coverage to children between 200 percent and 300 percent of the federal poverty level. Provides funding in SFY 2008-09 for the implementation of the report, effective July 1, 2008.

(8.0) NC Health Choice

93 Health Choice

\$7,507,992 R \$7,507,992 R

Provides funding for NC Health Choice. The funds allow enrollment to increase at a rate of 6 percent annually.

(9.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing

94 Independent Living Program

\$482,121 R \$642,827 R

Provides funding to the Division of Services for the Blind to add three additional counselors to serve consumers and one technology instructor to train consumers in the use of assistive technology and devices.

4.00 4.00

95 Vocational Rehabilitation Program

\$200,000 R \$200,000 R

Provides funding to the Division of Services for the Blind to increase the eligibility level for vocational rehabilitation to 125 percent of the federal poverty level from a fixed tiered amount.

96 Medical Eye Care Program

\$200,000 R \$200,000 R

Provides funding to the Division of Services for the Blind to increase the eligibility level to 125 percent of the federal poverty level from a fixed tiered amount.

97 Accessible Electronic Information for Blind and Disabled Persons

Provides funding to continue accessible electronic information services for blind and disabled persons.

\$75,000 NR

98 Deaf Regional Field Office Staff

\$52,773 R \$70,364 R

Provides funding to the Division of Deaf and Hard of Hearing to create three positions to alleviate the need to contract for services and allow staff to better serve consumers. The positions are two Community Development Specialists and one Interpreter Services Consultant.

3.00 3.00

99 Receipt-Supported Position - Services for the Deaf and Hard of Hearing

Creates one new position in the Division of Services for the Deaf and Hard of Hearing to evaluate existing programs to determine if they are meeting the needs of North Carolina's deaf and hard of hearing population and to plan for future needs.

Human Services Planner/Evaluator III - \$ 62,153

This position is 100 percent receipt-supported through the Wireless Connection Surcharge receipts.

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

100 MH/DD/SA Reductions	(\$2,335,134)	R	(\$2,335,134)	R
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Reduces state appropriations for mental health, developmental disability, and substance abuse services based on historical availability of funds in the following account codes: domiciliary care (Fund 1290), BMC catchment reserves (Fund 1390), developmental disability funding for non-unit cost reimbursement (UCR) child reserves (Fund 1390), developmental disability funding for non-UCR other reserves (Fund 1390), training (Fund 1390), contract funds not allocated (Funds 1390 and 1490), and miscellaneous reserves.

The reductions identified here should not decrease the amount of funds received by local management entities (LMEs).

101 Atypical Antipsychotic Drugs	(\$975,499)	R	(\$975,499)	R
	\$186,953	NR		

Realigns \$975,499 in funding for the Office of Rural Health and Community Care (ORHC) for their Medication Access and Review Program (MARP) to coordinate obtaining free prescription drugs. Also provides realigned funding for a reserve in the Division of Mental Health to cover outstanding drug claims for atypical antipsychotic drugs.

102 Realignment of Mental Health Services Funds	(\$15,028,638)	R	(\$15,035,584)	R
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Realigns existing funding for mental health services. Of the \$15,028,638 in FY 2007-08 and \$15,035,584 in FY 2008-09 reduced in this item, funding will be realigned as follows:

- + \$13,737,856 in both years for crisis services,
- + \$1,250,000 in both years for supported employment, and
- + \$40,782 in FY 2007-08 and \$47,728 in FY 2008-09 for mental health services for returning veterans.

103 Crisis Services for MH/DD/SA	\$13,737,856	R	\$13,737,856	R
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Provides funding for crisis services to be distributed to LMEs to continue to fund LMEs' crisis services plans completed in 2007. Funding for this item comes from realigned mental health services funding.

104 Supported Employment for MH/DD/SA

\$2,500,000 R \$2,500,000 R

Provides funding for long-term supported employment for individuals with mental illness, developmental disabilities, and/or substance abuse additions. The funds shall be distributed to LMEs such that each LME receives a percentage of the total allocation that is equal to that LME's percentage of the State's total population below the poverty level. Funding for this item comes from realigned mental health services funding (\$1.25 million) and realigned developmental disability services funding (\$1.25 million).

105 Hospital Utilization Pilots for MH/DD/SA

\$2,500,000 R \$5,000,000 R

Provides funding for psychiatric hospital utilization pilots.

106 Mental Health Services for Returning Vets

\$35,797 R \$47,728 R
 \$343,130 NR
 1.00

Provides funding for one mental health program manager position to lead the Division's response to the mental health service needs of veterans and their families. Also provides funding for expansion of the NC Health Information Portal, education and social marketing to veterans and their families, and statewide training to providers regarding the mental health and substance abuse needs of this population. Of the funds in this item, \$40,782 in FY 2007-08 and \$47,728 in FY 2008-09 come from realigned mental health services funding.

107 Realignment of Developmental Disability Services Funds

(\$5,750,000) R (\$5,750,000) R
 (\$2,000,000) NR

Realigns existing funding for developmental disability services. Of the \$7,750,000 in FY 2007-08 and \$5,750,000 in FY 2008-09 reduced in this item, funding will be realigned as follows:

- + \$4,500,000 in both years for 300 additional CAP-MR/DD slots,
- + \$1,250,000 in both years for long-term supported employment, and
- + \$2,000,000 in nonrecurring funding in the first year for the development of model programs of early intervention for autism

108 CAP-MR/DD Slots

Provides \$4,500,000 in realigned developmental disability services funding for 300 additional Community Alternatives Program Mental Retardation/Developmental Disability (CAP-MR/DD) slots.

The funds for this item are located in the Division of Medical Assistance section of this report.

109 Early Intervention for Autism

Provides \$2,000,000 in realigned developmental disability services funding for the development of three model programs of early intervention for autism across the State to be distributed as follows:

\$2,000,000 NR

+ \$1,250,000 to the model programs for service delivery. The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMHDDSAS) may contract directly with service providers for service provision in these model programs.

+ \$750,000 to the Autism Society of North Carolina for training and collaboration with model programs and community agencies to increase availability of early intervention for autism. DMHDDSAS shall work with the Autism Society of North Carolina on the development and support of these models.

Early intervention with children with autism includes children from birth to age 10.

110 Realignment of Substance Abuse Services Funds

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

Realigns funds for regionally-funded, locally-hosted substance abuse services.

111 Regionally-Purchased, Locally- Hosted Substance Abuse Programs

\$6,000,000 R \$6,000,000 R

Provides funding for regionally-purchased, locally-hosted substance abuse programs, including \$5 million from realigned substance abuse services funding.

112 Delay Julian F. Keith ADATC Opening

Reduces state appropriations for the Julian F. Keith Alcohol and Drug Abuse Treatment Center (ADATC) based on delaying the opening of the new detoxification beds from May 2008 to FY 2008-09.

(\$3,753,806) NR

113 Closure of Dorothea Dix Hospital

(\$31,773,078) R (\$52,290,268) R

Reduces the budget for Dorothea Dix Hospital to account for its anticipated closure in late Fall 2007. In addition to the reduced state appropriation, an additional \$10,357,840 in FY 2007-08 and \$17,990,270 in FY 2008-09 in receipts will be reduced.

1104.38

114 Closure of John Umstead Hospital

(\$35,347,782) R (\$60,677,194) R

Reduces the budget of John Umstead Hospital in anticipation of its closure in late Fall 2007 and the transfer of Wiltaker School and R.J. Blackley Alcohol and Drug Abuse Treatment Center (ADATC) at that time. In addition to the reduced state appropriation, an additional \$10,131,962 in FY 2007-08 and \$17,312,369 in FY 2008-09 in receipts will be reduced.

1260.18

115 Opening of Central Regional Hospital

\$62,402,431 R \$102,828,228 R

Provides funding for the operation of the Central Regional Hospital, scheduled to open in late Fall 2007. In addition to the state appropriation, an additional \$20,489,802 in FY 2007-08 and \$33,857,431 in FY 2008-09 in receipts will be transferred for the operation of this hospital.

2144.77

116 Forensic Unit Beds to Broughton Hospital

\$4,718,429 R \$5,750,000 R

Provides funding for the transfer of half of the Forensic Unit from Dorothea Dix Hospital to Broughton Hospital.

103.00

117 Local Administration for MH/DD/SA

\$500,000 R \$4,889,234 R

Provides funding for the local management entity (LME) Administrative Cost Model. \$4,389,234 of the funding in FY 2008-09 is from the savings generated by the opening of Central Regional Hospital and the closure of Dorothea Dix and John Hirstead Hospitals.

118 Treatment Alternatives for Safer Communities (TASC)

\$2,000,000 R \$2,000,000 R

Provides funding for local management entities to increase the number of TASC case managers and substance abuse services for adult drug offenders.

119 Treatment Court Programs

\$2,000,000 R \$2,000,000 R

Provides funding for services for existing pre- and post-plea mental health courts, DW courts, and adult and family drug treatment courts for adult offenders.

120 Institute of Medicine Studies

Provides funding for the Institute of Medicine to undertake additional studies annually at the request of the North Carolina General Assembly, including a specific study on substance abuse services. Also provides funding to support a rapid-response capacity to analyze secondary data sources on health or provide other health-related data to the North Carolina General Assembly and to State and local government agencies.

The funds for this item are located in the Office of the Secretary section of this report.

121 Crisis Intervention Teams

\$100,000 R \$100,000 R

Provides funding to be used by local management entities (LMEs) to develop Crisis Intervention Teams statewide. Also provides funding for the Division of MH/DD/SAS to develop the capacity to provide statewide training.

122 Housing Trust Fund - Housing for People with Disabilities

Provides \$7,500,000 in non-recurring funding to the North Carolina Housing Trust Fund for the financing of additional independent- and supportive-living apartments for people with disabilities. The apartments shall be affordable to those with incomes at the Supplemental Security Income (SSI) level.

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

123 Operating Cost Subsidy - Housing for People with Disabilities

\$3,500,000 R \$4,500,000 R

Provides funding for operating cost subsidies for independent- and supportive-living apartments for individuals with disabilities. The apartments shall be affordable to those with incomes at the SSI level.

124 Central and Field Office Staff

\$267,883 R \$357,177 R

Provides funding for increased staff to enhance the Division's oversight, management, and delivery of community-based services. These positions include three Mental Health Program Managers (LME Team), two Mental Health Program Coordinators (Accountability), and two Business Officers (Budget/Finance).

7.00 7.00

125 NC Special Care Center Staff

\$121,988 R \$724,065 R

Provides funding to increase staffing ratios to meet the treatment and safety needs of clients and staff. The additional positions will increase the staffing ratio from 1.5 staff per patient to 2.9 staff per patient in FY 2008-09.

25.00 100.00

126 Consumer Advocacy Nonprofit

\$60,000 NR

Provides funding to the North Carolina Council of Community Programs, Inc. (NCCCP). These funds shall be allocated by NCCCP for start up costs relating to the establishment of a statewide consumer support and networking organization. The purpose of the organization is to promote the role of consumers of mental health, developmental disabilities, and substance abuse services in contributing to the design, function, and oversight of the Mental Health, Developmental Disabilities, and Substance Abuse Services System

127 CFAC Training

Provides funds for Consumer and Family Advisory Council Training (CFAC).

\$100,000 NR

(11.0) Division of Health Service Regulation

128 Under-Budgeted Receipts

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

Increases budgeted receipts from licensure fees to reflect actual collections and reduce State appropriations.

129 Certificate of Need (CON) Program

Provides funding for nine new positions for the Certificate of Need (CON) Program to meet the increased volume of applications, appeals, and determinations related to the development of health care facilities and services: four Project Analysts, two Team Leaders, two Planning Analysts, and one Office Assistant. The funding for these positions will be offset by increased fees that will be deposited in the General Fund as non-tax revenue.

\$852,687	R	\$852,687	R
\$28,418	NR		
9.00		9.00	

130 Construction Program

Provides funding for eight new positions for the Construction program to provide a more timely review of construction plans for health care and local confinement facilities: one Facility Architect II, two Facility Architectural Supervisors I, two Building Systems Engineer IIIs, one Building System Engineer II, one Building System Engineer I, and one Processing Assistant IV. The funding for these positions will be offset by increased fees that will be deposited in the General Fund as non-tax revenue.

\$789,720	R	\$789,720	R
\$34,676	NR		
8.00		8.00	

131 Regulatory and Complaint Staff

Provides funding to increase staff in the areas of acute health care facilities' regulation and complaint investigations: two Correction Institutional Compliance Inspectors and one Facility Survey Consultant I.

\$216,665	R	\$288,887	R
3.00		3.00	

132 Health Care Personnel Registry and Rating System for Adult Care Homes

Provides funding for fourteen positions and related costs to expand the Health Care Personnel Registry to all unlicensed staff of a health care facility who have direct access to residents, clients, or their property and to implement a Rating System for adult care homes: three Facility Survey Consultant IIIs and nine Facility Survey Consultant Is, one Processing Assistant V and one Processing Assistant IV.

\$583,000	R	\$803,000	R
\$40,274	NR	\$2,750	NR
13.00		13.00	

133 Technical Assistance for Adult Care Homes

Provides funding in FY 2008-09 to assist adult care homes with the implementation of the adult care home rated certification program

\$500,000	NR
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134 Poison Control Center

Provides funding to increase the State contract with the Poison Control Center operated by the Carolinas Medical System

\$200,000	NR
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135 Receipt-Supported Positions - EMS Program

Creates one and one-half positions for the Office of Emergency Medical Services to improve EMS Service delivery, personnel performance and patient care in the 100 EMS Systems in North Carolina.

Administrative Officer II - \$ 34,209
 Administrative Officer III - \$ 67,652

These positions are 100 percent receipt-supported through a grant from The Duke Endowment.

(12.0) Division of Vocational Rehabilitation

136 Federal Indirect Cost Receipts

Requires the Division of Vocational Rehabilitation to budget federal indirect cost receipts and reduce state appropriations. (\$162,000) NR

137 Assistive Technology

Provides funding for three assistive technology positions to decrease the waiting period for clients to receive services and funding for equipment for consumers for demonstration, training, and education purposes.	\$305,956	R	\$305,956	R
	\$36,316	NR		
	3.00		3.00	

138 Independent Living Rehabilitation Program

Provides funding to increase the eligibility level to 125 percent of the federal poverty level from a fixed tiered amount.	\$500,000	R	\$500,000	R
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Total Legislative Changes

\$65,117,974	R	\$264,893,872	R
\$33,899,452	NR	\$14,903,389	NR

Total Position Changes

123.00	75.21
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Revised Budget

\$4,631,101,397	\$5,100,200,353
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**NATURAL
&
ECONOMIC
RESOURCES
Section H**

Agriculture and Consumer Services

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$60,254,939		\$60,434,179	

Legislative Changes

Department-Wide

1 Vacant Positions	(\$123,178)	R	(\$123,178)	R
Eliminates three (3.0) positions that were vacant prior to March 31, 2006.	-3.00		-3.00	

Food and Drug Protection

2 Food Regulatory Laboratory Equipment	\$200,000	R	\$200,000	R
Provides funding to purchase laboratory equipment to enhance the Department's ability to manage critical food safety and food security issues.				

Marketing

3 Marketing Funds	\$250,000	NR		
Provides additional funding for agriculture marketing initiatives in the State, including programs to assist small, low-income North Carolina farmers who market their products directly to customers to enroll in the United States Department of Agriculture Food and Nutrition Service Food Stamp Program at the farmers markets. \$50,000 NR in FY 2007-08 shall be used for the promotion of agriculture festivals in small towns with populations less than 5,000. The amount per festival shall not exceed \$10,000.				

Meat and Poultry Inspection

4 Cover Federal Funding Shortfall	\$269,000	NR		
Provides funding to cover the loss of federal funding from the USDA, Food Safety and Inspection Services.				
5 Replace Field Automation Information Laptop Computers	\$50,000	NR		
Provides additional funds to replace 52 laptop computers used in the Federal "FAIM" program for meat inspectors. These funds will be matched 50% by the federal government.				

