

SENATE APPROPRIATIONS COMMITTEE

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

**Senate Bill 202
Proposed Committee Substitute**

April 7, 2009

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Budget Reform Statement General Fund Availability

	FY 2009-2010	FY 2010-2011
1 Unappropriated Balance Remaining from Previous Year	0	104,983,971
2 Projected Reversions FY 2006-07	0	0
3 Projected Overcollections FY 2006-07	0	0
4 Less Earmarkings of Year End Fund Balance		
5 Savings Reserve Account	0	0
6 Repairs and Renovations Reserve Account	0	0
7 Beginning Unreserved Fund Balance	0	104,983,971
8		
9 Revenues Based on Existing Tax Structure	18,030,500,000	19,072,800,000
10		
11 Non-tax Revenues		
12 Investment Income	136,400,000	153,800,000
13 Judicial Fees	200,300,000	208,400,000
14 Disproportionate Share	100,000,000	100,000,000
15 Insurance	72,500,000	76,500,000
16 Other Non-Tax Revenues	195,700,000	201,500,000
17 Tobacco Trust Fund Transfer	0	0
18 Highway Trust Fund/Use Tax Reimbursement Transfer	108,500,000	72,800,000
19 Highway Fund Transfer	17,600,000	17,600,000
20 Subtotal Non-tax Revenues	831,000,000	830,600,000
21		
22 Total General Fund Availability	18,861,500,000	20,008,383,971
23		
24 Adjustments to Availability: 2009 Session		
25 Reserve for Tax Adjustments	500,400,000	667,100,000
26 Federal Fiscal Stabilization Funds - Education	580,966,000	580,966,000
27 Federal Fiscal Stabilization Funds - General Purpose	129,261,500	129,261,500
28 IRA Distribution Suspended	(44,000,000)	0
29 Department of Revenue Improved Enforcement	50,000,000	75,000,000
30 Transfer from Disproportionate Share Reserve	24,994,954	0
31 Adjust Transfer from Insurance Regulatory Fund	(2,179,969)	(2,179,969)
32 Adjust Transfer from Treasurer's Office	(885,321)	(885,321)
33 Scrap Tire Disposal Account Funds	3,000,000	0
34 Increase DHHS/HSR Fees	1,122,990	1,122,990
35 Increase SOS Fees	3,632,700	3,632,700
36 Administrative Office of the Courts	32,942,179	38,899,425
37 Reduce Fund Balance - Nurse Educators for Tomorrow	1,000,000	0
38 Inmate Work Release Fund Increase	500,000	500,000
39 Reduce Fund Balance - Telecommunications Relay Trust Fund	5,000,000	0
40 Reduce Fund Balance - Teaching Fellows Trust Fund	4,500,000	0
41 Reduce Fund Balance - DPI Legacy Funds	2,000,000	0
42 Subtotal Adjustments to Availability: 2009 Session	1,292,255,033	1,493,417,325
43		
44 Revised General Fund Availability	20,153,755,033	21,501,801,296
45		
46 Less: General Fund Appropriations	(20,048,771,062)	(21,273,033,668)
47		
48 Unappropriated Balance Remaining	104,983,971	228,767,628

SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

Summary of General Fund Appropriations

Fiscal Year 2009-2010

2009 Legislative Session

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	
	2009-10	Adjustments	Adjustments	Changes	Changes	
					Appropriation	
					2009-10	
Education:						
Community Colleges	1,072,571,152	(12,682,883)	0	(12,682,883)	-9.00	1,059,888,269
Public Education	8,245,341,827	(494,385,541)	(121,239,241)	(615,624,782)	-77.00	7,629,717,045
University System	3,026,185,255	(29,454,635)	(5,692,904)	(35,147,539)	16.00	2,991,037,716
Total Education	12,344,098,234	(536,523,059)	(126,932,145)	(663,455,204)	-70.00	11,680,643,030
Health and Human Services:						
Central Management and Support	74,014,863	(17,175,681)	495,000	(16,680,681)	-53.00	57,334,182
Aging Division	37,592,841	1,103,305	(2,768,783)	(1,665,478)	-2.00	35,927,363
Blind and Deaf / Hard of Hearing Services	11,704,522	(425,227)	75,000	(350,227)	-5.00	11,354,295
Child Development	305,403,137	45,230,380	(68,476,650)	(23,246,270)	-3.00	282,156,867
Education Services	40,827,434	(1,848,652)	(151,679)	(2,000,331)	-23.00	38,827,103
Health Service Regulation	19,271,921	(1,075,846)	0	(1,075,846)	-9.00	18,196,075
Medical Assistance	3,681,276,113	(224,720,860)	(928,173,399)	(1,152,894,259)	-15.00	2,528,381,854
Mental Health	819,613,620	(11,178,312)	(23,766,114)	(34,944,426)	-320.49	784,669,194
NC Health Choice	68,789,628	7,138,624	7,000,000	14,138,624	0.00	82,928,252
Public Health	195,214,007	(10,822,227)	(2,324,119)	(13,146,346)	-55.00	182,067,661
Social Services	236,218,110	(9,150,423)	(14,575,400)	(23,725,823)	-30.00	212,492,287
Vocational Rehabilitation	46,418,743	(4,652,764)	0	(4,652,764)	-5.00	41,765,979
Total Health and Human Services	5,536,344,939	(227,577,683)	(1,032,666,144)	(1,260,243,827)	-520.49	4,276,101,112
Justice and Public Safety:						
Correction	1,384,910,571	(87,421,903)	(4,855,320)	(92,277,223)	-427.00	1,292,633,348
Crime Control & Public Safety	43,925,878	(13,167,309)	580,336	(12,586,973)	10.25	31,338,905
Judicial Department	497,649,235	(24,858,825)	(2,324,864)	(27,183,689)	-50.00	470,465,546
Judicial - Indigent Defense	133,881,190	(5,917,126)	6,970,000	1,052,874	0.00	134,934,064
Justice	100,441,147	(8,338,435)	0	(8,338,435)	-57.00	92,102,712
Juvenile Justice & Delinquency Prevention	172,484,415	(25,151,423)	(218,393)	(25,369,816)	-208.00	147,114,599
Total Justice and Public Safety	2,333,292,436	(164,855,021)	151,759	(164,703,262)	-731.75	2,168,589,174