Property and Construction

6 Real Property Agent Position	\$65,000	R	\$65,000	R
Establishes one full-time position in the Property and Construction Division to respond to the increased caseload of capital projects, real property and engineering consulting programs.	1.00		1.00	

Reserves and Transfers

7 Agricultural Development and Farmland Preservation (NC ADFP) Trust Fund

Provides funding for the NC ADFP Trust Fund to prevent the continued loss of our State's farmlands. Also, these funds will assist in the protection of our natural resources, wildlife habitat, and water resources. \$8,000,000 NR

8 Implement North Carolina's Strategic Plan for Biofuels Leadership

Establishes and funds the Biofuels Center of North Carolina, which will assist universities, companies, and agencies to implement the legislatively mandated (S.L. 2006-206) Strategic Plan for Biofuels Leadership; encourage the growth and production of biomass (organic raw materials) in rural areas; encourage and fund research, identify new crops, and conduct growth trials; seek supplemental federal funding for research, development, and facilities; and ensure unified state approaches to incentives, agricultural and manufacturing production, job creation, distribution, economic analyses, public education, and workforce preparation. \$5,000,000 NR

Standards

9 Receipt Supported Position - LP-Gas Site Inspector

Allows for the establishment of one (1.0) full-time LP-Gas Inspector position from the Highway Fund. Also provides NR receipts for the purchase of equipment for this position.

LP-Gas Inspector \$41,014
 Equipment \$26,056

Veterinary Services

10 Veterinary Diagnostic Lab Support

Provides funding for one (1.0) additional pathologist position for the Veterinary Services Division. This position will serve as the Head of the Pathology Section to coordinate the activities of the four current pathologists. \$123,000 R \$123,000 R
1.00 1.00

11 Replace Autoclaves - Emergency Preparedness

Provides funding to replace three existing autoclaves and to install one new one at the Rollins Diagnostic Laboratory. \$292,940 NR

Total Legislative Changes	\$264,822	R	\$264,822	R
	\$13,861,940	NR		
Total Position Changes			-1.00	-1.00
Revised Budget	\$74,381,701		\$60,699,001	

Labor

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$16,209,473		\$16,209,666	
Legislative Changes				
Occupational Safety and Health				
12 Agricultural Safety Officers	\$124,748	R	\$124,748	R
Provides funds for two additional agricultural safety officers. These officers will conduct migrant housing inspections, search for unregistered migrant housing, and train farmers and farmworkers on safety issues.	2.00		2.00	
13 Operational Funding	\$200,000	R	\$200,000	R
Provides funds for various operating line items.				
Standards & Inspections				
14 Wage and Hour Investigator Position	\$60,537	R	\$60,537	R
Provides funds for one additional wage and hour investigator position.	1.00		1.00	
Total Legislative Changes	\$385,285	R	\$385,285	R
Total Position Changes	3.00		3.00	
Revised Budget	\$16,594,758		\$16,594,951	

Environment & Natural Resources

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$189,617,004	\$191,595,711

Legislative Changes

(1.0) Department-Wide

15 Vacant Positions	(\$912,083)	R	(\$912,083)	R
Eliminates 19 positions in various divisions that were vacant prior to March 31, 2006.	-19.00		-19.00	

(1.0) Office of Conservation & Community Affairs

16 River Herring Research

Provides funding for a variety of river herring research projects, including: evaluating techniques that enhance native spawning to accelerate restoration; performing an independent review of current stock status, data deficiencies, and research needs; reviewing the effects of predation by striped bass and other species; identifying priority habitat restoration sites; and implementing restorative measures.	\$100,000	NR		
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(2.0) Center for Geographic Information & Analysis

17 NC OneMap Application Framework	\$89,185	R	\$89,185	R
Provides funding for a Business Tech Applications Analyst position to oversee the operations of NC OneMap.	\$10,000	NR		
	1.00		1.00	

(2.0) Division of Air Quality

18 School Bus Diesel Emissions Reduction Account

If HB 1921 is enacted, provides funding for grants to retrofit existing school bus engines to reduce diesel emissions.	\$500,000	NR		
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(2.0) Environmental Health

19 Radiation Protection Receipt-supported Positions

Authorizes the Division of Environmental Health to establish 4.5 new positions, in anticipation of fee increases in 15A NCAC 11.1106 "Radioactive Materials and Accelerator Fee Amounts" currently in the rulemaking process.

20 Private Well Water Safety Program

Provides additional funding for incentive grants to counties as they adopt local programs to enforce statewide private well construction standards. New private well construction standards will go into effect July 1, 2008.	\$300,000	NR		
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21 Emergency Drinking Water Fund

Provides funds to notify private well users of contamination, to cover the costs of testing private wells for contamination, and to pay for alternative drinking water supplies.

\$615,000 NR

(2.0) Land Resources

22 Landslide Hazard Mapping Program

Provides funds to create a permanent Landslide Mapping/Geohazards Program within the North Carolina Geological Survey section. The existing three-year program was created through the Hurricane Recovery Act of 2005 and funding will expire in FY 2008-09. Funds will be used to fund shift three positions to General Fund support from special Hurricane Recovery Act funds.

\$184,911 R \$184,911 R

3.00 3.00

Geologist II 2.0
Computer Consultant II 1.0

23 Sediment and Erosion Control

Increases fees charged for sediment and erosion control plan reviews. Current fees are \$50 per acre of disturbed land and will increase to \$65/acre. Increased fee revenue will be used to support seven new positions to allow for more timely inspections.

Environmental Specialist III 7.0

Total Receipts Required \$472,500
Total New Receipt Revenue \$472,500

24 Mining Compliance and Technical Assistance

Increases fees charged for mining permits. Increased fee revenue will be used to support five new positions to improve compliance monitoring and provide technical assistance to the mining industry. With the addition of these five new positions, the Department will place at least one mining specialist in each of the Department's seven regional offices.

Environmental Tech V 5.0

Total Receipts Required \$286,088
Total New Receipt Revenue \$286,088

(2.0) Pollution Prevention & Enviro. Assistance

25 Continuation Review of the Environmental Stewardship Initiative

Changes the funding for the Environmental Stewardship Initiative to non-recurring. This program is subject to continuation review.

(\$276,624) R (\$276,624) R

\$276,624 NR

(2.0) Waste Management

26 Groundwater Remediation Program

Provides funding to establish two new positions to focus on cleaning up existing contaminated sites across the State, many of which have an impact on groundwater quality.

\$160,835	R	\$160,835	R
\$11,472	NR		
2.00		2.00	

Hydrogeologist II 1.0
 Environmental Engineer II 1.0

27 Hazardous Waste Facilities and Management

Provides funds for two positions to work on hazardous waste issues. The Environmental Chemist II position will promote improved environmental compliance, sustainable hazardous waste management practices, and effective hazardous waste/emergency response cleanups. The Administrative Officer II position will oversee the administration of several national computerized databases on hazardous waste activities, the public document file room and the administration of annual fee invoicing, payment, and collection activities.

\$125,000	R	\$125,000	R
2.00		2.00	

28 Geographic Information System Development

Funds are provided for one new position to develop and implement GIS databases to map groundwater contamination and other polluted sites.

\$75,266	R	\$75,266	R
\$3,989	NR		
1.00		1.00	

Business and Technology Applications Analyst 1.0

(2.0) Water Quality

29 Water Quality Fees

Increases existing water quality fees by 20%. New fee revenue will fund nine new positions and allow the Division to take a \$202,142 General Fund reduction. Three positions will work on the Basinwide Information Management System (BIMS), and three positions will provide technical assistance to professional wastewater treatment plant operators. Three positions will work to improve groundwater classifications and standards.

(\$202,142)	R	(\$202,142)	R
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Business & Tech. Application Specialist 1.0
 Business & Tech. Application Analyst 2.0
 Wastewater Treatment Consultant 2.0
 Environmental Engineer II 1.0
 Industrial Hygiene Consultant 1.0
 Environmental Chemist II 1.0
 Environmental Specialist III 1.0

Total Receipts Required	\$795,803
Total New Receipt Revenue	\$997,945

30 Water Quality Monitoring on Ferry Vessels

Provides funds for the Ferrymon Program which evaluates water quality in the Pamlico Sound and its tributary rivers using equipment attached to three ferry vessels.

\$300,000 NR

(2.0) Water Resources

31 River Basin Water Supply Planning

Provides funding for one (1.0) new position and funding for resources needed to complete the modeling and data management for river basin water supply plans.

\$95,000 R
\$5,000 NR
1.00

\$95,000 R
1.00

32 Sustainable Management of Groundwater Resources

Provides funds for one new position to provide technical assistance to groundwater users to find sustainable and cost effective groundwater sources. Also provides funds to improve the monitoring well network.

\$95,490 R
\$4,510 NR
1.00

\$95,490 R
1.00

Hydrogeologist I 1.0

(3.0) Aquariums

33 Continue Increased Operating Support

Continues to provide increased General Fund support for operating expenses to replace admission receipts within the Division's budget.

\$2,500,000 R

\$2,500,000 R

(3.0) Forest Resources

34 Continuation Budget Increase for On-Call Pay

Reduces the continuation budget increase for on-call pay within the Division's budget. On-call pay compensation has previously been paid from lapsed salaries.

(\$469,883) R

(\$479,558) R

35 Continuation Budget - 3rd Party Financing of Equipment

Reduces the recommended increase for 3rd party financing of equipment for the Forest Resources Division. This recommendation still allows for a \$992,764 increase in FY 2008-09.

(\$842,426) R

(\$842,426) R

(3.0) Marine Fisheries

36 Stock Assessment & River Herring Management Program

Establishes three positions, including one Stock Assessment Scientist, to implement the Albemarle Sound River Herring Management Plan. An additional \$99,939 R and \$6,010 NR will be funded by Coastal Recreational Fishing License (CFL) receipts.

\$148,521 R
\$103,679 NR
3.00

\$148,521 R
3.00

Stock Assessment Scientist 1.0
M.F. Biologist I 1.0
M.F. Technician II 1.0

(3.0) Parks and Recreation

37 Reduce Continuation Increase

(\$300,000) R (\$300,000) R

Reduces the continuation budget increase allowed for new and existing park expansion. The continuation item provides operating money for expansion at 17 different parks over the biennium. With this reduction, the Division still receives a \$1,105,885 increase in FY 2007-08 and a \$2,660,473 increase in FY 2008-09. This reduction shall not delay the scheduled openings of Hickory Nut Gorge and Carver's Creek State Parks.

(3.0) Soil & Water Conservation

38 Conservation Reserve Enhancement Program (CREP)

\$275,000 R \$275,000 R

Provides funding to support the expansion of CREP into two additional river basins in need of riparian buffers and restored wetlands. This funding is to address Phase II of CREP expansion, to include the Roanoke and Pasquotank River Basins. In addition, provides funding to establish and support one Land Surveyor position and one Paralegal II position to implement the amended CREP agreement in the Neuse, Tar-Pamlico, Chowan and Jordan Lake watersheds.

2.00 2.00

39 Poultry Waste Management

Provides funds to the Soil and Water Conservation Division to continue the funding for best management practices for poultry waste management and for new technologies, including the disposal of poultry mortalities. Priority shall be given to small producers who have a limited ability to pay for or finance an innovative poultry waste management system through private or cooperative credit at reasonable rates and terms.

\$250,000 NR

40 Community Conservation Assistance Program

\$200,000 R \$200,000 R

Provides funds to the Division to implement the Community Conservation Assistance Program including establishing one (1.0) Environmental Specialist III position.

1.00 1.00

41 Swine Waste Technology Initiatives Legislation

If swine waste legislation is enacted, provides funding for the implementation of swine waste technology initiatives.

\$2,000,000 NR

(4.0) Reserves and Transfers

42 Clean Water State Revolving Fund Match

Provides funds to meet the 20% State match requirement for drawing down the maximum available federal funds for the Wastewater Treatment Plant (Clean Water) State Revolving Fund.

\$3,863,277 NR

43 Drinking Water State Revolving Fund Match

Provides funds to meet the 20% State match requirement for drawing down the maximum available federal funds for the Drinking Water State Revolving Fund.

\$5,538,980 NR

FY 07-08

FY 08-09

44 Grassroots Science Program Funding

Provides increased funding to the Grassroots Science Program in order to hold all museums at the same allocation level as FY 2006-07, provides increased support and adds three new museums: Core Sound Waterfowl Museum, Pisgah Astronomical Research Institute, and, Sylvan Heights Waterfowl Park and Eco-Center.

\$283,577 R
\$425,000 NR

\$283,577 R

45 Land for Tomorrow and Waterfront Access

Authorizes the issuance of \$120 million in certificates of participation for the acquisition of State park lands, conservation areas, and land to promote waterfront access. The debt is to be serviced through revenues deposited into the Park and Recreation and Natural Heritage Trust Funds.

Total Legislative Changes	\$1,229,627	R	\$1,219,952	R
	\$14,307,531	NR		
Total Position Changes	-2.00		-2.00	
Revised Budget	\$205,154,162		\$192,815,663	

DENR-Clean Water Management Trust Fund

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$100,000,000	\$100,000,000

Legislative Changes

Clean Water Management Trust Fund

46 Statutory Appropriation Pursuant to G.S. 113A-253.1

No Legislative Adjustments.

Total Legislative Changes

Total Position Changes

Revised Budget	\$100,000,000	\$100,000,000
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Commerce

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$41,365,875		\$41,406,272	

Legislative Changes

A. Business and Industry

47 Northeast Regional Office Economic Developer	\$92,447	R	\$92,447	R
Provides funds for an Economic Developer position at the Northeast Regional Office. Formerly, this position was a contract position shared with the Northeast Regional Partnership. The other 8 Regional Offices have Economic Developers.	1.00		1.00	

B. Policy, Research, & Strategic Planning

48 EDIS - OneMap Integration	\$10,000	R	\$10,000	R
Provides funds for the redesign of the NC Buildings and Sites system and for the integration of EDIS with NC OneMap.	\$290,000	NR		

C. Administrative Programs

49 Non-profit Monitoring Position	\$70,409	R	\$70,409	R
Provides funds for an additional position to assist in the monitoring of all non-State entities receiving funds through the Department of Commerce.	1.00		1.00	

D. Division of Community Assistance

50 Transfer Councils of Government Funding to State-Aid	(\$832,150)	R	(\$832,150)	R
Transfers pass-through funds for the Councils of Government to the Commerce - State Aid fund code. Most recurring funding for non-profits that passes through Commerce is in the State Aid fund code.				
51 Community Development Planner	\$65,935	R	\$65,935	R
Provides funds for an additional Community Development Planner for the Small Town Main Street Program in the western part of the State.	1.00		1.00	

E. Tourism, Film, and Sports Development

52 Travel and Tourism Funds	\$750,000	NR		
Provides additional funds for the Division of Tourism, Film and Sports Development.				
53 Blue Ridge National Heritage Funds	\$450,000	NR		
Provides funds for staffing, regional brand market initiatives, and visitor services technology for the new Blue Ridge Parkway Destination Center.				

54 Film Commission Funds

Provides \$50,000 to each of the 6 regional film commissions for FY 07-08. \$300,000 NR

55 Viticulture Promotion

Provides funding to the NC Wine and Grape Growers Council to promote the viticulture industry in North Carolina. An additional \$500,000 has been appropriated in the Community College budget for the Surry Community College Viticulture Program, providing a total of \$1 million for the advancement of the viticulture industry in the State. \$500,000 NR

56 Motorsports Funds

Provides funds for marketing and promotion of the motorsports industry in the State. \$100,000 NR

F. Executive Aircraft

57 Increase Aircraft Rates

Increases the rates charged for the use of the Department's aircraft as follows: (\$100,000) R (\$100,000) R

- Quotation Jet
 - Business & Industry Rate: \$455/ hour
 - Other State Officials: \$770/ hour
- Skor sky Helicopter
 - Business & Industry Rate: \$715/ hour
 - Other State Officials: \$770/ hour
- King Air
 - Business & Industry Rate: \$325/ hour
 - Other State Officials: \$560/ hour

This is the first rate increase in at least seven years.

58 Eliminate Continuation Budget Increase for New Aircraft

Eliminates new funding provided in the continuation budget for the purchase of new aircraft. The Division can use existing funds to pay off the remaining loans on two aircraft, and can delay the purchase of a replacement plane for the King Air. The replacement plane can be purchased with funds available in FY 2008-09. (\$423,572) R (\$423,572) R

G. Marketing

59 Furniture Market Funds

Provides funds to the High Point International Home Furnishings Market Authority Corporation to promote the International Home Furnishings Market. \$1,000,000 NR

H. Commerce Finance

60 NC Green Business Fund

Establishes the NC Green Business Fund to provide grants to private businesses with less than 100 employees, non-profit organizations, and State agencies to encourage the growth of a green economy in the State. Grants will be focused on three priority areas:

\$1,000,000 NR

1. To encourage the development of the biofuels industry;
2. To foster the development of the green building industry; and,
3. To leverage investments in additional clean technology and renewable energy products and businesses.