Summary of General Fund Appropriations

Fiscal Year 2009-2010

2009 Legislative Session

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	
	2009-10	Adjustments	Adjustments	Changes	Changes	
					Appropriation	
					2009-10	
<u>Natural And Economic Resources:</u>						
Agriculture and Consumer Services	65,402,492	(4,453,034)	650,000	(3,803,034)	-17.20	61,599,458
Commerce	46,019,823	(8,850,878)	7,226,269	(1,624,609)	-23.00	44,395,214
Commerce - State Aid	15,642,232	(337,559)	3,500,000	3,162,441	0.00	18,804,673
Environment and Natural Resources	212,524,097	(13,157,702)	7,918,603	(5,239,099)	-46.25	207,284,998
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	(5,000,000)	(5,000,000)	0.00	95,000,000
Labor	19,064,773	(1,364,669)	0	(1,364,669)	-8.00	17,700,104
NC Biotechnology Center	15,427,561	(308,551)	0	(308,551)	0.00	15,119,010
Rural Economic Development Center	24,059,581	(40,128)	0	(40,128)	0.00	24,019,453
Total Natural and Economic Resources	498,140,559	(28,512,521)	14,294,872	(14,217,649)	-94.45	483,922,910
<u>General Government:</u>						
Administration	78,170,163	(8,941,733)	(65,011)	(9,006,744)	-113.25	69,163,419
Auditor	14,389,111	(1,064,333)	(100,266)	(1,164,599)	-5.00	13,224,512
Cultural Resources	77,933,037	(7,039,804)	(370,444)	(7,410,248)	-17.25	70,522,789
Cultural Resources - Roanoke Island	2,095,402	(134,106)	0	(134,106)	0.00	1,961,296
General Assembly	62,347,066	(3,543,726)	(1,141,554)	(4,685,280)	0.00	57,661,786
Governor	6,616,233	(502,702)	0	(502,702)	0.00	6,113,531
Housing Finance Agency	14,608,417	0	0	0	0.00	14,608,417
Insurance	33,824,822	(1,883,772)	(296,197)	(2,179,969)	0.00	31,644,853
Insurance - Worker's Compensation Fund	4,500,000	0	(2,500,000)	(2,500,000)	0.00	2,000,000
Lieutenant Governor	966,706	(17,696)	(16,831)	(34,527)	0.00	932,179
Office of Administrative Hearings	4,266,407	(298,952)	0	(298,952)	0.00	3,967,455
Revenue	91,347,503	(6,426,907)	0	(6,426,907)	-31.00	84,920,596
Secretary of State	11,854,656	(490,201)	0	(490,201)	-2.00	11,364,455
State Board of Elections	6,627,101	(403,272)	(1,540,007)	(1,943,279)	0.00	4,683,822
State Budget and Management	7,144,221	(583,206)	0	(583,206)	-1.00	6,561,015
State Budget and Management -- Special	4,280,000	(7,000)	750,000	743,000	0.00	5,023,000
State Controller	24,536,602	(1,119,487)	(55,965)	(1,175,452)	-5.75	23,361,150
Treasurer - Operations	11,150,002	6,241,175	(119,053)	6,122,122	-2.00	17,272,124
Treasurer - Retirement / Benefits	10,804,671	0	0	0	0.00	10,804,671
Total General Government	467,462,120	(26,215,722)	(5,455,328)	(31,671,050)	-177.25	435,791,070

Summary of General Fund Appropriations

Fiscal Year 2009-2010

2009 Legislative Session

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	
	2009-10	Adjustments	Adjustments	Changes	Changes	
					Appropriation	
					2009-10	
Transportation	0	0	0	0	0.00	0
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	670,494,697	0	0	0	0.00	670,494,697
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	672,111,077	0	0	0		672,111,077
Statewide Reserves:						
Teachers and Administrators Salary Increases		56,765,776	8,674,720	65,440,496	0.00	65,440,496
Salary Adjustment Fund	4,500,000	(4,500,000)	0	(4,500,000)	0.00	0
Contingency and Emergency Fund	5,000,000			0	0.00	5,000,000
State Retirement System Contributions		21,000,000	0	21,000,000	0.00	21,000,000
Judicial Retirement System Contributions		1,300,000	0	1,300,000	0.00	1,300,000
State Health Plan		128,410,208	0	128,410,208	0.00	128,410,208
Information Technology Funds	14,821,416	0	(5,459,431)	(5,459,431)	0.00	9,361,985
Job Development Investment Grants (JDIG)	27,400,000		(8,400,000)	(8,400,000)	0.00	19,000,000
Reduce Debt Service Requirements		0	(7,500,000)	(7,500,000)	0.00	(7,500,000)
Statewide Administrative Support Reduction		(3,000,000)		(3,000,000)	-75.00	(3,000,000)
Federal Economic Recovery Management		0	1,000,000	1,000,000	0.00	1,000,000
Eliminate Funds for BRIC - General Fund	172,000,000		(172,000,000)	(172,000,000)	0.00	0
Contingency Reserve for BRIC			74,000,000	74,000,000	0.00	74,000,000
Subtotal Statewide Reserves	223,721,416	199,975,984	(109,684,711)	90,291,273	-75.00	314,012,689
Total Reserves and Debt Service	895,832,493	199,975,984	(109,684,711)	90,291,273	-75.00	986,123,766
Total General Fund for Operations	22,075,170,781	(783,708,022)	(1,260,291,697)	(2,043,999,719)	-1668.94	20,031,171,062

Summary of General Fund Appropriations

Fiscal Year 2009-2010

2009 Legislative Session

	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2009-10	Adjustments	Adjustments	Changes	Changes	2009-10
Capital Improvements						
Water Resources Development Projects	0	0	17,600,000	17,600,000		17,600,000
Total Capital Improvements	0	0	17,600,000	17,600,000		17,600,000
Total General Fund Budget	22,075,170,781	(783,708,022)	(1,242,691,697)	(2,026,399,719)	-1668.94	20,048,771,062

**Summary of General Fund Appropriations
Fiscal Year 2010-2011
2009 Legislative Session**

	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2010-11	Adjustments	Adjustments	Changes	Changes	2010-11
Education:						
Community Colleges	1,114,034,594	(9,592,400)	0	(9,592,400)	-9.00	1,104,442,194
Public Education	8,358,798,223	(512,006,471)	(73,275,369)	(585,281,840)	-277.00	7,773,516,383
University System	3,100,871,575	(31,546,875)	(2,756,597)	(34,303,472)	39.00	3,066,568,103
Total Education	12,573,704,392	(553,145,746)	(76,031,966)	(629,177,712)	-247.00	11,944,526,680
Health and Human Services:						
Central Management and Support	74,482,593	(17,175,681)	2,000,000	(15,175,681)	-53.00	59,306,912
Aging Division	37,594,640	1,103,305	0	1,103,305	-2.00	38,697,945
Blind and Deaf / Hard of Hearing Services	11,763,464	(484,168)	0	(484,168)	-5.00	11,279,296
Child Development	305,417,178	45,230,380	(3,800,000)	41,430,380	-3.00	346,847,558
Education Services	40,879,342	(6,848,652)	(151,679)	(7,000,331)	-23.00	33,879,011
Health Service Regulation	19,277,259	(1,075,846)	0	(1,075,846)	-9.00	18,201,413
Medical Assistance	3,933,921,911	(239,254,554)	(522,714,239)	(761,968,793)	-15.00	3,171,953,118
Mental Health	834,943,177	(17,918,460)	(29,371,412)	(47,289,872)	-618.74	787,653,305
NC Health Choice	68,789,628	7,038,561	7,000,000	14,038,561	0.00	82,828,189
Public Health	198,230,503	(11,962,358)	(3,074,119)	(15,036,477)	-55.00	183,194,026
Social Services	234,498,543	(5,982,173)	(5,030,294)	(11,012,467)	-30.00	223,486,076
Vocational Rehabilitation	46,762,707	(4,983,670)	0	(4,983,670)	-5.00	41,779,037
Total Health and Human Services	5,806,560,945	(252,313,316)	(555,141,743)	(807,455,059)	-818.74	4,999,105,886
Justice and Public Safety:						
Correction	1,406,791,264	(71,506,648)	(899,259)	(72,405,907)	-411.00	1,334,385,357
Crime Control & Public Safety	44,067,870	(13,167,279)	0	(13,167,279)	6.25	30,900,591
Judicial Department	507,638,940	(29,411,240)	(6,390,013)	(35,801,253)	-50.00	471,837,687
Judicial - Indigent Defense	132,320,396	(10,917,126)	0	(10,917,126)	0.00	121,403,270
Justice	101,047,019	(9,702,443)	0	(9,702,443)	-57.00	91,344,576
Juvenile Justice & Delinquency Prevention	172,651,108	(29,163,127)	0	(29,163,127)	-208.00	143,487,981
Total Justice and Public Safety	2,364,516,597	(163,867,863)	(7,289,272)	(171,157,135)	-719.75	2,193,359,462