61 One North Carolina Fund

Appropriates funds for One North Carolina to offer economic development incentive grants to businesses creating new jobs in the State for infrastructure, repair and renovation, and machine or equipment purchases.

\$14,000,000 NR

62 One North Carolina Small Business Fund

Appropriates funds for the Department of Commerce to provide grants under the North Carolina SBI R STTR Incentive program

\$4,830,000 NR

63 Industrial Development Fund Cash Balance

Reduces the Industrial Development Fund cash balance.

(\$169,789) NR

Total Legislative Changes	(\$1,116,931)	R	(\$1,116,931)	R
	\$23,050,211	NR		
Total Position Changes	3.00		3.00	
Revised Budget	\$63,299,155		\$40,289,341	

Commerce - State Aid

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$12,268,085	\$12,268,085

Legislative Changes

64 Regional Economic Development Commissions			(\$6,775,000)	R
Reduces funding for the economic development partnerships by 5% and makes it non-recurring in FY 2008-09. There is no change to the partnerships' appropriation in FY 2007-08.			\$6,436,250	NR
65 Transfer Council of Government Funds to State Aid	\$832,150	R	\$832,150	R
Transfers the pass-through appropriation for the Councils of Government from the Commerce budget to the State Aid budget. An additional \$10,000 shall be distributed to each Council of Government in FY 2007-08 to assist local governments on a regional basis in the areas of economic development, community development, infrastructure, and other significant local needs.	\$170,000	NR		
66 NC Center for Automotive Research (NCCAR)	\$3,500,000	NR		
Provides funds for the operation and development of the NC Center for Automotive Research (formerly known as the Advanced Vehicle Research Center or AVRC).				
67 Johnson & Wales University	\$2,000,000	NR		
Provides funds to Johnson and Wales University in Charlotte, a private university that specializes in the culinary and hospitality industries.				
68 Defense and Security Technology Accelerator	\$1,500,000	NR		
Provides funds for the Partnership for Defense Innovation to support the Defense and Security Technology Accelerator, a business incubator focusing on economic development opportunities in industries relating to homeland security and national defense.				
69 Kerr-Tar Economic Development Corporation Funds	\$2,175,000	NR		
Appropriates funds to the Kerr-Tar Regional Economic Development Corporation for the primary hub sites designed by the University of North Carolina at Chapel Hill to support economic development in Franklin, Granville, Vance, and Warren Counties. \$1.925 million of these funds shall be used only by the primary project sites. The remaining \$250,000 shall be used for a pilot project for affordable housing in Vance County.				
70 Coalition of Farm & Rural Families	\$300,000	NR		
Appropriates funds for the Coalition of Farm and Rural Families.				

FY 07-08

FY 08-09

71 Land Loss Prevention

\$350,000 R \$350,000 R

Provides additional funding for the purpose of continuing expansion of legal representation to financially distressed small farmers and to rural landowners in underserved tobacco dependent communities.

72 NC Community Development Initiative (NCCDI)

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

Provides funding to NCCDI for the purpose of providing grants, loans, technical assistance, and administration dedicated statewide for community economic development projects.

73 NC Association of Community Development Corporations (NCACDC)

\$750,000 R \$750,000 R

Provides funding to the NCACDC for the purpose of strengthening the State's economy through community-based development activities, including enhancing the work of community development corporations in building prosperous communities.

74 NC Institute of Minority Economic Development (NCIMED)

\$1,500,000 R \$1,500,000 R

Provides increased funding to NCIMED for technical assistance, training, loans, grants and administration in economic development projects and statewide initiatives. \$40,000 in each fiscal year shall be used for the creation of a minority entrepreneurial development program in collaboration with regional educational institutions.

75 NC Minority Support Center (NCMSC)

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

Provides increased funding to NCMSC for operating expenses, programs, technical assistance and financial support for products and services to credit unions.

76 e-NC Authority

\$4,000,000 NR

Provides funds to the e-NC Authority to increase the availability of internet connectivity in underserved areas of the State, to provide additional funding for general operations, and to expand the funding for existing and new e-NC Business and Technology Telcenters. \$1 million shall be used to fund the PEG Channel Fund, to be distributed per G.S. 66-359.

Total Legislative Changes

\$9,432,150 R \$2,657,150 R
 \$13,645,000 NR \$6,436,250 NR

Total Position Changes

Revised Budget

\$35,345,235 \$21,361,485

N.C. Biotechnology Center

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$12,583,395		\$12,583,395	
Legislative Changes				
77 Regional Centers of Innovation	\$3,000,000	R	\$3,000,000	R
<p>Provides funds to the Biotechnology Center to create regional centers of innovation. The Centers will be formed and operated by partnerships of local educational and research institutions, businesses, governments, and non-profits and will focus on research and technology transfer in biotechnology-related fields such as marine biotechnology, nano-biotechnology, natural biotechnology & integrative medicine, and biofuels. Funds will be used to support research necessary to make scientific discoveries useful in the creation of new products and services, to assist businesses with product development and initial production, regulatory approvals, marketing and distribution, and for administrative support of the Centers.</p>				
Total Legislative Changes	\$3,000,000	R	\$3,000,000	R
Total Position Changes				
Revised Budget	\$15,583,395		\$15,583,395	

Rural Economic Development Center

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$24,302,607	\$24,302,607

Legislative Changes

78 Expand Economic Infrastructure Fund

Provides additional funds to the Rural Center's Economic Infrastructure Fund to establish and implement the Rural Economic Transition Program. This program shall provide grants and equity investments in severely distressed rural areas.

\$19,000,000 NR

79 Water and Wastewater Grants

Appropriates additional funds to the Rural Center to provide grants to local units of government for the purpose of addressing critical needs related to supplying drinking water and wastewater treatment.

\$100,000,000 NR

80 Equine Industry Study

Provides funds to be allocated to the Agricultural Advancement Consortium for the purpose of assessing the numbers, composition, and value of the equine industry in North Carolina; analyzing the direct and indirect impact of the industry on the State's economy; and developing a comprehensive plan to maximize the economic opportunities presented by the industry.

\$500,000 NR

Total Legislative Changes

\$119,500,000 NR

Total Position Changes

Revised Budget

\$143,802,607

\$24,302,607

JUSTICE
&
PUBLIC SAFETY
Section I

Judicial

GENERAL FUND

Adjusted Continuation Budget

FY 07-08
\$407,836,051

FY 08-09
\$413,500,354

Legislative Changes

System Wide

1 Divide Judicial District 22

\$647,755	R
\$74,706	NR
14.00	

Effective January 1, 2009, the current Superior Court, District Court, and Prosecutorial Judicial Districts 22 will be divided into District 22A, Alexander and Iredell Counties, and District 22B, Davie and Davidson Counties. Funding is provided for the following new positions, effective January 1, 2009, needed to support the new judicial districts:

Position	# Positions
New Superior Court District:	
Trial Court Coordinator	1.0
Superior Court Judge	1.0
Court Reporter	1.0
Deputy Clerk	1.0
New Prosecutorial District:	
District Attorney	1.0
District Attorney Admin. Asst. II	1.0
Asst District Attorney	2.0
DA Investigator	1.0
New District Court:	
District Court Judge	2.0
Judicial Assistant	1.0
Deputy Clerk	2.0

In addition, funds are provided to upgrade an existing Superior Court Judge position to Senior Resident Superior Court Judge and an existing District Court Judge position to Chief District Court Judge.

Administration

2 Technology Initiatives

\$7,914,759	R	\$7,919,361	R
\$1,927,647	NR		
78.00		78.00	

Funding is provided to continue technology modernization and infrastructure projects currently under development. The non-recurring funds will be transferred to the Court Information Technology Fund and will not revert pursuant to G.S. 7A-343.2

3 Financial Services Positions

\$185,346	R	\$185,902	R
\$14,498	NR		
2.00		2.00	

Funding is provided for two (2) Internal Auditor II/Financial Management Analyst positions to perform financial and system wide audits.

4 Research and Planning Positions

Funding is provided for two (2) positions to conduct research, policy, and statistical analyses, including that required for legislative fiscal note estimates and reporting.

\$189,541	R	\$189,659	R
\$18,696	NR		
2.00		2.00	

5 Increase Emergency Judge Funding

Funds are provided to increase the daily rate paid to emergency judges. The rate will increase from \$300/day to \$400/day. The rate has not changed since 1998.

\$558,935	R	\$558,935	R
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Appellate

6 New Court of Appeals Positions

Funding is provided for one Staff Attorney I position and one Appellate Clerk I position to address increases in Appellate workload.

\$117,356	R	\$120,349	R
\$14,357	NR		
2.00		2.00	

7 Appellate Judge Mileage Reimbursement

Funds are provided for weekly travel for all appellate judges who reside 50 miles or more from Raleigh. The mileage reimbursement will be paid for each week that the judge travels from home to Raleigh for business of the court.

\$55,000	R	\$55,000	R
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8 Expansion of Judicial Standards Commission

Governor's Recommendation: funding is provided for two new positions for the Judicial Standards Commission: one Staff Attorney I and one Investigator. These positions are needed to support the recent expansion of the commission's membership and to address an increase in the number of complaints investigated by the commission.

\$178,105	R	\$178,105	R
\$15,261	NR		
2.00		2.00	

District Attorney Offices

9 New Prosecutors and Support Staff

Funding is provided for new Victim Witness/Legal Assistant (VWLA), Assistant District Attorney (ADA), and District Attorney (DA) Investigator positions. The effective date of the positions are as follows:

\$3,939,523	R	\$10,281,769	R
\$242,841	NR	\$238,884	NR
77.00		152.00	

Position	# Pos	Effective Date
Victim Witness Legal Asst	40	10/01/07
Assistant District Attorney	30	10/01/07
DA Investigator	7	10/01/07
Victim Witness Legal Asst	40	07/01/08
Assistant District Attorney	28	07/01/08
DA Investigator	7	07/01/08

With the exception of the 28 ADA positions effective on July 1, 2008, all of the positions will be allocated by the Administrative Office of the Courts. The 28 ADA positions which become effective on July 1, 2008 shall be allocated by the General Assembly in the 2008 Session. (HB 1473, Sec. 14.14)

10 Receipt-Supported Positions - Guilford

The Guilford County DA's Office may establish eight (8) time-limited positions using funds provided by Guilford County:

- 1.0 Mental Health Court Coordinator II
- 1.0 Mental Health Court Case Coordinator
- 6.0 Pretrial Screener I

11 Receipt-Supported Position - Forsyth County

The Forsyth County DA's Office may establish one time-limited Gang Intervention & Resource Specialist position using federal grant funds from the Governor's Crime Commission.

12 Continuation Review-DA Conference Funds

Funding is provided for the District Attorneys Conference for FY 2007-08 only. Restoration of FY 2008-09 funds is subject to findings of the Continuation Review.

(\$401,289)	R	(\$401,289)	R
\$401,289	NR		
		-5.00	

Equipment and Other Reserves

13 Equipment for New Courthouse

Governor's Recommendation: funding is provided for a telephone system for the new Rockingham County courthouse scheduled to be completed in FY 2007-08.

\$4,300	R	\$4,300	R
\$125,500	NR		

Trial Courts

14 New Deputy Clerk Positions

Provides funding for 150 new Deputy Clerk positions effective October 1, 2007 and 147 additional positions effective July 1, 2008. The positions shall be allocated by the Administrative Office of the Clerks to more effectively manage Superior and District Court caseloads.

\$4,245,000	R	\$11,145,966	R
\$330,450	NR	\$326,487	NR
150.00		297.00	

FY 07-08

FY 08-09

15 New Magistrate Positions

Funding is provided for 42 new magistrate positions to be allocated by the Administrative Office of the Courts. Twenty-one (21) positions become effective October 1, 2007 with the remaining twenty-one (21) positions to become effective on July 1, 2008. The positions shall be allocated as follows:

\$682,752	R	\$1,808,184	R
\$85,176	NR	\$86,100	NR
21.00		42.00	

2007-08		2008-09	
County	#Pos.	County	#Pos.
Alleghany	0.75	Alleghany	0.25
Buncombe	1.0	Cabarrus	1.0
Cay	0.75	Cay	0.25
Davison	1.0	Cumberland	1.0
Durham	4.0	Gaston	1.0
Forsyth	2.0	Gates	0.25
Gates	0.75	Graham	0.25
Graham	0.75	Guilford	2.60
Guilford	2.0	Haywood	0.75
Haywood	0.25	Henderson	0.5
Iredell	1.0	Jones	0.25
Jones	0.75	McDowell	0.5
Macon	0.5	Mecklenburg	4.5
Mecklenburg	2.0	More	0.4
New Hanover	1.0	Pitt	0.5
Pitt	1.0	Union	1.0
Wake	1.5	Wake	5.0
		Wilson	1.0

16 New District Court Judge Positions

Funding is provided for nine (9) new district court judge positions. Six (6) positions become effective January 1, 2008 with the remaining three (3) positions to become effective on January 15, 2009. The positions shall be allocated as recommended by ACC below.

\$428,316	R	\$1,034,565	R
\$56,604	NR	\$29,040	NR
6.00		9.00	

FY 2007-08 (6.0)	FY 2008-09 (3.0)
District 26 Mecklenburg	District 26 Mecklenburg
District 10 Wake	District 10 Wake
District 11 Johnston, Lee, Harnett	District 5 New Hanover, Pender
District 18 Guilford	
District 12 Cumberland	
District 21 Forsyth	

17 New District Court Judicial Support Staff

Funding is provided for nine (9) District Court Judicial Assistant I positions effective January 1, 2008 plus seven (7) additional positions effective January 15, 2009.

\$206,073	R	\$562,813	R
\$30,222	NR	\$24,080	NR
9.00		16.00	

18 Family Court Expansion

Funding is provided for 8 new positions and associated operating expenses to expand family court into two (2) new districts to be selected by the Administrative Office of the Courts.

\$521,528	R	\$521,528	R
\$46,728	NR		
8.00		8.00	

FY 07-08

FY 08-09

19 Guardian ad Litem (GAL) Program Staff

Funding is provided to replace expiring federal grant funds used to support 3 GAL program positions and to establish 12 new positions, including two (2) Regional Administrators and ten (10) Program Supervisors.

\$1,101,010	R	\$1,102,775	R
\$48,272	NR		
15.00		15.00	

20 GAL Contract Attorney Rate Adjustment

Funds are provided to increase the contract rate paid to private GAL attorneys who represent children in hearings before the court. The contract adjustment will increase the GAL attorneys' rate from \$45 to \$65, the rate currently paid to court-appointed parent attorneys.

\$500,000	R	\$500,000	R
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21 Drug Treatment Court Positions

Funding is provided to replace expiring federal and county grant funds used to support 13.75 positions in Drug Treatment Courts in 9 districts. Funds will be needed for 10.75 of these positions on July 1, 2007. Federal funds for the remaining 3 positions will expire on June 30, 2008. In addition, funds are provided for one ACC drug treatment court administrative position and for on-going management information system costs.

\$833,769	R	\$1,236,560	R
\$52,701	NR	\$26,085	NR
10.75		14.75	

22 New Superior Court Judicial Support Staff

Funding is provided for five (5) new Superior Court Judicial Assistant I positions. Two positions become effective January 1, 2008 to support the two (2) new special superior court judge positions. The remaining three (3) positions become effective July 1, 2008 and are to be allocated by ACC.

\$44,622	R	\$217,994	R
\$6,668	NR	\$10,260	NR
2.00		5.00	

23 Special Superior Court Judges

Funding is provided for 2 new Special Superior Court Judge positions, effective January 1, 2008.

\$177,530	R	\$325,092	R
\$12,728	NR		
2.00		2.00	

24 Continuation Review - Clerks Conference

Funding is provided for the Clerks of Superior Court Conference for FY 2007-08 only. Restoration of FY 2008-09 funds is subject to findings of the Continuation Review.

(\$121,402)	R	(\$121,402)	R
\$121,402	NR		
		-2.00	

Total Legislative Changes	\$21,360,774	R	\$38,073,921	R
	\$3,551,040	NR	\$815,642	NR
Total Position Changes	386.75		653.75	
Revised Budget	\$432,747,865		\$452,389,917	

Judicial - Indigent Defense

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$101,886,218		\$105,772,513	
Legislative Changes				
Indigent Persons Attorney				
25 Hourly Rate for Assigned Counsel	\$4,130,255	R	\$8,500,000	R
Funding is provided to allow the IDS Commission to increase the rate for private assigned counsel in non-capital cases from \$65/hour to \$75/hour effective January 1, 2008.				
26 Electronic Fee Applications Pilot	\$175,000	NR		
Funding is provided to develop and pilot the electronic submission and payment of attorney fee applications.				
27 Certiorari Filing Fees	\$50,000	R	\$50,000	R
Funding is provided to cover the cost of certiorari filing fees for cases on appeal to the North Carolina or United States Supreme Courts.				
Public Defender Office				
28 Equipment Replacement	\$98,778	R	\$98,778	R
Governor's Recommendation: funding is provided to establish a six-year equipment replacement schedule for equipment in the Public Defender Offices.				
29 Expand Public Defender Offices			\$1,570,057	R
Funding is provided to expand the number of Public Defender offices and attorney positions around the state.				
Sentencing Services				
30 Grants to Sentencing Services Nonprofits	\$200,000	NR		
Governor's Recommendation: funding is provided to increase the FY 2007-08 grants to local Sentencing Services programs operated by nonprofit agencies.				
Total Legislative Changes	\$4,279,033	R	\$10,218,835	R
	\$375,000	NR		
Total Position Changes				
Revised Budget	\$106,540,251		\$115,991,348	

Justice

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$94,586,393		\$91,003,762	

Legislative Changes

Legal Services

31 Special Litigation Reserve (\$1,067,150) R (\$1,067,150) R
 Elimination of the Governor's continuation request for special litigation funds.

32 Victims of Human Trafficking Reserve \$50,000 NR
 Pass through funding to provide legal assistance to human trafficking victims. This appropriation is contingent upon the enactment of House Bill 974, Senate Bill 1079, or substantially similar legislation during the 2007 General Assembly

33 Consumer Protection Specialist \$47,323 R \$47,323 R
 Funding to establish and support a consumer protection specialist position in the Department of Justice. The consumer protection specialist shall be responsible for (i) coordinating consumer complaints from military personnel and their families, (ii) providing a single point of contact in the Consumer Protection Division for military personnel, their families and military attorneys; and (iii) communicating with military bases in North Carolina on a regular basis to inform the appropriate military offices of services provided by the Consumer Protection Division, to discover new complaints, and follow up on cases initiated by military personnel or their families through military offices.
 \$3,596 NR 1.00 1.00

34 Medicaid Fraud Unit Staff Expansion \$85,141 R \$85,141 R
 Funding is provided for 5 staff positions to assist in Medicaid recovery efforts. These positions will also provide investigative and prosecutorial support for new Medicaid fraud criminal and civil penalties.
 5.00 5.00

35 Receipt-Supported Position
 Using receipts from the State Education Assistance Authority, the Division may establish a Paralegal II (PG 69) position, effective July 1, 2007.

SBI

36 Drug and Violent Crime Agents \$215,073 R \$215,073 R
 Funding to establish 3 sworn agent positions to investigate drug, violent crime and gang related cases.
 \$88,191 NR 3.00 3.00

FY 07-08

FY 08-09

37 Computer Crimes Unit Positions

Funding to establish 2 sworn agents to investigate child exploitation and sexual predator cases.

\$161,070	R	\$161,070	R
\$76,056	NR		
	2.00	2.00	

38 Sex Offender Technology Support

Governor's recommendation: Funding for a staff position and operating funds to support the operation of the sex offender registry.

\$210,368	R	\$210,368	R
\$6,856	NR		
	1.00	1.00	

39 SBI Equipment Replacement Reduction

Reduction in the Governor's continuation request for SBI equipment replacement.

(\$690,514)	NR		
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40 Convicted Offender DNA Processing Resources

Funding for 3 Information Processing Technicians to receive, analyze and upload DNA samples into the SBI CODIS database. This appropriation also includes operating funds.

\$279,957	R	\$279,957	R
\$132,819	NR		
	3.00	3.00	

41 Piedmont Triad Regional Crime Laboratory

Funding for the establishment of the Piedmont Triad Regional Crime Laboratory. Scheduled to be open in April of 2008, this lab will provide drug chemistry, fingerprint analysis, latent evidence analysis, computer forensics, and drug toxicology services to the Triad region. This lab will be staffed with the 12 non-sworn staff positions.

\$431,837	R	\$1,168,623	R
\$156,074	NR		
	12.00	12.00	

Staff Positions (Effective April 2008):

Chemists	3
Computer Forensic Analysts	2
Forensic Toxicologists	2
Latent Examiners	2
Office Assistants	2
Evidence Technician	1

Training and Standards

42 School Training Safety Coordinator Position

Funding for a staff position to develop and administer uniform school safety and gang prevention programs for school resource officers.

\$67,503	R	\$67,503	R
\$20,606	NR		
	1.00	1.00	

Total Legislative Changes

\$431,122	R	\$1,167,908	R
(\$156,316)	NR		

Total Position Changes

28.00		28.00	
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Revised Budget

\$94,861,199		\$92,171,670	
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Juvenile Justice & Delinquency Prevention

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$159,464,742	\$163,791,473

Legislative Changes

Department-Wide

43 Eliminate funding for vacant positions	(\$2,530,058)	R	(\$2,530,058)	R
Eliminate funding for positions that have been vacant for one year or longer. Sixty-nine of these positions are vacant YDC positions, 5 positions are vacant Detention Services positions, and 1 position is a vacant Intervention/Prevention position.	-75.00		-75.00	

Detention Services

44 State Share In-County Detention	(\$260,202)	R	(\$260,202)	R
Reduce the increase in the state share for in-county detention and fund the actual 2005-06 amount. This will not reduce the payments to counties for the state share of detention centers.				

Intervention/Prevention

45 Continuation Review-JCPC County Allocation	(\$22,652,860)	R	(\$22,652,860)	R
Funding is provided for the JCPC county allocation for FY 2007-08 only. Restoration of FY 2008-09 funds is subject to findings of the Continuation Review.	\$22,652,860	NR		

Special Initiatives

46 Eckerd Wilderness Camp Contract	\$1,361,406	R	\$1,663,239	R
Funds are provided to increase the daily contract rate for 346 beds to \$132.55 per day in 2007-08 and to \$134.94 per day in 2008-09, up from the current rate of \$121.77 per day. These increases will partially address the difference between the daily contract rate and Eckerd's current actual operating cost for the seven camps of \$141.01 per day.				

47 Eliminate funding for CIS	(\$181,588)	R	(\$181,588)	R
Eliminate JJDP funding for the state administrative office of Communities in Schools. CIS continues to receive General Fund support from the Department of Public Instruction.				

48 Macon County Multipurpose Group Home	\$300,000	NR		
Provide start-up funds, including contractual services, to reopen the Macon County Multipurpose Group Home.				

Youth Development Centers

49 Post-Secondary Educational Assistance to Students

Governor's Recommendation: Provide scholarships to former YDC students who have completed their GED or high school diploma to take courses at a community college. \$100,000 NR

50 Delay funding for Edgecombe YDC

Delay funding for two months of new Edgecombe Youth Development Center because of construction delays. (\$270,706) NR

51 Delay funding for Chatham YDC

Delay funding for two months of new Chatham Youth Development Center because of construction delays. (\$573,406) NR

52 Triad YDC

Reduce continuation budget funding for a new Triad Youth Development Center because the original project site fell through and DJJDP is seeking another construction site. The Triad YDC is expected to open in April of 2009, and operating funds will be provided the final quarter of 2009. (\$1,243,352) NR (\$2,922,964) NR
-23.48 -50.00

53 Eckerd EFFORT Project

Provide start-up and recurring funds for a 36-bed facility for committed youth operated by Eckerd Youth Alternatives, Inc. The Eckerd Family Focus on Rehabilitative Treatment (EFFORT) will be carried out through a contract between DJJDP and Eckerd. EFFORT will provide 36 beds for DJJDP to assign committed youth and will offer a therapeutic treatment model similar to DJJDP. The proposed site for the project is two cottages located on the Sarrakand Youth Development Facility in Eagle Springs, NC, and \$534,000 is provided to complete a P&R project in the two cottages. \$1,347,831 R \$2,695,662 R
\$534,000 NR

54 Reduce Barber/Hair Care Services

Out the continuation increase to reflect 2005-06 actual expenditures for barber and hair care services provided at the Youth Development Centers. (\$46,598) R (\$46,598) R

Total Legislative Changes	(\$22,962,069)	R	(\$21,312,405)	R
	\$21,499,396	NR	(\$2,922,964)	NR
Total Position Changes	-98.48		-125.00	
Revised Budget	\$158,002,069		\$139,556,104	

Correction

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$1,214,815,488	\$1,235,981,287

Legislative Changes

Alcohol and Chemical Dependency Program

55 Inmate Drug and Alcohol Addiction Treatment

Increases the capacity for treating drug and alcohol addiction by providing 10 additional contract beds to house male inmates who are being provided intensive treatment for drug and alcohol abuse and addiction. These funds shall be used solely to house and treat these inmates and to maximize the treatment facility's capability to provide intensive treatment to chemically dependent male inmates

\$239,805 NR

Community Corrections

56 Increase funding for Women at Risk

Increase funding for the Women at Risk program, a community-based treatment program serving females offenders and their families.

\$70,000 NR

57 Increase funding for Summit House

Increase the funding for Summit House, a community-based residential alternative to incarceration for mothers and pregnant women convicted of non-violent crimes.

\$100,000 NR

58 Eliminate CJPP Inflationary Increase

Eliminate the Criminal Justice Partnership Program inflationary increase. State budget instructions do not permit an inflationary increase for this program

(\$372,357) R (\$372,357) R

59 Continuation Review-CJPP

Funding is provided for the Criminal Justice Partnership Program for FY 2007-08 only. Restoration of FY 2008-09 funds is subject to findings of the Continuation Review

(\$9,153,134) R (\$9,153,134) R
 \$9,153,134 NR

Department Management

60 IT Project Manager

Governor's Recommendation: This position will serve as a second IT Project Manager for DOC information technology projects. Position will be responsible for direct project management and for inputting and tracking DOC projects through the State Information Technology project management tool.

\$112,308 R \$112,308 R
 \$4,193 NR
 1.00 1.00

61 Offender System Upgrade

Governor's Recommendation: DOC's offender information system (OPUS) was developed in 1994 and requires updating to a more modern and secure system architecture. These funds are to develop an initial plan for system design, the schedule for completing the project and the estimated costs.

\$494,986 NR

62 Special Projects Staff

Governor's Recommendation: The DOC Secretary's Office has operated for several years with two grant funded positions. These positions coordinate grants department wide and are also responsible for DOC Emergency Operations plans and the DOC Leadership Development Program. State funds will replace federal funding which ends September 30, 2007.

\$116,699 R \$155,680 R
2.00 2.00

63 Central Engineering Positions

These positions are primarily to increase the number of inmates participating in prison construction and renovation and repair projects. The positions are a mix of construction engineers and tradesmen (HVAC, electrical). This budget funds 14 positions in DOC priority order.

\$776,248 R \$776,248 R
\$210,435 NR
14.00 14.00

64 Victims Services Positions

Adds one position to the DOC Office of Victim Services: an Outreach Specialist I. The Specialist would handle all inquiries from Hispanic victims and other requests as well. Staffing has been level at 5 positions since 2001, although calls have increased significantly.

\$53,905 R \$53,905 R
\$4,194 NR
1.00 1.00

65 Departmental Energy Budget

The recommended continuation budget for DOC energy was \$4.4 million greater than projected expenditures for 06/07. The continuation increase is reduced by \$1.25 million but \$500,000 is Non-Recurring.

(\$750,000) R (\$750,000) R
(\$500,000) NR

66 Reduce Increase in Administrative Positions

The DOC continuation budget included a request for 39 new administrative positions. The positions are primarily for training, personnel and fiscal operations. This budget funds 27 of 39 positions in DOC priority order and deletes positions 28-39.

(\$543,609) R (\$543,609) R
(\$46,542) NR
-12.00 -12.00

Prisons

67 Neuse Correctional Center

Authorizes DOC to convert 77 regular population beds to 77 misdemeanor processing beds. Neuse is the only diagnostic center for adult misdemeanants. Admissions are anticipated to increase by over 140 a month in 2007 and 2008. The new staffing is to add various diagnostic staff, increase custody supervision in a dormitory for inmates being processed and increase correctional transportation officers.

\$454,456 R \$454,456 R
\$32,192 NR
11.00 11.00

FY 07-08

FY 08-09

68 Prison Case Manager

The DOC Recommended Continuation Budget included three new positions. The positions are reduced from three to two.

(\$34,079)	R	(\$34,079)	R
-1.00		-1.00	

69 Reduce Jail Misdemeanant Payments

Counties are paid \$18 a day by DOC for housing offenders sentenced to 30 to 90 days in county jails. The Governor recommended an increase of approximately \$900,000 over projected expenditures for FY 06/07. The increase is reduced by \$450,000 the first year and \$225,000 in 08/09.

(\$225,000)	R	(\$225,000)	R
(\$225,000)	NR		

70 Swannanoa Female Prison

DJDP transferred a portion of the Swannanoa property to DOC to establish a 166 bed female minimum custody prison. The project has been delayed, allowing for a one time reduction by hiring positions at later dates than originally budgeted

(\$624,053)	NR		
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71 Tabor Correctional Center

Tabor is the last of the six 1,000 bed prisons authorized by the General Assembly. The prison is scheduled to open May 2008 and receive inmates September 2008. This one-time reduction is achieved by sliding the schedule for positions due to be established in Nov 07 and Dec. 07 by one month

(\$296,000)	NR		
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72 Domestic Violence Reserve

Establishes a reserve to implement the provisions of SL 2007-190, Violate Order/Possess Deadly Weapon Felony.

\$125,876	R	\$125,876	R
\$21,500	NR		

73 Our Children's Place Administration

Funding for contractual services to be used for a position that will operate as an assistant to the Executive Director of Our Children's Place, a program for female inmates.

\$46,000	R	\$46,000	R
\$4,000	NR		

Total Legislative Changes

(\$9,392,687)	R	(\$9,353,706)	R
\$8,642,844	NR		

Total Position Changes

16.00		16.00	
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Revised Budget

\$1,214,065,645		\$1,226,627,581	
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Crime Control and Public Safety

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$39,283,058	\$39,307,071

Legislative Changes

Administration

74 Law Enforcement Support Services

Funding for warehouse rental costs. These funds will replace federal grant funding that has been eliminated.

\$136,175 NR

ALE

75 eCitation Expansion

Funding to expand the automation of the citation writing process to all ALE field agents.

\$160,000 NR

76 Elimination of Boxing Authority Increase

Elimination of program operating increases included in the Governor's continuation request.

(\$32,618) R (\$32,618) R

Emergency Management

77 Regional Response Teams

Funding for 7 HAZMAT Regional Response Teams. Funds will be used to support the teams' training and equipment replacement.

\$250,000 NR

78 Accountant I

Governor's Recommendation: Establishes an Accountant I position within the Emergency Management Division to manage the Division's federal assistance funds.

\$68,893 R \$68,893 R
1.00 1.00

79 Flood Plain Mapping

Funding for staff and contractual service costs. This recommendation includes \$2.4 m (NR) for engineering contracts and funds 20 positions currently funded with special reserve funds. Staff positions are reduced during the biennium to reflect the program's shift from the map development phase to the map maintenance phase.

\$1,697,252 R \$1,342,044 R
\$2,400,000 NR
20.00 15.00

2008-09: (Elimination of 5 positions)

- Database Specialist
- Environmental Engineer III
- Computing Consultant II
- Emergency Planner I
- Community Development Planner II

Governor's Crime Commission

80 Illegal Immigration Project

Funding for a Governor's Crime Commission grant to the North Carolina Sheriff's Association. This grant will be used for technical assistance and training associated with immigration enforcement.

\$750,000 NR

81 Gang Intervention and Suppression

Funding for grants to local government and community agencies for gang prevention, intervention and suppression initiatives.

\$4,760,195 NR

National Guard

82 National Guard Family Assistance Centers

Funding to establish 3 National Guard Family Assistance Centers to provide benefit and planning services to families of deployed National Guard members.

\$420,000 R \$420,000 R

Victims Compensation Services

83 Victims Compensation

Funding to reduce the program's backlog of approved but unpaid claims. The expansion will increase federal VOCA receipts, since VOCA provides a 60% match to appropriated state funds.