**Summary of General Fund Appropriations
Fiscal Year 2010-2011
2009 Legislative Session**

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2010-11	Adjustments	Adjustments	Changes	Changes	2010-11
Natural And Economic Resources:						
Agriculture and Consumer Services	65,638,839	(4,453,034)	0	(4,453,034)	-17.20	61,185,805
Commerce	46,028,986	(8,850,878)	0	(8,850,878)	-23.00	37,178,108
Commerce - State Aid	15,642,232	(337,559)	0	(337,559)	0.00	15,304,673
Environment and Natural Resources	214,924,435	(14,459,521)	0	(14,459,521)	-77.25	200,464,914
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	0	0	0.00	100,000,000
Labor	19,092,834	(1,364,669)	0	(1,364,669)	-8.00	17,728,165
NC Biotechnology Center	15,427,561	(308,551)	0	(308,551)	0.00	15,119,010
Rural Economic Development Center	24,059,581	(40,128)	0	(40,128)	0.00	24,019,453
Total Natural and Economic Resources	500,814,468	(29,814,340)	0	(29,814,340)	-125.45	471,000,128
General Government:						
Administration	78,362,881	(8,941,733)	(315,011)	(9,256,744)	-113.25	69,106,137
Auditor	14,405,383	(1,064,333)	(100,266)	(1,164,599)	-5.00	13,240,784
Cultural Resources	79,329,609	(7,039,804)	(370,444)	(7,410,248)	-17.25	71,919,361
Cultural Resources - Roanoke Island	2,095,402	(134,106)	0	(134,106)	0.00	1,961,296
General Assembly	64,056,544	(3,700,916)	(984,364)	(4,685,280)	0.00	59,371,264
Governor	6,622,879	(503,167)	0	(503,167)	0.00	6,119,712
Housing Finance Agency	14,608,417	0	0	0	0.00	14,608,417
Insurance	33,887,006	(1,883,772)	(296,197)	(2,179,969)	0.00	31,707,037
Insurance - Worker's Compensation Fund	4,500,000	0	(2,500,000)	(2,500,000)	0.00	2,000,000
Lieutenant Governor	966,706	(17,696)	(16,831)	(34,527)	0.00	932,179
Office of Administrative Hearings	4,279,242	(298,952)	0	(298,952)	0.00	3,980,290
Revenue	91,440,473	(6,426,907)	0	(6,426,907)	-31.00	85,013,566
Secretary of State	11,928,530	(490,201)	0	(490,201)	-2.00	11,438,329
State Board of Elections	6,630,894	(403,272)	(40,007)	(443,279)	0.00	6,187,615
State Budget and Management	7,147,928	(583,465)	0	(583,465)	-1.00	6,564,463
State Budget and Management -- Special	4,280,000	(7,000)	0	(7,000)	0.00	4,273,000
State Controller	24,568,908	(519,487)	(55,965)	(575,452)	-0.75	23,993,456
Treasurer - Operations	11,163,790	6,241,175	(119,053)	6,122,122	-2.00	17,285,912
Treasurer - Retirement / Benefits	10,804,671	0	0	0	0.00	10,804,671
Total General Government	471,079,263	(25,773,636)	(4,798,138)	(30,571,774)	-172.25	440,507,489

**Summary of General Fund Appropriations
Fiscal Year 2010-2011
2009 Legislative Session**

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2010-11	Adjustments	Adjustments	Changes	Changes	2010-11
Transportation	0	0	0	0	0.00	0
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	739,878,445	0	0	0	0.00	739,878,445
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	741,494,825	0	0	0	0.00	741,494,825
Statewide Reserves:						
Teachers and Administrators Salary Increases		56,765,776	0	56,765,776	0.00	56,765,776
Salary Adjustment Fund	4,500,000	(4,500,000)	0	(4,500,000)	0.00	0
Contingency and Emergency Fund	5,000,000			0	0.00	5,000,000
State Retirement System Contributions		21,000,000	0	21,000,000	0.00	21,000,000
Judicial Retirement System Contributions		1,300,000	0	1,300,000	0.00	1,300,000
State Health Plan		267,904,114	0	267,904,114	0.00	267,904,114
Information Technology Funds	14,821,416	0	(5,459,431)	(5,459,431)	0.00	9,361,985
Job Development Investment Grants (JDIG)	27,400,000	0	0	0	0.00	27,400,000
Reduce Debt Service Requirements		7,307,323	0	7,307,323	0.00	7,307,323
Statewide Administrative Support Reduction		(4,000,000)	0	(4,000,000)	(100.00)	(4,000,000)
Federal Economic Recovery Management		0	1,000,000	1,000,000	0.00	1,000,000
Eliminate Funds for BRIC - General Fund	45,000,000	0	(45,000,000)	(45,000,000)	0.00	0
Contingency Reserve for BRIC			100,000,000	100,000,000	0.00	100,000,000
Budget E-Procurement Receipts		(10,000,000)	0	(10,000,000)	0.00	(10,000,000)
Subtotal Statewide Reserves	96,721,416	335,777,213	50,540,569	386,317,782	-100.00	483,039,198
Total Reserves and Debt Service	838,216,241	335,777,213	50,540,569	386,317,782	-100.00	1,224,534,023
Total General Fund for Operations	22,554,891,906	(689,137,688)	(592,720,550)	(1,281,858,238)	-2183.19	21,273,033,668

**Summary of General Fund Appropriations
Fiscal Year 2010-2011
2009 Legislative Session**

	Adjusted	Legislative Adjustments			Revised	
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2010-11	Adjustments	Adjustments	Changes	Changes	2010-11
Capital Improvements						
Water Resources Development Projects	0	0	0	0		0
Total Capital Improvements	0	0	0	0		0
Total General Fund Budget	22,554,891,906	(689,137,688)	(592,720,550)	(1,281,858,238)	-2083.19	21,273,033,668

EDUCATION
Section F

Public Education

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$8,245,341,827	\$8,358,798,223

Legislative Changes

A. Technical Adjustments

1 Civil Penalties Receipts	(\$6,324,790)	R	(\$6,324,790)	R
Makes recurring adjustment to budgeted civil penalty revenues to account for actual FY 2007-08 receipts. Collected civil penalties revenues are required to be deposited in the State Public School Fund (SPSF) for allotment to LEAs on a per-ADM basis. Total realized FY 2007-08 receipts were \$120.3 million.	(\$18,183,251)	NR		

The nonrecurring adjustment reflects the transfer of \$18 million in civil penalties held in escrow at University of North Carolina campuses to the Civil Penalty and Forfeiture Fund for appropriation.