\$298,896 R \$383,647 R
\$1,309,486 NR

Total Legislative Changes

\$2,452,423 R \$2,181,966 R
\$9,765,856 NR

Total Position Changes

21.00 16.00

Revised Budget

\$51,501,337 \$41,489,037

**GENERAL
GOVERNMENT
Section J**

Administration

GENERAL FUND

Adjusted Continuation Budget

FY 07-08
\$65,923,562

FY 08-09
\$66,457,866

Legislative Changes

1411 State Construction

1 Design Review Team Addition

\$318,287	R	\$318,287	R
\$16,000	NR		
4.00		4.00	

Funds are provided for four new positions to establish an additional Design Review Team. The positions include three Building Systems Engineer II positions (\$63,000 each) and one Facility Architect II position (\$63,000). A new team will accelerate the review process and allow construction to begin more quickly.

Recurring	FY2007-08	FY2008-09
531211 Salaries	\$252,000	\$252,000
531511 Social Security	\$ 19,278	\$ 19,278
531521 Retirement	\$ 17,993	\$ 17,993
531561 Medical Insurance	\$ 15,416	\$ 15,416
533110 General Office Supplies	\$ 2,400	\$ 2,400
5327XX Travel Expense	\$ 1,200	\$ 1,200
532811 Telephone Service	\$ 2,400	\$ 2,400
532840 Postage	\$ 800	\$ 800
532850 Reproduction	\$ 800	\$ 800
532332 Repairs & Maintenance	\$ 800	\$ 800
532821 Computer/Data Processing	\$ 3,200	\$ 3,200
534521 Office Equipment	\$ 8,000	\$ 1,000
534534 Equip-Computers	\$ 10,000	\$ 1,000
Total Recurring	\$334,287	\$318,287

1421 Facilities Management

2 Reduce Operating Budget

(\$996,859)	R	(\$996,859)	R
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Eliminates the continuation budget increase for utilities.

1731 Council for Women/DV Commission

3 Rape Crisis/Sexual Assault

\$894,006	R	\$904,890	R
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Provides increased funding for rape crisis and sexual assault services.

4 Abolish Position

(\$38,741)	R	(\$38,741)	R
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Abolishes vacant Human Services Coord II position (Pos. Nb. 4116-0000-0014-300).

-1.00		-1.00	
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5 Additional Positions

Establish three new positions for the Council for Women and Domestic Violence. One position is for an Office Assistant III for a Regional Director; the two other positions are Community Development Specialists needed to help the council comply with state rules and regulations regarding the monitoring of state grant funds.

\$138,022	R	\$138,022	R
\$1,600	NR		
3.00		3.00	

1861 Commission on Indian Affairs

6 NC Indian Economic Development Initiative, Inc.

Provides funds to continue the work of the Initiative aimed at spurring economic development and creating jobs in rural Indian communities.

\$150,000	NR
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2791 License to Give Trust Fund Commission

7 License to Give Receipt-Supported Positions

Authorizes a permanent part-time (24 hrs per week) Administrative Assistant III position that will support the Chair of the Commission, work with grantees to ensure compliance with obligations and reporting as agreed upon in the grant agreement, and create materials to promote awareness and availability of grants funded by the Commission.

Salary and fringe benefits total \$25,836 for FY 2007-08. The position is receipt-supported.

Office of the Secretary

8 Establish Revenue Hearings Officer Function

Establishes two positions in the Secretary's office to hear appeals on tax cases from the Revenue Department. These positions are being transferred from the Revenue Department to separate the functions of tax law enforcement and hearings. The positions are an Administrative Hearings Officer and an Administrative Assistant.

\$167,283	R	\$167,283	R
2.00		2.00	

State Capitol Police

9 Additional Public Safety Officers

Funds are provided to hire four additional Public Safety Officers (\$28,822 each) to respond to calls for law enforcement services from state agencies in the greater Raleigh/Wake County area. The positions are needed to provide adequate law enforcement services to agencies that have located beyond the normal coverage areas and the downtown state government complex.

\$186,069	R	\$186,069	R
4.00		4.00	

State Energy Office

10 Energy Office Funding

	\$2,682,500	R	\$3,990,000	R
	\$5,000,000	NR		

The following funding is provided for the State Energy Office:

1. \$ 700,000 recurring to transfer 8 positions from receipt to appropriation support and for administrative and operating expenses associated with these eight positions.
2. \$600,000 recurring in grants to support the Utility Savings Initiative.
3. \$1,382,500 in FY 2007-08 and \$2,690,000 recurring in FY 2008-09 to support the operations of 3 university energy programs: The NC A&T University Center for Energy Research and Technology; the NC State University Solar Center; and the Appalachian State University Energy Center.
4. \$5,000,000 nonrecurring in FY 2007-08 for an energy efficiency reserve.

The 8 positions transferred from receipt to appropriation support include:

Energy Division Director	\$ 86,699
Energy Conser Repr II	\$ 51,348
Building Systems Eng II	\$ 55,687
Energy Conser Repr II	\$ 51,986
Energy Conser Repr II	\$ 51,115
Energy Conser Repr II	\$ 48,939
Building Systems Eng I	\$ 56,603
Information Proc Tech	\$ 34,803

Total Legislative Changes	\$3,350,567	R	\$4,668,951	R
	\$5,167,600	NR		
Total Position Changes	12.00		12.00	
Revised Budget	\$74,441,729		\$71,126,817	

Auditor

GENERAL FUND

Adjusted Continuation Budget

FY 07-08
\$12,722,540

FY 08-09
\$12,735,993

Legislative Changes

1210 Field Audit

11 Database for Non-Governmental Organizations (NGOs)

Funding is provided to implement a real-time data base to house grant compliance and reporting information for NGOs receiving state funds. \$80,000 NR

Recurring	FY2007-08	
532199 Professional Services	\$ 36,000	
532942 Training	\$ 6,400	
534711 Subscription Services	\$ 16,000	
532199 Project Management Serv	\$ 12,000	
532140 Hosting at ITS	\$ 9,600	
Total Recurring	\$ 80,000	

12 Data Mining/Business Intelligence

Funding is provided for operating support to train staff to ensure critical systems are in place regarding business intelligence and analysis as state government moves to the shared IT infrastructure and for assisting ITS in developing data warehousing and shared data services for state government. \$40,000 NR

Recurring	FY2007-08	
532942 Training	\$ 40,000	

13 Microsoft Enterprise Agreement

Funding is provided for a Microsoft (MS) enterprise agreement to include all MS operating systems, office applications, and servers to improve security, mitigate risks of aging technology, and improve operations inherent in server technologies. These funds are to be placed in a reserve account. \$60,486 R \$60,486 R

Recurring	FY2007-08	FY2008-09
534711 Other Computer Software	\$ 60,486	\$ 60,486

14 Eliminate Equipment Replacement Schedule

Eliminates an increase from the continuation budget to put the Auditor's Office on a replacement schedule for computer equipment. (\$50,000) R (\$50,000) R

Total Legislative Changes	\$10,486	R		\$10,486	R
	\$120,000	NR			
<i>Total Position Changes</i>					
Revised Budget	\$12,853,026			\$12,746,479	

Cultural Resources

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$68,672,441	\$69,561,683

Legislative Changes

Archives and History

<p>15 Enhanced History Education</p> <p>Provides funds to continue and broaden history education activities initiated under the Cultural Sharing and Caring pilot program in 2006-07. These funds are appropriated to the Division of Archives and History, which will collaborate with the State Board of Education to meet curriculum demands and to schedule events.</p>	<p>\$100,000 R</p>	<p>\$100,000 R</p>
<p>16 Abandoned Cemetery Preservation</p> <p>Establishes a new function within the Department of Cultural Resources to preserve and protect abandoned cemeteries. This new program was recommended by the House Study Committee on Abandoned Cemeteries. Two positions are created to carry out the function.</p>	<p>\$119,741 R \$13,600 NR 2.00</p>	<p>\$119,741 R 2.00</p>
<p>17 CSS Neuse Funds</p> <p>Appropriates \$500,000 to provide adequate climate-controlled housing for the CSS Neuse, a Civil War-era ironclad gunboat. The relic is a designated historic site in the Division of Archives and History, and needs proper storage and preservation to prevent its loss.</p>	<p>\$500,000 NR</p>	
<p>18 Charlotte Hawkins Brown Historic Site</p> <p>Appropriates \$50,000 to contract for a professional facilities planner to assess the capacities and capability of campus facilities for a variety of uses, including community and economic development activities, educational outreach centers, and meeting spaces.</p>	<p>\$50,000 NR</p>	
<p>19 African-American Monument Project</p> <p>Appropriates \$100,000 to the fabricate and construct a monument to the African-American experience in North Carolina in the State Government Complex in Raleigh. The Department will pass these funds to the North Carolina Freedom Monument Project, Inc.</p>	<p>\$100,000 NR</p>	
<p>20 International Civil Rights Museum</p> <p>Appropriates \$500,000 for capital costs of a civil rights museum. The Department will pass these funds to the non-profit organization Sit-In Movement, Inc.</p>	<p>\$500,000 NR</p>	

Arts Council

21 Expand Arts Council Basic Grants

Provides additional recurring funds for the competitive Basic Grants Program in the Arts Council to be awarded through the formal application process.

\$1,000,000 R \$1,000,000 R

22 c Artwheels Funding

Appropriates funds to extend the arts components of the Cultural Sharing and Caring pilot program. The program will provide exposure to professional performing arts for students in the public schools. These funds are appropriated to the Arts Council, and will be awarded based on an application process to emphasize geographic distribution, diversity, and variety of programs, such as dance, opera, music, and theater.

\$1,000,000 NR

23 Expand Grassroots Arts Program

Increases funding for the Grassroots Arts Program in the Arts Council.

\$1,000,000 R \$1,000,000 R

24 Opera Company of North Carolina

Appropriates \$25,000 to the Opera Company of North Carolina for operational support.

\$25,000 NR

25 Horn in the West Operational Support

Appropriates \$25,000 to the Southern Appalachian Historical Association, Inc., for operational support for the outdoor drama Horn in the West.

\$25,000 NR

Museum of History

26 Graveyard of the Atlantic

Provides \$300,000 recurring to make the Graveyard of the Atlantic Museum a state-operated facility as part of the History Museum Division.

\$300,000 R \$300,000 R
6.00 6.00

NC Symphony

27 Symphony Operating Funds

Provides \$540,000 NR to the Symphony for operating support.

\$540,000 NR

Reserves

28 Reduce Reserves-Exhibits

Eliminates a \$200,000 reserve for new exhibits within the Department of Cultural Resources.

(\$200,000) R (\$200,000) R

State Archaeology

29 Queen Anne's Revenge Archaeology Project

Increases operational support for the Queen Anne's Revenge archaeological project. These funds will sustain major recovery efforts, conservation, and analysis of artifacts and images from the 18th century shipwreck.

\$150,000 NR

Statewide Programs and Grants

30 Aid to Public Libraries

Increases the appropriation to public libraries by \$475,000 non-recurring. These funds will be distributed based on the existing formula for county library grants.

\$475,000 NR

Total Legislative Changes	\$2,319,741	R	\$2,319,741	R
	\$3,378,600	NR		
Total Position Changes		8.00		8.00
Revised Budget	\$74,370,782		\$71,881,424	

General Assembly

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$55,729,083		\$56,931,204	
Legislative Changes				
31 Reduce Contingency Reserves	(\$636,863)	R	(\$636,863)	R
Reduces funding in the General Assembly's contingency reserves, which are used when sessions go beyond projected length, when special sessions are called, and for other purposes such as to fund the Government Performance Audit Commission.				
32 Reduce Temporary Salary Line Item	(\$553,555)	R	(\$553,555)	R
Takes a recurring reduction to the funding for temporary employee salaries. These funds are based on expected session lengths and allowance of days per week for member support staff.				
Total Legislative Changes	(\$1,190,418)	R	(\$1,190,418)	R
Total Position Changes				
Revised Budget	\$54,538,665		\$55,740,786	

Governor

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$6,462,319		\$6,500,587	
Legislative Changes				
1110 Administration				
33 Eliminate Communities in Schools Pass-Through	(\$200,000)	R	(\$200,000)	R
Eliminates the transfer to the central office of Communities in Schools from the General Government section of the budget. This non-profit office still receives funding through the Public Instruction budget.				
Total Legislative Changes	(\$200,000)	R	(\$200,000)	R
Total Position Changes				
Revised Budget	\$6,262,319		\$6,300,587	

Housing Finance Agency

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$4,750,945	\$4,750,945

Legislative Changes

Administration

34 Receipt-Supported Positions

Establishes two receipt-supported positions for the Housing Finance Agency.

2.00

2.00

The first position is a Senior Supportive Housing Development Officer at a position cost of \$69,224, and the second is Loan Underwriter at a position cost of \$57,338.

These positions are funded through receipts from the Department of Health and Human Services for housing assistance for persons with disabilities.

HOME Match

35 Reduce HOME Match Program

(\$142,528) R

(\$142,528) R

Takes a recurring reduction to the HOME Match program in the Housing Finance Agency. This reduction is 3% of the overall Housing Finance Agency budget.

Housing Programs

36 North Carolina Housing Trust Fund

\$5,000,000 R

\$5,000,000 R

Appropriates additional recurring funds to support the Housing Trust Fund. This fund seeks to provide decent, safe, and affordable housing for North Carolina citizens with low to moderate incomes. The trust fund currently expends \$3 million per year; this expansion will increase that expenditure to \$8 million recurring.

37 Home Protection Pilot Program

\$1,500,000 NR

Provides non-recurring funds to continue the Home Protection Pilot program that assists homeowners in 26 counties who are at risk of losing their homes due to job loss. The program offers short- or long-term loans to qualifying homeowners so that they can maintain their home while regaining employment.

38 Housing Assistance for Persons with Disabilities

Provides funding to the North Carolina Housing Trust Fund for the financing of additional independent- and supportive-living apartments for people with disabilities. The apartments shall be affordable to those with incomes at the Supplemental Security Income (SSI) level. A description of this item is also located in the Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Section of this report.

\$7,500,000 NR

Total Legislative Changes	\$4,857,472	R	\$4,857,472	R
	\$9,000,000	NR		
Total Position Changes	2.00		2.00	
Revised Budget	\$18,608,417		\$9,608,417	

Insurance

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$30,841,859		\$30,880,430	
Legislative Changes				
Department wide				
39 Reduce Operating Line Items 1%	(\$308,419)	R	(\$308,419)	R
Reduces various operating line items to produce a cut of 1% of the Department of Insurance's budget.				
State Fire Marshal				
40 Staff Expansion	\$364,693	R	\$364,693	R
Funds four receipt-supported positions for State Building Construction Code Review, Inspection, and Enforcement to achieve targeted review times, implement new services and provide training activities for owner agencies and designers. Recommendations for these positions were included in the Legislative Study Commission on State Construction Inspections' report.				
	\$24,000	NR		
	4.00		4.00	
Total Legislative Changes	\$56,274	R	\$56,274	R
	\$24,000	NR		
Total Position Changes	4.00		4.00	
Revised Budget	\$30,922,133		\$30,936,704	

Lieutenant Governor

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$931,294		\$932,281	
Legislative Changes				
41 Additional Office Assistant Hours	\$4,019	R	\$4,019	R
Funds an increase in the work hours for the Office Assistant position from 16 hours to 20 hours per week.	0.10		0.10	
42 Operating Budget Increase	\$2,791	R	\$2,791	R
Funds an increase to the operating budget, including membership dues and subscriptions, for the Office of the Lieutenant Governor.				
43 Reduce Continuation Increase	(\$23,982)	R	(\$23,982)	R
Reduces an increase built into the continuation budget for data processing costs.				
Total Legislative Changes	(\$17,172)	R	(\$17,172)	R
Total Position Changes	0.10		0.10	
Revised Budget	\$914,122		\$915,109	

Office of Administrative Hearings

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$3,495,009		\$3,502,386	
Legislative Changes				
Civil Rights				
44 Eliminate Civil Rights Investigator Position	(\$46,697)	R	(\$46,697)	R
Eliminates an Investigator position in the Civil Rights Division that has been vacant since May, 2006.	-1.00		-1.00	
Hearings				
45 Administrative Hearings Assistant	\$48,546	R	\$48,546	R
Establishes a Hearings Assistant position to provide administrative and clerical support to the two new Administrative Law Judge positions created in the 2006 budget.	\$2,100	NR		
	1.00		1.00	
46 Automated Case Tracking System Replacement	\$17,500	R	\$17,500	R
Funds the replacement the Automated Case Tracking System. A new tracking system will improve key business functions for the Office of Administrative Hearings and improve both public interaction and departmental accountability.	\$175,000	NR		
Total Legislative Changes	\$19,349	R	\$19,349	R
	\$177,100	NR		
Total Position Changes	0.00		0.00	
Revised Budget	\$3,691,458		\$3,521,735	