2 Financing School Bus Replacement	(\$7,500,000)	R	(\$7,500,000)	R
Adjusts the schedule for school bus financing from three to four years on a recurring basis. This adjustment does not cut or delay the number of buses scheduled to be replaced in FYs 2009-11.				

3 Textbook Freight	(\$217,837)	R	(\$217,837)	R
Eliminates funding for textbook freight. These costs will be covered through receipts from books purchased by the local education agencies (LEAs).				

4 Eliminate Certain Continuation Budget Adjustments	(\$10,114,135)	R	(\$10,114,135)	R
Eliminates funding increases provided in the FYs 2009-11 continuation budget for the following items:				
Miscellaneous Contractual Services (\$395,109), Unemployment Compensation (\$45,072), Short Term Disability (\$3,617,512), Annual Leave (\$259,162), Nat'l Board for Professional Teaching Standards Fees (\$2,284,043), and Workers Compensation (\$3,513,237).				

B. State Public School Fund

5 Information Highway	(\$1,200,000)	R	(\$1,200,000)	R
Eliminates funding for a program that previously paid for LEAs to access distance learning. Funds are no longer needed as the School Connectivity Initiative (SCI) has replaced this program and provides increased service to the LEAs.				

6 Adjust School Resource Officer (SRO) Allotment

Revises the At-Risk Student Services allotment to reflect the FY 2008-09 actual salary and benefits expenditures for School Resource Officers (SROs). A portion of the current allotment provides each high school with \$37,838 to support the salary and benefits for SROs.

(\$1,202,256) R (\$1,202,256) R

7 School Technology Fund

Reduces by 40% on a nonrecurring basis the General Fund support for the School Technology Fund, which provides support to LEAs on a per-ADM basis for the development and implementation of LEA technology plans. An additional \$18 million for this Fund is annually provided from the Civil Penalty and Forfeiture Fund.

(\$4,000,000) NR (\$4,000,000) NR

8 Textbooks

Adjusts allotment to reflect one-year delay in the adoption of grades 6-12 mathematics textbooks. Sufficient funding is provided in the continuation budget to support the adoption of the mathematics textbooks in FY 2010-11.

(\$37,977,278) NR

9 NC Wise Owl

Reduces funding by 38% for this online reference resource for teachers and students. This portion of the reference service is being provided at no cost by SAS Institute.

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

10 Central Office Administration

Reduces dollar allotment to Local Education Agencies (LEAs) for salaries and benefits for central office staff which includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. The reduction reflects a 5.3% decrease from the FY 2009-10 continuation budget total of \$120,855,235.

(\$6,470,262) R (\$6,470,262) R

11 More at Four

Transfers funding for the More at Four program to the Department of Health and Human Services.

(\$86,000,000) R (\$86,000,000) R

12 Local Education Agency Discretionary Reduction

The State Board of Education shall distribute this local education agency discretionary reduction on the basis of ADM. A related provision, Section 7.8, will provide additional flexibility to the LEAs to manage this reduction.

(\$9,432,140) R (\$8,432,140) R

13 Testing

Eliminates funding for all State-administered tests not currently required by Federal law or as a condition of Federal grants. These tests include: Geometry End of Course (EOC), Algebra II EOC, Physical Science EOC, Chemistry EOC, Physics EOC, Reading Competency, Mathematics Competency, and Computer Skills. A related provision, section 7.20, will prohibit the North Carolina State Board of Education from requiring the public schools to administer any standardized tests except for those required by federal law or as a condition of a federal grant.

(\$3,636,594) R (\$3,636,594) R

14 Focused Education Reform

(\$483,373) R (\$483,373) R

Provides a 10% reduction to funds appropriated to DPI in support of the pilot program known as The Collaborative Project. DPI funding for this program is currently \$4,833,728. The Public School Forum receives an additional \$2,342,705 to support and administer the pilot. This item would not reduce the Public School Forum component of overall funding for the Collaborative Project.

15 Staff Development

(\$6,278,960) NR (\$6,278,960) NR

Reduces funding by 50%, on a nonrecurring basis, for the staff development allotment.

16 Improving Student Accountability

(\$38,339,798) R (\$38,339,798) R

Eliminates funding for this allotment that supports activities designed to improve the performance of those students scoring at Level I or II on certain State tests. The Disadvantaged Student Supplemental Funding and At-Risk Student Services allotments support similar types of activities.

17 Critical Foreign Language Pilot

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

Eliminates funding for this two-year old pilot program. Section 7.16 of this bill will enable the carryover of FY 2008-09 funding to complete the development of online Russian and Japanese language courses that is currently ongoing.

18 Increase Class Size by 2 Students in Every Grade

(\$322,705,848) R (\$322,705,848) R

Decreases funding for the Classroom Teachers allotment consistent with increasing the student to teacher funding allotment ratio currently set by the State Board of Education for each grade by 2. The related provision, section 7.23, increases the allowable maximum district-wide class size average and maximum individual class size by 2, and clarifies that the General Assembly's intent is to restore this cut as soon as State revenues make it fiscally responsible to do so.

19 Fund One LEA Per County

(\$11,393,030) R

Eliminates base funding for six allotments that are provided to all LEAs. The reduction is not taken until FY 2010-11 to allow the 15 affected LEAs one year to plan for absorbing the decrease in State support for these allotments.

C. Department of Public Instruction**20 DPI Position Reduction**

	(\$5,420,925)	R	(\$12,648,825)	R
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Requires the State Board of Education (SBE) to identify and eliminate the following number and types of positions over the biennium:

-100.00

-300.00

FY 2009-10

Eliminate a combination of 100 vacant, transferred and filled State-supported positions. 25 of these positions shall be transferred to the Department of Health and Human Services (DHHS) along with the Office of School Readiness and the More at Four program. The 25 positions are comprised of 23 receipt-supported positions and 2 Federally-supported Head Start positions.

FY 2010-11

Eliminate 200 additional positions. At least 100 of these positions shall be State-supported.

21 Plan for Statewide Motor Coach Permit

Directs the State Board of Education, in conjunction with the Division of Motor Vehicles, to develop a plan by January 1, 2010 for a statewide permit for motor coach companies seeking to contract with local school systems to transport students and other authorized personnel on school-sponsored trips.

	\$5,000	NR		
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22 Membership Dues

	(\$209,238)	R	(\$209,238)	R
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Eliminates the allowable inflation provided for membership dues in the FYs 2009-11 continuation budget.

23 Legacy Funds

Adjusts fund balance remaining from nonrecurring appropriations made for agency IT infrastructure. This reduction would eliminate the fund balance of \$2,000,000.

24 DPI Operating Funds

	(\$1,591,552)	R	(\$1,591,552)	R
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Reduces DPI operating and purchased services budgeted expenditures consistent with actions taken to manage these expenditures in FY 2008-09.

25 Personal Financial Literacy

	(\$500,000)	R	(\$500,000)	R
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Eliminates the recurring appropriation for this activity. Personal Financial Literacy has already been integrated into the curriculum and is available to students through the North Carolina Virtual Public Schools. DPI personnel shall continue to provide curricular materials, professional development, and technical assistance to teachers on this subject.

26 Governor's Schools

Eliminates the inflation built into both years of the FY 2009-11 continuation budget and decreases the appropriation to support 400 student participants in FY 2010-11. Funding supports the Governor's Schools, which are held each summer for six weeks at two college campuses. Student selection is competitive. The current appropriation supports a total of 800 student participants.

(\$59,752) NR (\$789,409) NR

D. Pass-Through Funds**27 Tarheel Challenge Academy**

Provides funding to the North Carolina's Tarheel Challenge Academy, a quasi-military program for high school dropouts, or expellees. It is located in Sampson County and sponsored by the North Carolina National Guard. This program receives matching funds from the federal government equal to \$60 for every \$40 of State funds. Previously, the Tarheel Challenge had been funded within the Department of Crime Control and Public Safety budget. The appropriation for this program was eliminated for FY 2008-09 pending the findings of a Continuation Review. The program will now receive recurring funding within the Education budget.

\$1,293,000 NR \$1,293,000 NR

28 Appropriations to Non-Public School Organizations

Reduces recurring funding to the following organizations by 10% of their budgeted amount:

Communities in Schools (\$160,750),
Schools Attuned (\$82,091),
ExplorNet (\$30,000),
Teacher Cadet (\$40,000),
NC Network (\$31,263),
Science Olympiad (\$15,000),
Teach for America (\$95,000), and
NC Math & Science (\$10,000).

(\$614,104) R (\$614,104) R

Additionally, recurring funding for Literacy Coach training provided by the Teacher Academy shall be reduced by 10%, or \$150,000. \$1,350,000 would remain available to train 200 coaches.

E. Expansion-State Public School Fund**29 Learn and Earn Early College High Schools**

Provides funding for 12 additional Learn and Earn high schools that will be operational in FY 2009-10, bringing the total number of Learn and Earn "traditional" high schools to 68. the nonrecurring appropriation provides \$10,000 per site to support start-up costs associated with the first year of implementation.

\$3,601,265 R \$3,601,265 R
\$120,000 NR

30 Dropout Prevention Grants

Provides two years of nonrecurring funding for additional dropout prevention grants. This program provides funding on a competitive basis to local school administrative units, schools, local agencies, or nonprofit organizations to support programs that address dropout prevention. The additional funding for this program can be used to provide continued funding to past grant recipients or to fund new recipients. The maximum grant size is \$150,000.

\$1,000,000 NR \$1,000,000 NR

31 North Carolina Virtual Public School (NCVPS)

Provides additional funds to expand the NCVPS. These funds would provide additional resources to support the cost of teachers and instructional materials for students enrolled in NCVPS courses. These funds would be in addition to \$2.7 million in other recurring NCVPS funding.

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

F. Expansion-Department of Public Instruction

32 Leadership Academy

Supports the creation of a Leadership Academy which will provide professional development to superintendents, enabling them to train principals to address critical areas such as student achievement and teacher working conditions.