Revenue

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$87,619,246		\$87,711,626	
Legislative Changes				
Collections and Examinations				
47 Budget Project Collect Fees	(\$1,750,000)	R	(\$1,750,000)	R
Budgets \$1.75 million in Project Collect collection assistance fees and moves 45 positions in the Collections and Examinations Division from General Fund to receipt-support.	-45.00		-45.00	
Department-wide				
48 Reduce Line Items 2%	(\$1,752,384)	R	(\$631,015)	R
Takes a 2% reduction in several line items related to temporary employees.				
Hearings				
49 Move Administrative Hearings Officer to DOA	(\$167,283)	R	(\$167,283)	R
Reduces the appropriation to the Department of Revenue for two positions, the Administrative Hearings Officer position and its associated administrative assistant. These funds will be transferred to the Department of Administration to house this function.	-2.00		-2.00	
Total Legislative Changes	(\$3,669,667)	R	(\$2,548,298)	R
Total Position Changes	-47.00		-47.00	
Revised Budget	\$83,949,579		\$85,163,328	

Secretary of State

GENERAL FUND

Adjusted Continuation Budget

FY 07-08
\$10,600,417

FY 08-09
\$10,686,083

Legislative Changes

1210 Corporations

50 Redaction of Personal Information

Funds are provided to redact identifying information from Business Entity database images. \$812,500 NR

1230 Securities Registration

51 Staff Expansion

Funding is provided to establish a Securities Examiner I position (\$37,066) to serve as a field auditor for broker-dealer firms and investment advisor firms to ensure compliance with the NC Investment Advisor Act and Securities Act. \$56,958 R
\$7,115 NR
1.00 1.00

Recurring	FY2007-08	FY2008-09
531211 Salaries	\$ 37,066	\$ 37,066
531511 Social Security	\$ 2,836	\$ 2,836
531521 Retirement	\$ 2,647	\$ 2,647
531561 Medical Insurance	\$ 3,854	\$ 3,854
532714 Transportation-In State	\$ 4,235	\$ 4,235
532721 Lodging-In State	\$ 1,630	\$ 1,630
532724 Meals-In State	\$ 1,040	\$ 1,040
532811 Telephone Services	\$ 260	\$ 260
532814 Cellular Phone Services	\$ 790	\$ 790
532840 Postage Freight Delivery	\$ 200	\$ 200
532850 Print, Bind, Duplicate	\$ 300	\$ 300
532930 Registration Fees	\$ 200	\$ 200
533110 General Office Supplies	\$ 315	\$ 315
533900 Other Materials/Supplies	\$ 185	\$ 185
534511 Office Furniture	\$ 3,850	\$ 0
534521 Office Equipment	\$ 100	\$ 0
534528 Voice Comm Equipment	\$ 165	\$ 0
534534 Personal Computer/Print	\$ 3,000	\$ 0
534630 Library & Learning Res	\$ 220	\$ 220
535830 Membership Dues/Subscri	\$ 1,180	\$ 1,180
Total Recurring	\$ 64,073	\$ 56,958

Total Legislative Changes	\$56,958	R	\$56,958	R
	\$819,615	NR		
<i>Total Position Changes</i>	1.00		1.00	
Revised Budget	\$11,476,990		\$10,743,041	

State Board of Elections

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$5,861,461		\$5,874,026	
Legislative Changes				
1100 Administration				
52 Reduce Operating Budget	(\$48,078)	R	(\$48,078)	R
Reduces the operating budget for LAN Support Services by \$48,078.				
53 Additional Office Space	\$75,000	R	\$77,250	R
Funding is recommended for additional office space to house the Administration Division.				
	\$27,750	NR		
1200 Campaign Reporting				
54 Time-Limited Audit Specialists	\$177,339	NR	\$88,670	NR
Funding is provided to maintain the three time-limited Audit Specialists authorized in the 2006 budget until December 31, 2008 in order to eliminate the auditing backlog of campaign finance reports.				
	3.00		3.00	
55 Web-based and Regional Training	\$55,000	R	\$55,000	R
Funding is provided for online training, regional seminars, and a learning management system to track data for committee treasurers. The training is required by G.S. 163-278.7(f).				
	\$40,000	NR		
Recurring	FY2007-08		FY2008-09	
532821 Computer/Data Processing	\$ 80,000		\$ 40,000	
532714 Transportation Ground-LS	\$ 10,000		\$ 10,000	
535900 Other Expenses	\$ 5,000		\$ 5,000	
Total Recurring	\$ 95,000		\$ 55,000	
Total Legislative Changes	\$81,922	R	\$84,172	R
	\$245,089	NR	\$88,670	NR
Total Position Changes	3.00		3.00	
Revised Budget	\$6,188,472		\$6,046,868	

State Budget & Management

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$5,930,060		\$5,936,765	
Legislative Changes				
1310 Department wide				
56 Abolish Position	(\$59,325)	R	(\$59,325)	R
Abolishes vacant Business/ Technical App Analyst position (Pos. Nb. 3004-0400-0000-584).	-1.00		-1.00	
Total Legislative Changes	(\$59,325)	R	(\$59,325)	R
Total Position Changes	-1.00		-1.00	
Revised Budget	\$5,870,735		\$5,877,440	

State Budget and Management - Special

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$4,938,446		\$4,938,446	
Legislative Changes				
1023 Fire Protection Grants				
57 Fire Protection Grants-in-Aid Supplement				
Funds are provided to increase the funding for the Fire Protection Grants-in-Aid program. Many new state-owned facilities have been constructed statewide. This funding will assist local fire districts that provide fire protection and other services to state-owned facilities.	\$300,000	NR		
1900 Reserves and Transfers				
58 Reserve for Military Morale, Recreation, Welfare				
Funds are provided to a Reserve for the Military Morale, Recreation, and Welfare Fund to be distributed to each military installation on a per capita basis.	\$1,000,000	NR		
59 Earned Income Tax Credit Outreach				
Provides funding to the ETC Carolinas Initiative at MDC, Inc., to support free tax preparation and outreach efforts associated with the earned income tax credit for low-income North Carolina taxpayers.	\$50,000	NR		
60 Internal Audit and Efficiency Review				
Provides funds for the establishment of an Internal Audit and Efficiency Review Program contingent upon the enactment of House Bill 1401 or similar legislation.	\$683,000	R	\$683,000	R
Total Legislative Changes	\$683,000	R	\$683,000	R
	\$1,350,000	NR		
Total Position Changes				
Revised Budget	\$6,971,446		\$5,621,446	

State Controller

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$20,646,483		\$20,669,990	
Legislative Changes				
1000 Administration				
61 Internal Control Compliance	\$165,043	R	\$165,043	R
Funding is provided for one Advanced State Management Analyst (\$66,425) and one Standard State Management Analyst (\$60,620) in Risk Mitigation Services to perform internal control compliance reviews in accordance with statutory provisions. Funding will include operating support for professional education and specialized training.	\$6,000	NR		
	2.00		2.00	
1000 Department wide				
62 Reduce Operating Budget	(\$107,335)	R	(\$107,335)	R
Reduces the following line items each fiscal year:				
Recurring	FY2007-08		FY2008-09	
532146 Mainframe Support Serv	(\$ 50,000)		(\$ 50,000)	
532718 Trans Qtr-Out of State	(\$ 100)		(\$ 100)	
531821 Computer/Data Process	(\$ 55,735)		(\$ 55,735)	
534530 Other DP Equipment	(\$ 1,500)		(\$ 1,500)	
Total Recurring	(\$107,335)		(\$107,335)	
Total Legislative Changes	\$57,708	R	\$57,708	R
	\$6,000	NR		
Total Position Changes	2.00		2.00	
Revised Budget	\$20,710,191		\$20,727,698	

Treasurer

GENERAL FUND

Adjusted Continuation Budget

FY 07-08

\$9,218,372

FY 08-09

\$9,227,432

Legislative Changes

1210 Investment Management

63 Reduce Operating Budget

(\$63,000) R

(\$63,000) R

Reduces the operating budget for the following line items:

Recurring	FY2007-08	FY2008-09
532199 Misc Contract Services	\$ 10,200	\$ 10,200
5327XX Travel	\$ 25,000	\$ 25,000
532821 Computer/ Data Process	\$ 2,000	\$ 2,000
532840 Postage	\$ 4,000	\$ 4,000
532920 Bonding	\$ 3,000	\$ 3,000
532942 Other Emp Educational	\$ 4,800	\$ 4,800
534530 Other DP Equipment	\$ 4,000	\$ 2,000
535830 Membership Dues	\$ 10,000	\$ 10,000
Total Recurring	\$ 63,000	\$ 63,000

64 Staff Expansion

\$210,758 R

\$210,758 R

Funding is provided to establish three Investment Analyst positions (\$55,448 each) in the Investment Management Division for the Alternatives, Real Estate, and Public Equity fund asset classes.

\$12,000 NR

3.00

3.00

Recurring	FY2007-08	FY2008-09
531211 Salaries	\$166,344	\$166,344
531511 Social Security	\$ 12,725	\$ 12,725
531521 Retirement	\$ 11,877	\$ 11,877
531561 Medical Insurance	\$ 11,562	\$ 11,562
532712 Trans Air-Out of State	\$ 4,425	\$ 4,425
532722 Lodging-Out of State	\$ 2,700	\$ 2,700
532725 Meals-Out of State	\$ 375	\$ 375
533110 Office Supplies	\$ 750	\$ 750
534511 Furniture	\$ 4,500	\$ 0
534521 Office Equipment	\$ 7,500	\$ 0
Total Recurring	\$222,758	\$210,758

1310 Local Government

65 Reduce Operating Budget

(\$49,000) R

(\$49,000) R

Reduces the operating budget for the following line items:

Recurring	FY2007-08	FY2008-09
532840 Postage	\$ 7,000	\$ 7,000
532850 Print, Bind, Duplicate	\$ 35,000	\$ 35,000
532942 Other Emp Educational	\$ 7,000	\$ 7,000
Total Recurring	\$ 49,000	\$ 49,000

1410 Retirement Operations

66 Eliminate Continuation Budget Increase

Eliminates the recurring amount of \$1,221,429 in the continuation budget for Financial/Audit Services to reflect the Service Audit Team's expenditures.

67 Audit State Employee Service Records

Nonrecurring receipts in the amount of \$1,200,000 for FY 2007-08 are authorized for financial/audit services to audit State employee service records.

68 Online Retirement Benefits through Integrated Tech

Nonrecurring funding is provided for the next two years of the CPBIT project. The General Assembly provided funds for the first three years of the project. All expenditures will be funded with receipts.

Recurring	FY2007-08	FY2008-09
531212 Salaries- Receipt	\$ 15,000	\$ 0
531512 Social Security	\$ 1,365	\$ 0
531522 Retirement	\$ 1,071	\$ 0
531562 Medical Insurance	\$ 964	\$ 0
532140 Other Information Tech	\$491,629	\$1,564,775
532441 Maint Agree-Other Softwa	\$ 0	\$ 231,650
532840 Postage	\$118,702	\$ 18,702
532850 Print, Bind, Duplicate	\$ 30,000	\$ 0
Total Recurring	\$658,731	\$1,815,127

2110 Health and Wellness Trust Fund Admin

69 Abolish Positions

Two receipt-supported positions within the Health and Wellness Trust Fund are eliminated. A Res. Director/Childhood Obesity (Position # 3470-2611-2346-968) and a Health Disparities Program Director (Position #3470-2611-2346-984) are abolished. The total salary is \$119,978 plus the fringe benefits of \$25,453, for a total cut of \$145,431.

Total Legislative Changes	\$98,758	R	\$98,758	R
	\$12,000	NR		
Total Position Changes	3.00		3.00	
Revised Budget	\$9,329,130		\$9,326,190	

Treasurer - Retirement for Fire and Rescue

GENERAL FUND

	FY 07-08		FY 08-09	
Adjusted Continuation Budget	\$9,165,457		\$9,165,457	
Legislative Changes				
1412 Gen. Fund Contribution to Fire Pension Fund				
70 Increase Retirement Benefits	\$293,500	R	\$293,500	R
Increases the benefits in the Fireman's and Rescue Squad Workers' Pension Fund from \$165 to \$167 per month for retirees and future retirees effective July 1, 2007.				
Total Legislative Changes	\$293,500	R	\$293,500	R
Total Position Changes				
Revised Budget	\$9,458,957		\$9,458,957	

TRANSPORTATION

Section K

Highway Fund

HIGHWAY FUND

	FY 07-08		FY 08-09
Adjusted Continuation Budget	\$1,769,403,262		\$1,772,720,398

Legislative Changes

Administration

1 Reduction to Administrative Budgets

Reduces funds for central administration within the Department of Transportation.	(\$11,749,430)	NR	(\$10,000,000)	NR
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2 Interstate 40 Resurfacing Project

Provides funds to pay for the Interstate 40 repairs in Durham County.	\$11,749,430	NR	\$10,000,000	NR
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3 Security Management

Provides funds for security management equipment for 31 DMV locations and integration of those locations into the DOT security management system.	\$235,262	R	\$235,262	R
	\$2,264,738	NR		

4 Upgrade Printing Services

Provides funds to upgrade and consolidate two separate printing service operations for DOT and DMV into a single printing contract.	\$1,500,000	R	\$1,500,000	R
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5 Printing and Production

Provides additional funds for printing the North Carolina state highway map and the coastal boating guide.	\$225,000	R	\$225,000	R
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6 Mail Equipment

Provides funds to upgrade DMV mail equipment, including mail inserters and postage meters.	\$19,000	R	\$19,000	R
	\$361,000	NR		

7 ITS Enterprise Fee

Provides funds for payment of the Enterprise Fee implemented by the Office of Information Technology Services.	\$404,000	R	\$404,000	R
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Aeronautics Division

8 Rural Airport Development

Increases funds for the grant program that assists rural airports with capital improvement projects.	\$2,000,000	R	\$1,677,782	R
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9 Aircraft Fleet Upgrade

Provides funds to purchase one King Air or equivalent aircraft. This aircraft will replace a Cessna Conquest turbo prop aircraft.	\$3,400,000	NR		
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Bicycle Program

10 Regional Bicycle Planning

Provides funds for financial and technical assistance to counties, metropolitan planning organizations, and rural planning organizations for regional bicycle plans.

\$500,000 R \$500,000 R

Division of Motor Vehicles

11 Driver License Secure ID and Card Production System

Funds 36 positions for implementation of a new driver license secure ID and card production system. The new system is being designed to comply with the U.S. Real ID Act and HB 267 standards.

\$1,437,760 R \$1,437,760 R
 \$162,240 NR
 36.00 36.00

12 Driver License System Enhancements

Reserves funds for development of system enhancements to allow the State Automated Driver License System to interface with the new digitized Driver License System.

\$640,000 R \$640,000 R

13 Unified Carrier Registration/CDL Changes

Increases funds for the DMV to conduct significant technology upgrades and required interfacing with the International Registration Program/Motor Carrier program. These funds shall not be expended unless HB 769 or substantially similar legislation is enacted during the 2007 General Assembly.

\$2,974,000 NR

14 License Plate Recall

Provides funds for replacement of older license plates that are often in poor condition and for a continuous license plate recall program.

\$99,000 R \$99,000 R
 \$183,199 NR

Employee Benefits

15 State Health Plan

\$5,141,943 R \$5,734,876 R

Provides funding based on the recommendations of the Executive Administrator of the State Health Plan. The Executive Administrator's recommendations include funding the Plan's additional financial requirements for the biennium through increased premiums paid by employing agencies and plan members with dependent coverage, certain benefit reductions and enhancements, cost containment actions recommended by the Plan's staff, and elimination of the self-insured Indemnity plan effective July 1, 2008.

The funding appropriated supports, effective October 1, 2007, an 11.2% premium increase for the PPO programs to provide additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway Fund for the biennium. The funding appropriated also supports, effective October 1, 2007, an 11.4% premium increase for the Indemnity plan to provide additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway Fund during the 2007-2008 fiscal year.

16 State Funded Compensation Increase

\$20,453,968 R \$20,453,968 R

Increases funds to support a 4% annual salary increase for permanent employees whose salaries are supported by Highway Fund appropriations.