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

33 District and School Transformation Initiative

Expands the State Board of Education's District and School Transformation initiative. The District and School Transformation initiative is part of the State's redesigned framework for delivering technical assistance and other support to low performing districts and schools. The recommended appropriation supports the addition of 23 full-time positions to expand services to additional districts and schools. The recommended expansion includes nonrecurring costs for start-up costs and professional development to DPI staff to build local capacity.

\$3,023,546 R \$3,023,546 R
 \$342,000 NR
 23.00 23.00

34 Diagnostic Assessment and Accountability

Provides nonrecurring funds to support the development and implementation of a new Standard Course of Study for all content areas and grade levels. This appropriation will also support the State Board of Education's efforts to research, design, and implement a new comprehensive State testing system that will include formative, benchmark/interim, and summative tests. The ultimate goal of this initiative is to develop a new K-8 and K-12 accountability model.

\$3,000,000 NR

G. Other Reserves and Transfers

35 Teaching Fellows Trust Fund

Reduces the cash balance of the Teaching Fellows Trust Fund on a nonrecurring basis by \$4,500,000. The current cash balance of the Fund is \$6.76 million. This reduction will not negatively impact program participants or operations.

FY 09-10**FY 10-11****36 Children's Trust Fund**

(\$247,500) R

(\$247,500) R

Eliminates the State appropriation for this program. Other annual receipts of approximately \$365,000 generated from marriage license fees will continue to support this program that awards grants to entities that support child neglect and abuse prevention initiatives. Section 10.43 of this bill will move administration of this program to the Department of Health and Human Services.

37 Redirect Capital Funds to Support Public Schools through the General Fund

(\$60,500,000) NR

(\$64,500,000) NR

Suspends the transfer of Corporate Income Tax funds in FY 2009-10 and FY 2010-11 to the Public School Building Capital Fund. Instead, funds will be transferred as a receipt to the State Public School Fund to temporarily offset the costs for public school operations. For FYs 2009-10 and 2010-11, General Fund appropriations will be reduced by the amount that was scheduled to be transferred to the capital accounts.

Total Legislative Changes

(\$494,385,541) R

(\$512,006,471) R

(\$121,239,241) NR

(\$73,275,369) NR

Total Position Changes

-77.00

-277.00

Revised Budget

\$7,629,717,045

\$7,773,516,383

Community Colleges

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$1,072,571,152		\$1,114,034,594

Legislative Changes

A. Enrollment

38 Fully Fund Enrollment Growth	\$10,380,387	R	\$10,380,387	R
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Provides funds to fully fund enrollment growth. Community college enrollment has increased by 15,259 full-time equivalents (or FTE), from 201,625 to 216,884, an increase of 7.6%. This enrollment growth requires a total appropriation of \$58.1 million. The continuation budget included \$47.7 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 \$10.4 million needed.

39 Enrollment Growth Reserve	\$3,000,000	R	\$3,000,000	R
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Provides funds for an Enrollment Growth Reserve to assist colleges that experience enrollments that exceed 5% above budgeted levels.

B. Reductions - Community College System Office

40 Eliminate Vacant Positions and Salary Reserves	(\$523,128)	R	(\$523,128)	R
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Eliminates 7 vacant positions in the Community College System Office, as well as \$46,192 of unused salary reserves.

-7.00	-7.00
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41 Eliminate Filled Positions	(\$124,040)	R	(\$124,040)	R
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Eliminates two filled positions in the Community College System Office. The duties of these positions shall be eliminated or absorbed by other System Office employees. The positions are:

-2.00	-2.00
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1. Special Events Coordinator and
2. BioNetwork Grants Associate.

42 Move Positions to Receipt Support	(\$85,454)	R	(\$85,454)	R
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Reduces appropriations by shifting one Grants Administrator position to indirect cost receipts and one Education Consultant partially to proprietary school receipts. These positions oversee the activities that generate these receipts.

43 Reduce System Office Operating Budget

(\$462,425)

R

(\$462,425)

R

Reduces the System Office operating budget in the following areas:

- IT Contracts (\$200,000),
- Number of IT Training Days (\$88,000),
- ITS Project Management Services (\$76,000),
- Travel and Operating Funds for the Technology and Workforce Development Division (\$71,245),
- Funding for Professional Development Course (\$7,500), and
- Travel and Operating Funds for the Academic and Student Services Division (\$19,680).

44 Reduce 2+2 E-Learning Initiative

(\$140,000)

R

(\$140,000)

R

Reduces the budget of the 2+2 E-Learning Initiative by \$140,000. This reduction leaves the 2+2 E-Learning Initiative with \$860,000 in recurring funds to support innovative distance learning programs.

45 Eliminate Increase to Unemployment Compensation

(\$6,500)

R

(\$6,500)

R

Eliminates OSBM increase to unemployment compensation in the continuation budget.

46 Management Flexibility Reduction

(\$489,823)

R

(\$489,823)

R

Reduces the NC Community College System Office budget and provides flexibility for the System Office in implementing this reduction.

C. Reductions - Colleges - State Aid**47 Eliminate Increases to State Aid**

(\$18,543,704)

R

(\$18,543,704)

R

Eliminates OSBM increase to State aid in the continuation budget.