17 Retirement System Contribution

\$1,723,800 R \$1,723,800 R

Increases the State's contribution for FY07-09 to provide a 2.2% cost-of-living adjustment to retirees of the Teachers' and State Employees' Retirement System. This adjustment is funded in part with actuarial gains within the system.

Ferry Division

18 Maintenance Repair Costs

\$1,000,000 R \$1,000,000 R

Increases funds for repairs and service parts necessary to maintain the fleet of ferries and these funds shall be used to supplement on-going ferry operations.

19 Ferry Boats and Operations

\$3,550,000 NR \$3,550,000 NR

Increases funds to upgrade rescue boats and generators to meet new United States Coast Guard requirements. Funds will also be used for booster pumps for use in dredge operations, rail cars at the maintenance facility and to complete renovation projects.

20 Training and License Renewals

\$100,000 R \$100,000 R

Increases funds for training and license renewals of Ferry Division vessel personnel so that required United States Coast Guard licenses are maintained.

21 Ferry Division Personnel

Increases funds to hire 40 licensed positions to meet US Coast Guard regulations for staffing.

\$1,800,000	R	\$1,800,000	R
40.00		40.00	

Maintenance

22 Contract Resurfacing

Increases funds for contract resurfacing to help offset increased material costs for resurfacing projects.

\$2,302,032	NR	\$2,554,652	NR
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23 General Maintenance Reserve

Increases funds for general maintenance to recover highway system from storm related damages from federally undeclared tropical storms Alberto and Ernesto.

\$1,046,475	NR	\$2,182,402	NR
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24 System Preservation

Provides funds for highway maintenance activities that preserve and extend the life of infrastructure assets, including pavements, bridges, and traffic signal systems.

\$1,362,230	NR	\$4,287,864	NR
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Public Transportation Division

25 Reduction in New Starts Program

Reduces funding for the State's New Starts program. The reduction represents decreased expenditures for the Triangle Transit Authority's commuter rail project.

(\$23,400,000)	NR	(\$23,400,000)	NR
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26 Operating Funds

Reduces funding for the Public Transportation Grant program

(\$1,200,000)	R	(\$1,200,000)	R
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27 Transportation Services for Trade Shows

Provides funding for transportation services for annual or semiannual trade shows of international significance.

\$1,200,000	R	\$1,200,000	R
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28 Urban and Regional Program

Provides increased funding for the State Maintenance Assistance Program which helps regional and urban areas pay for public transportation fixed-route and dial-a-ride services not covered by federal funding.

\$2,000,000	R	\$1,677,782	R
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Rail Division

29 Grants to Short-Line Railroads

Provides funds to continue the grant program supporting short-line railroad companies. The funds are used to rehabilitate and strengthen North Carolina's short-line infrastructure.

\$1,000,000	NR
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30 Freight Rail Operations Streamlining

Provides funds to relocate or construct new tracks and rail interchange facilities to streamline freight traffic flows.

\$3,850,000	NR	\$3,229,730	NR
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Small Construction

31 Economic Development

Provides additional nonrecurring funds for economic development, spot safety, and transportation improvement projects.

\$14,000,000 NR

State Highway Patrol

32 Helicopter for Aviation Unit

Provides funds to replace an obsolete helicopter and establish a dedicated airborne unit that can perform search and rescue operations during disasters.

\$3,600,000 NR

33 VIPER Network Support

Creates additional positions to support the Voice Interoperability Plan for Emergency Responders (VIPER) system

\$2,261,839	R	\$2,261,839	R
24.00		24.00	

34 Trooper Positions

Funds five additional trooper positions in each fiscal year of the biennium for a total of 10 new trooper positions.

\$266,988	R	\$547,326	R
\$229,870	NR	\$229,870	NR
5.00		10.00	

Statutory Adjustments

35 Leaking Underground Storage Tank Fund

Adjusts budget for the Leaking Underground Storage Tank Fund based on projections for the gasoline inspection fee in accordance with G.S. 119-18. Total budget for the Department of Revenue (tax collection), the Department of Agriculture (inspection) and the Leaking Underground Storage Tank Funds is \$15,100,000 in FY07-08 and \$15,110,000 in FY08-09.

\$300,000 R \$350,000 R

36 Secondary Maintenance

Increases funds for Secondary Maintenance Program and eliminates the designation of Urban Maintenance as required by HB747 in 2005 Session.

\$16,512,027 R \$16,512,027 R

37 Primary Maintenance

Increases funds for Primary Maintenance Program and eliminates the designation of Urban Maintenance as required by HB747 in the 2005 Session.

\$24,768,040 R \$24,768,040 R

38 Urban Maintenance

Eliminates funding in the category of Urban Maintenance and moves it to Primary and Secondary Maintenance. This change is required per HB747 from 2005 Session.

(\$41,280,067) R (\$41,280,067) R

39 Aid to Municipalities

Adjusts funding for Aid to Municipalities based on revised projections in accordance with G.S. 136-41.1. Funding will be \$93,046,035 in FY07-08 and \$93,073,049 in FY08-09.

\$818,587 R \$837,278 R

FY 07-08

FY 08-09

40 Secondary Road Construction Program

\$818,587 R \$837,278 R

Adjusts funding for secondary road construction based on revised projections in accordance with G.S. 136-44.2(a). Funding will be \$93,046,035 in FY07-08 and \$93,073,049 in FY08-09.

Transfers and Other Adjustments

41 General Fund Transfer

\$2,023,600 R \$1,443,600 R

Transfers funds to the General Fund as required by G.S. 105-164.44D. The transfer is reimbursement to the General Fund for sales tax exemption for purchases by the Department of Transportation. The total amount transferred is \$18,190,000 in FY07-08 and \$17,610,000 in FY08-09.

42 Leaking Underground Storage Tank Fund Reduction

(\$41,014) R (\$41,014) R
 (\$26,056) NR

Reduces funding to the Leaking Underground Storage Tank Fund to support one newly created position within the Department of Agriculture and Consumer Services. The position will be an LP-Gas Inspector

43 LP-Gas Inspector Position

\$41,014 R \$41,014 R
 \$26,056 NR
 1.00 1.00

Transfers funds from the Highway Fund to the Department of Agriculture and Consumer Services for the support of one LP-Gas and Equipment Inspector Position

44 Chemical Test Program - Correction to Continuation Budget

\$51,620 R \$51,620 R

Provides funds for this program within the Department of Health and Human Services.

45 Driver Education Program - Correction to Continuation Budget

\$0 R \$77,913 R

Provides funds for the Department of Public Instruction for the driver training program in FY2008-09.

Total Legislative Changes

\$45,820,954 R \$45,635,084 R
 \$16,885,784 NR (\$7,365,482) NR

Total Position Changes

106.00 111.00

Revised Budget

\$1,832,110,000 \$1,810,990,000

Highway Trust Fund

HIGHWAY TRUST FUND

Adjusted Continuation Budget	FY 07-08		FY 08-09	
	\$1,132,060,000		\$1,149,270,000	
Legislative Changes				
Highway Trust Fund				
46 Transfer to General Fund	\$0	R	\$75,774	R
Increases transfer to General Fund in FY 2008-09 consistent with new revenue estimates and statutory formula. Transfer is \$172,543,306 in FY 2007-08 and \$172,675,038 in FY 2008-09.				
47 Administration	\$4,422,080	R	\$4,212,900	R
Increases funds for administration to \$47,341,560 in FY 2007-08 and \$47,782,560 in FY 2008-09 consistent with new revenue estimates and statutory formula, as changed in HB1473.				
48 Intrastate System	(\$4,961,364)	R	(\$9,030,672)	R
Reduces funds for the Intrastate System to \$539,414,383 in FY 2007-08 and \$544,982,323 in FY 2008-09 consistent with new revenue estimates and statutory formula.				
49 Urban Loops	(\$2,006,169)	R	(\$3,651,629)	R
Reduces funds for the Urban Loops to \$218,116,712 in FY 2007-08 and \$220,368,154 in FY 2008-09 consistent with new revenue estimates and statutory formula.				
50 Aid to Municipalities	(\$520,563)	R	(\$947,529)	R
Reduces funds for Aid to Municipalities to \$56,597,151 in FY 2007-08 and \$57,181,357 in FY 2008-09 consistent with new revenue estimates and statutory formula.				
51 Secondary Road Construction	(\$713,984)	R	(\$1,148,844)	R
Reduces funds for Secondary Road construction to \$94,266,888 in FY 2007-08 and \$95,790,568 in FY 2008-09 consistent with new revenue estimates and statutory formula.				
Total Legislative Changes	(\$3,780,000)	R	(\$10,490,000)	R
Total Position Changes				
Revised Budget	\$1,128,280,000		\$1,138,780,000	

**RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L**

Statewide Reserves

GENERAL FUND

	FY 07-08	FY 08-09
Adjusted Continuation Budget	\$666,637,384	\$699,343,864

Legislative Changes

A. Employee Benefits

1 State Funded Compensation Increases

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

\$488,655,673	R	\$488,655,673	R
\$1,668,519	NR		

2 Public School Salary Increases

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

Teachers and Instructional Support - Funds are provided to support an experience based step increase for teachers and instructional support personnel (average salary increase of 1.83% and a flat annual increase in the base teacher salary schedule of \$1,240 for the 2007-09 biennium (total average increase of 5%). New Teachers and Instructional Support who are paid at step 0 of the experience based salary schedule will receive a \$250 sign on bonus payable if they are employed the full school year.

Principals and Assistant Principals - Funds are provided to support an experience based step increase for school board administrators (average salary increase of 1.67% and a flat annual increase in the school based administrators salary schedule for the 2007-09 biennium (total average increase of 4.44%). School based administrators who are at the top of the experience based salary schedule will receive a 2% one-time lump sum bonus.

All other Public School Personnel - Provide funds to support a 4% annual salary increase.

3 Community College Salary Increases

Faculty and Professional Staff - Provide funds to support a 5% annual salary increase.

All other Community College Personnel - Provide funds to support a 4% salary increase.

4 University Salary Increases

EPA faculty - Provide funds to support a 5% annual salary increase.

EPA non-faculty - Provide funds to support a 4% annual salary increase.

All other University Personnel - Provide funds to support a 4% annual salary increase.

5 State Agency/Department Salary Increases

Provide funds to support a 4% annual salary increase for permanent employees of State agencies and departments.

6 Additional Salary Increases to Judges

Provides funds to support an additional one percent (1.0%) salary increase for judges (total increase of 5%).

7 Additional Salary Increase for Teacher Assistants

Provides funding to increase salaries of teacher assistants to the minimum salary of salary grade 56. Teacher assistants currently earning salary equal to or greater than the minimum salary of salary grade 56 are not to receive an additional increase.

\$1,150,240 R \$1,150,240 R

8 Add Additional Step to the Public School Teacher Salary Schedule

Provide funds to add a 31+ step to the Public School teacher salary schedule. The 31+ step is 2% higher than the current 30+ step.

\$9,862,065 R \$9,862,065 R

9 Add An Additional Step to the Judicial Longevity Schedule

Provide funds to add one additional step to the Judicial Longevity schedule; a 25 year step at 24%.

\$566,643 R \$566,643 R

10 Retirement System Contributions

Increases the State's contribution for the 2007-09 biennium to provide a 2.2% cost-of-living adjustment for retirees of the Teachers' and State Employees' Retirement System. This adjustment is funded in part with actuarial gains within the Retirement System.

\$35,705,000 R \$35,705,000 R

11 Retirement System Payback

Continue repayment of the funds withheld from the Retirement System in FY 2000-01 due to the budget crisis. This is the fifth installment of the five-year payback.

\$45,000,000 NR

12 Transfer Public Defenders to the Consolidated Judicial Retirement System

\$573,000 R \$573,000 R

Provide funds to transfer public defenders, the appellate defender, the capital defender, and the juvenile defender to the Consolidated Judicial Retirement System effective July 1, 2007. Also transfers service as a public defender, appellate defender, capital defender, or juvenile defender from the Teachers' and State Employees' Retirement System to the Consolidated Judicial Retirement System.

13 State Health Plan - Premium Increase & Eliminate Indemnity Plan

\$110,184,490 R \$122,890,207 R

Provides funding based on the recommendations of the Executive Administrator of the State Health Plan. The Executive Administrator's recommendations include funding the Plan's additional financial requirements for the biennium through increased premiums paid by employing agencies and plan members with dependent coverage, certain benefit reductions and enhancements, cost containment actions recommended by the Plan's staff, and elimination of the self-insured Indemnity plan effective July 1, 2008.

The funding appropriated supports, effective October 1, 2007, an 11.2% premium increase for the PPO programs to provide additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the General Fund for the biennium. The funding appropriated also supports, effective October 1, 2007, a 11.4% premium increase for the Indemnity plan to provide additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the General Fund during the 2007-2008 fiscal year.

B. Debt Service

14 Debt Service

(\$11,233,632) R (\$7,863,147) R

Provides for the revised estimate of needs based on later projections of authorized debt.

15 Adjustment to Debt Service Requirements

\$13,080,570 R

Provides for the additional cost associated with the 2007-08 capital improvement projects to be financed with Certificates of Participation.

C. Information Technology

16 BEACON - HR/Payroll System Replacement

\$20,000,000 NR

Provides funding to complete the new HR/Payroll System to meet the January 1, 2008, implementation date. Total requirements are \$22,964,346, of which \$2,964,346 can be supported from existing receipts received from the Highway Fund.

17 BEACON - HR/Payroll System Additional Modules

Provides funds to implement the E-Recruitment and Learning Solutions/Training Management modules for the new HR/Payroll System. These modules will be implemented in SFY 2008-09 and can be supported from existing Highway Fund receipts in SFY 2007-08 in the amount of \$7,390,000.

18 BEACON - Financial Systems Replacement

Provides funds to begin Phase 2 of the BEACON Project, which includes replacing the State's budget preparation, budget reporting, cash management, and accounting systems. Planning for the project would begin on SFY 2007-08 to capture the business requirements and develop a request for proposal. Planning can be supported from existing Highway Fund receipts in the amount of \$1,500,000.

19 BEACON/Data Integration Funds

Provides funding to the IT Fund to develop a plan for a statewide data integration initiative to be implemented under the governance of the BEACON Project Steering Committee.

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

20 Integrated Tax Administration System Replacement

Provides funding to replace the Integrated Tax Administration System. For SFY 2007-2008, \$15,000,000 is to be funded from fees collected through Project Collect Tax.

\$5,000,000 NR

D. Other Reserves

21 Reserve for Eliminated Positions

Establishes a reserve, to be administered by the Office of State Budget and Management, for the elimination of vacant state government positions as specified in Section 6.17.

(\$10,038,466) R (\$10,038,466) R

Total Legislative Changes

\$625,425,013 R \$654,581,785 R
\$76,668,519 NR \$5,000,000 NR

Total Position Changes

Revised Budget

\$1,368,730,916 \$1,358,925,649

CAPITAL
Section M

Capital

GENERAL FUND

FY 07-08

FY 08-09

Legislative Changes

A. Department of Administration

1 Deerfield Cottage Renovation

Provides capital funds for the comprehensive renovation of Deerfield Cottage. The building is currently part of John Unstead State Psychiatric Hospital. The facility will house a program for female inmates and their children through a proposed contract between a non-profit agency and the Department of Correction. The total project cost is \$3.5 million.

\$3,556,000 NR

2 State Capital Visitors Center/Plaza/Underground Parking Facility

Provides capital planning funds for the proposed State Capital Visitors Center, public plaza and underground parking. The Department of Administration will work with the Department of Cultural Resources regarding the design of the Visitors Center. The project cost is \$28 million.

\$627,281 NR

B. Department of Cultural Resources

3 NC Museum of History Chronology Exhibit Phase I

Provides capital funds for the construction of the NC Museum of History's Chronology Exhibit which will cover the State's history through the year 1900. The total project cost is \$6.3 million.

\$6,322,900 NR

4 Horne Creek Farm Visitors Center

Provides capital funds for the construction of a Visitors Center at Horne Creek Farm. The State attraction does not currently have a visitors center. The total project cost is \$442,100.

\$442,100 NR

C. Information Technology Services

5 Secondary Data Center Equipment

Provides equipment funds for completing the construction of the State's Secondary Data Center. The General Assembly authorized \$25 million in special indebtedness for the construction of the Data Center in FY 2006-07. The total project cost is \$33 million.

\$8,000,000 NR

D. Department of Correction

6 NC Correctional Institution for Women - Health Care Facility

Provides capital funds for planning and site development of the Health Care Facility at the NCJW. The proposed facility will increase infirmary beds from 28 to 70 beds. Mental health beds will be increased from 28 to 80 beds. The size of the facility will be up to 106,815 square feet and a project cost of \$41.4 million. The cost of the facility will be offset by \$1.63 million in departmental receipts.

\$5,000,000 NR

7 Capital Planning Reserve for Prison Additions

Provides capital planning funds for the design of prototypical additions to Scotland Correctional Institution (medium security), Bertie Correctional Institution (medium security), Lanesboro Correctional Institution (minimum security), and Tabor Correctional Institution (minimum security).

\$3,497,557 NR

E. Crime Control and Public Safety

8 Statewide Department Master Plan Phase I

Provides capital planning funds to update CCPS's master facility plans statewide. This is the first of five phases. The cost is offset by \$290,200 in federal funds.

\$280,294 NR

9 Camp Butner Land Buffers

Provides capital funds to acquire land and development rights to land surrounding Camp Butner in Granville County. The land is intended to buffer the Department's training sites from encroaching development. This is the first of five phases.

\$117,800 NR

F. Department of Justice

10 Western Justice Academy Firing Range

Provides capital funds for the construction of a firing range and associated facilities at the Western Justice Academy. The total project cost is \$1,974,103.

\$1,974,103 NR

G. DJJDP

11 Dillon Youth Development Center Maintenance Building

Provides capital funds for the construction of a maintenance building at Dillon YDC. The total project cost is \$375,000.

\$375,000 NR

12 Five New Youth Development Centers

Provides capital planning funds for the proposed five new 32 bed Youth Development Centers. The total cost for the five facilities is \$37 million.

\$1,500,000 NR

H. Department of Agriculture and Consumer Services

13 Western Agricultural Center Phase I

Provides capital funds for the construction of a 12,000 square foot Arts and Crafts Building at a project cost of \$3 million; and 40,000 square feet of space for a new Livestock Show area at a project cost of \$2 million.

\$5,000,000 NR

14 Eastern Agricultural Center

Provides capital funds for the construction of a horse barn at the Senator Bob Martin Eastern Agricultural Center. The total project cost is \$3 million.

\$3,000,000 NR

15 Food and Drug Laboratory Chillers

Provides capital funds for the purchase and installation of two 250-ton chillers for Constable Laboratory. The total cost for this project is \$690,865.

\$690,865 NR

I. Department of Commerce

16 NC Ports Improvements

Provides capital funds for the replacement of Berth 8 at the Port of Wilmington. The total project cost is \$51.6 million. Funding is also provided for berth structure improvements for a new transit shed at the Port of Morehead City. The total project cost is \$3.27 million.

\$7,500,000 NR

J. Dept. of Natural and Environmental Resources

17 Green Square Project

Provides capital funds for the planning, site development, and early construction of a 172,000 square foot office building for DENR, a 79,400 square foot expansion of the NC Museum of Natural Sciences, and 418 spaces of underground parking. The total cost for the project is \$118.25 million. The Friends of the Museum will offset \$15.5 million of the project cost for exhibit materials and equipment. The Friends of the Museum have also committed to raise \$27.5 million toward the cost of construction of the Museum expansion.

\$25,000,000 NR

18 Division of Water Quality Modular Office

Provides capital funds for the construction of a 2,160 square foot modular office building for the DWQ Lab in Raleigh. The total project cost is \$252,200.

\$252,200 NR

19 NC Zoo Horticulture Storage Facility

Provides capital funds for the construction of a 10,000 square foot steel storage shed to house the Zoo's horticulture operation. The total project cost is \$450,000.

\$450,000 NR

20 NC Zoo Plains Barns and Paddocks

Provides capital funds for the construction of barns, paddocks, and support space for the Plains Exhibit. The total cost for this project is \$3 million.

\$3,006,000 NR

21 Division of Forest Resources Ashe County Headquarters

Provides capital funds for the construction of DFR headquarters facilities in Ashe County. Facilities will provide office, storage, and equipment shop space. The total project cost is \$708,000.

\$708,000 NR

22 Division of Forest Resources Buncombe County Headquarters

Provides capital funds for the construction of DFR headquarters facilities in Buncombe County. Facilities will provide office, storage, and equipment shop space. The total project cost is \$462,300.

\$292,000 NR

There is a special provision authorizing the Department to use receipts from the sale of the existing Buncombe County headquarters toward this project.

23 Water Resources Development Projects

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

\$20,000,000 NR

L. UNC System Board of Governors

24 East Carolina University - School of Dentistry Facilities

Provides capital funds for planning, site development, and early construction of the proposed School of Dentistry building and 10 satellite clinics. The size of the main facility will be up to 112,500 square feet, and the project cost, including the clinics, is \$90 million. The General Assembly appropriated \$7 million in FY 2006-07 for the expansion of dental education in the University System. \$3 million of these capital planning funds were allocated to ECU for the School of Dentistry.

\$25,000,000 NR

25 Elizabeth City State University - Education Building

Provides capital planning funds for the proposed School of Education building. The size of the facility will be up to 45,000 square feet with a project cost of \$20 million.

\$2,000,000 NR

26 Elizabeth City State University School of Aviation Complex

Provides capital planning funds for the proposed School of Aviation Complex at Elizabeth City State University. The total cost for this project is \$15 million.

\$500,000 NR

27 NC Agricultural and Technical University General Classroom Building

Provides capital funds for the planning and site development of a general classroom and instructional building. The size of the facility will be up to 71,200 square feet and a project cost of \$26.8 million. The General Assembly appropriated \$1 million for this project in FY 2006-07.

\$5,300,000 NR

28 North Carolina Central University Nursing Building

Provides capital planning funds for the proposed School of Nursing building. The size of the facility will be up to 65,000 square feet with a project cost of \$24 million.

\$2,500,000 NR

29 NC School of Science of Mathematics - Discovery Center

Provides capital planning funds for the proposed multi-purpose Discovery Center building. The Center will provide classroom, lab, and assembly space, including a 200 bed student residence hall. The size of the facility will be up to 250,000 square feet with a project cost of \$70.4 million.

\$3,337,000 NR

30 NC State University - Centennial Campus Library

Provides capital funds for planning and utility-related construction of the James B. Hunt Library on Centennial Campus. The size of the facility will be up to 279,000 square feet with a project cost of \$114 million.

\$17,000,000 NR

31 UNC-Chapel Hill - School of Dentistry Addition

Provides capital funds for planning, site development, and early construction of the proposed addition to the School of Dentistry. The addition will be up to 216,414 square feet and a project cost of \$125 million. The project cost will be offset by \$26 million in receipts from the University. The General Assembly appropriated \$7 million in FY 2006-07 for the expansion of dental education in the University System. \$3 million of these capital planning funds were allocated to ECU for the School of Dentistry.

\$25,000,000 NR

32 UNC-Chapel Hill Biomedical Research Imaging Center

Provides capital planning funds for the proposed Biomedical Research Imaging Center (BRIC). The size of the facility will be up to 275,000 square feet with a project cost of \$135 million.

\$8,000,000 NR

33 UNC-Charlotte Energy Production Infrastructure Center

Provides capital funds for the planning and site development of the Energy Production Infrastructure Center (EPI-C). The size of the facility will be up to 200,000 square feet with a project cost of \$76.2 million.

\$19,000,000 NR

34 UNC-Greensboro Education Building

Provides capital planning funds for a 120,000 square foot Education classroom and office building at UNG. The total project cost is \$47.5 million. The General Assembly appropriated \$2.3 million for this project in FY 2006-07.

\$2,500,000 NR

35 Winston Salem State University - Science and General Office Building

Provides capital planning funds for the proposed Science and General Office building. The size of the facility will be up to 69,000 square feet with a project cost of \$28.2 million.

\$3,312,000 NR

36 Improvements to 4-H Camps

Provides capital funds for the repair, renovation, and construction of 4-H camp facilities throughout the State. Eligible facilities are located on 4-H camps owned by the State and allocated to NCSU. The total construction plan is estimated to cost \$34 million.

\$7,500,000 NR

37 UNC Reserve for Land Acquisition

Provides capital funds for the acquisition of State land for campuses throughout the system. The reserve will be administered by UNC General Administration, at the discretion of the President.

\$5,000,000 NR

M. State Facilities Special Indebtedness

38 Alexander Correctional Institution - Minimum Security Addition

Authorizes the issuance of certificates of participation for the design and construction of a 252 bed minimum security addition to Alexander Correctional Institution. The size of the facility will be up to 50,000 square feet with a project cost of \$13.2 million. The total debt authorized is \$13,191,300.

39 Scotland Correctional Institution Medium Security Addition

Authorizes the issuance of certificates of participation for the design and construction of a 504 bed medium security addition to Scotland Correctional Institution. The size of the facility will be up to 78,000 square feet with a project cost of \$19.8 million. The total debt authorized is \$19,816,500.

40 Department of Cultural Resources Tryon Palace Education and Visitors Center

Authorizes the issuance of certificates of participation for the construction of an Education and Visitors Center at Tryon Palace. The Department plans to have the project completed in time for the 300th anniversary of New Bern. The size of the facility will be up to 45,000 square feet with a project cost of \$60.6 million. The General Assembly appropriated \$1.5 million for this project in FY 2006-07. The project cost will be offset with \$13.7 million in departmental receipts. The total debt authorized is \$35,000,000.

41 Appalachian State University - Education Building

Authorizes the issuance of certificates of participation for the construction of the College of Education building. The size of the facility will be up to 130,000 square feet with a project cost of \$35.8 million. The General Assembly appropriated \$1.82 million in FY 2006-07. Total debt authorized is \$34,000,000.

42 Fayetteville State University Science and Technology Complex

Authorizes the issuance of certificates of participation for the construction of a Science and Technology Complex at FSU. The size of the facility will be up to 75,000 square feet with a project cost of \$23.6 million. The General Assembly appropriated \$1 million for this project in FY 2006-07. Total debt authorized is \$22,587,000.

43 NC School of the Arts Library

Authorizes the issuance of certificates of participation for the construction of a campus library at NCSA. The size of the facility will be up to 97,000 square feet with a project cost of \$25.9 million. The General Assembly appropriated \$1 million for this project in FY 2006-07. Total debt authorized is \$24,920,000.

44 NC State University Companion Animal Hospital

Authorizes the issuance of certificates of participation for the construction of Randall B. Terry Companion Animal Hospital on the Centennial Biomedical Campus at NCSU. The size of the facility will be up to 115,000 square feet with a project cost of \$72 million. NCSU will offset \$34 million of the project cost with gifts and other available receipts. Total debt authorized is \$38,000,000.

45 NC State University - College of Engineering, Phase 1

Authorizes the issuance of certificates of participation for the construction of phase 1 of the proposed College of Engineering facilities at Centennial Campus. The project consists of a 65,000 square foot addition to Engineering Building III at a project cost of \$34 million. Total debt authorized is \$34,000,000.

46 UNC-Asheville - Rhoades Hall and Rhoades Tower Renovation

Authorizes the issuance of certificates of participation for the comprehensive renovation of Rhoades Hall and Rhoades Tower. The total cost for this project is \$8.9 million. The General Assembly appropriated \$416,000 in repair and renovation funds for this project in FY 2006-07. Total debt authorized is \$8,687,000.

47 UNC-Chapel Hill Genomics Science Building

Authorizes the issuance of certificates of participation for the construction of phase II of the Genomics Science Building in the Science Complex South. The size of project will be up to 210,000 square feet and a project cost of \$160 million. The General Assembly appropriated \$28.4 million to this project in FY 2006-07. The project cost will be offset by \$12 million in receipts from the University. Total debt authorized is \$119,608,225.

48 UNC-Pembroke Nursing Building Supplement

Authorizes the issuance of certificates of participation to supplement the construction of a Nursing and Allied Health Building at UNCP. Special indebtedness was first authorized for this capital project through S.L. 2006-146 at \$10 million. The size of the facility will be up to 50,000 square feet with a project cost of \$30.2 million. Total debt authorized is \$19,000,000.

49 UNC-Wilmington Teaching Laboratory Building

Authorizes the issuance of certificates of participation for the construction of a teaching laboratory building to house the Psychology and Earth Science Departments. The size of the facility will be up to 80,000 square feet with a project cost of \$34.5 million. Total debt authorized is \$34,525,440.

50 Western Carolina University - Health and Gerontological Building

Authorizes the issuance of certificates of participation for the construction of the Health and Gerontological Building. The size of the facility will be up to 145,200 square feet with a project cost of \$46.2 million. The General Assembly appropriated \$2.4 million in FY 2006-07. Total debt authorized is \$41,605,000. \$2.2 million is appropriated from the General Fund for FY 2007-08.

\$2,200,000 NR

51 Winston Salem State University - Student Activities Center

Authorizes the issuance of certificates of participation for the construction of a Student Activities Center at WSSU. The size of the facility will be up to 90,000 square feet with a project cost of \$32.5 million. The General Assembly appropriated \$768,225 for this project in FY 2006-07. WSSU will offset \$12.9 million of the project cost through student fees. Total debt authorized is \$18,708,000.

52 Millennium Campus - Nanoscience and Nanoengineering Building

Authorizes the issuance of certificates of participation for the construction of the Joint Graduate School of Nanoscience and Nanoengineering Building at the Millennium Campus. The School will be jointly operated between NC A&T and UNCG. The size of the facility will be up to 95,000 square feet with a project cost of \$58 million. Total debt authorized is \$53,000,000. \$5 million is appropriated from the General Fund for FY 2007-08.

\$5,000,000 NR

53 Coastal Studies Institute

Authorizes the issuance of certificates of participation for the construction of facilities for the Coastal Studies Institute. The Institute will be jointly operated between ECU, ECSU, NCSU, UNC-CH, and UNCW. The cumulative size of the facilities will be up to 90,400 square feet with a project cost of \$32.5 million. Total debt authorized is \$32,500,000.

Total Appropriation to Capital

\$230,741,100 NR

**INFORMATION
TECHNOLOGY
SERVICES
Section N**

Information Technology Services

**INTERNAL SERVICE
FUND**

FY 07-08

FY 08-09

Legislative Changes

A. Information Technology Operations

1 State Chief Information Officer (SCIO) Office	\$1,090,104	R	\$1,090,104	R
Provides funding to support the operations of the State CIO's office.				
2 Statewide Procurement-Legal	\$369,650	R	\$369,650	R
Provides funding for three attorneys, two assigned to the Department of Justice and one assigned to ITS.				
3 ISO/Security Initiatives	\$2,103,121	R	\$2,103,121	R
Provides funding to continue support for statewide security initiatives.				
4 Information Technology Asset Management	\$451,634	R	\$451,634	R
Provides funding to support the implementation of a statewide asset management system by the Office of Information Technology Services.				
5 Enterprise Project Management Office	\$1,502,793	R	\$1,502,793	R
Continues operation of office responsible for overseeing the development and implementation of IT systems within State agencies.				
6 Enterprise Technology Strategies Office	\$1,009,533	R	\$1,009,533	R
Provides statewide engineering and architecture support.				
7 Start-up Funding: Enterprise Services	\$1,300,000	NR		
Provide funding to support the implementation of new enterprise-wide applications to support State agency operations.				

B. Information Technology Projects

8 Portfolio Management	\$420,946	R	\$420,946	R
Continues operation of Project Portfolio Management System to track agency IT projects.				
9 Legacy Applications	\$589,428	R	\$589,428	R
Provides funding to continue the oversight of legacy applications.				
10 State Portal	\$422,426	R	\$422,426	R
Provides funding for the State portal.				

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11 NCID Provides the state with technology to support identity management, authentication, and authorization of users.	\$1,585,031	R	\$1,585,031	R
12 Information Technology Consolidation Provides funding to continue the Information Technology Consolidation program adding the Department of Cultural Resources, Office of the State Controller, Department of Commerce, Department of Juvenile Justice and Delinquency Prevention, and the Industrial Commission.	\$265,334 \$1,214,000	R NR	\$265,334 \$1,214,000	R NR
13 BEACON/Data Integration Funds Provides funding to develop a plan for a statewide data integration initiative implemented under the governance of the BEACON Project Steering Committee.	\$5,000,000	NR	\$5,000,000	NR
Total Legislative Changes	\$9,810,000	R	\$9,810,000	R
	\$9,140,000	NR	\$7,840,000	NR
Total Position Changes				
Revised Budget	\$18,950,000		\$17,650,000	