D. Reductions - Categorical Programs**48 Maintenance of Plant Supplement**

(\$787,877)

R

(\$787,877)

R

Eliminates supplemental funding currently allocated to colleges with an out-of-county student population over 50% of the total student population. Section 8.10 of this bill permits colleges currently receiving these funds to use noninstructional State funds allocated to them through the institutional support allotment for maintenance of plant for the biennium.

49 Botanical Laboratory at Fayetteville Technical Community College

(\$300,000)

R

(\$300,000)

R

Eliminates funding for the botanical laboratory at Fayetteville Technical Community College.

50 Community Service Block Grant

(\$1,066,603)

R

(\$1,066,603)

R

Eliminates funding for the community service block grant, requiring all community service programs to be offered on a self-supporting basis.

Senate Subcommittee on Education

FY 09-10**FY 10-11****51 Baccalaureate Education Attainment Funds**

(\$112,751)

R

(\$112,751)

R

Eliminates baccalaureate education attainment funds available to community college faculty and staff to pursue and attain bachelor's degrees.

52 Faculty and Staff Development Funds

(\$507,068)

R

(\$507,068)

R

Eliminates funds allocated by the State for professional development of community college faculty and staff.

53 Compensatory Education Administration

(\$1,229,760)

R

(\$1,229,760)

R

Eliminates additional funds allotted to colleges for the administration of compensatory education programs. These programs provide assistance to developmentally-disabled, adult students by teaching them life-skills. Community colleges will continue to receive FTE funding for enrollment of these students.

54 Supplemental Multi-Campus Center Funds

(\$1,036,973)

R

(\$1,036,973)

R

Reduces supplemental multi-campus center funds by 7%. With this reduction, a total of \$13,776,921 will be available for multi-campus centers. Community colleges will continue to receive FTE funding for enrollment at multi-campus sites.

55 Off-Campus Center Funds

(\$1,000,000)

R

(\$1,000,000)

R

Eliminates supplemental funding for off-campus centers. Community colleges will continue to receive FTE funding for the enrollment at off-campus centers.

56 Eliminate One Virtual Learning Community Development Center

(\$200,000)

R

(\$200,000)

R

Eliminates one of the five State-supported Virtual Learning Community development centers. The State Board of Community Colleges will determine which center to eliminate.

57 Reduce Funding for Library Books and Materials to FY 2008-09 Level

(\$476,250)

R

(\$793,067)

R

Eliminates increases in the continuation budget for library books and materials.

58 Reduce BioNetwork Grants and Marketing Funds

(\$1,440,675)

R

(\$1,440,675)

R

Reduces funds for grants and marketing of the NCCCS BioNetwork. Of the total reduction, \$1,056,808 will be reduced from grants to colleges and \$383,866 will be reduced from System Office marketing funds.

59 Eliminate Supplemental Hearing Impaired Funding

(\$190,000)

R

(\$190,000)

R

Eliminates funds allotted to Wilson, Central Piedmont, and Western Piedmont Community Colleges to support the additional costs of serving hearing impaired students. These colleges will continue to receive FTE funding for the enrollment of these students.

60 Eliminate Funds for Disadvantaged Nursing Students

(\$80,000)

R

(\$80,000)

R

Eliminates funds for disadvantaged nursing students. These funds currently support tutoring, NCLEX review, and instructional software.

61 Regional Criminal Justice Coordinators

(\$430,119)

R

(\$430,119)

R

Eliminates funds used for three regional coordinators to provide comprehensive education and training to law enforcement personnel.

62 Regional Fire Training Coordinators

(\$772,293)

R

(\$772,293)

R

Eliminates funds used for eight regional coordinators to provide training to fire instructors, as well as curriculum development, guidance, and support to colleges' fire training programs.

63 Public Radio Station Pass-Through Funds

(\$458,921)

R

(\$458,921)

R

Eliminates pass-through funds for three public radio stations located on community college campuses:

- Gaston (\$191,333),
- Craven (\$66,333), and
- Isothermal (\$201,255).

64 Reduce Child Care Grants to FY 2007-08 Actual Expenditures

(\$84,801)

R

(\$84,801)

R

Reduces funding for child care grants to student parents who rely on child care to pursue their studies to actual FY 2007-08 expenditures (\$1,838,215).

65 Specialized Center Regionalization

(\$1,023,133)

R

(\$1,023,133)

R

Reorganizes the Textile Center of Gaston College, the Center for Emerging Manufacturing Solutions (or Hosiery Tech Center) of Catawba Valley CC, and the Haywood Regional High Tech Center of Haywood CC, and reduces funds by \$1,023,133. The remaining \$1,275,000 will be distributed as follows:

- \$525,000 to Gaston College to support East Campus in Belmont as a multi-campus center of the college,
- \$100,000 to Haywood CC for a high cost allocation for Haywood Regional High Tech Center, and
- \$650,000 to Catawba Valley CC for a regional Center for Emerging Manufacturing Solutions (CEMS) program.

The regional CEMS program will be headquartered in Hickory. The funding will support the core program and employees at the current CEMS site. One position will remain at the current Textile Center location, and will be used to leverage equipment and resources at the two locations to conduct testing, development, and other services as directed.

E. Tuition and Fees**66 Restructure Continuing Education Fee Rates**

(\$9,426,885) R (\$9,426,885) R

Restructures continuing education fee rates. The new fee structure will consolidate the current structure from four tiers into three, based on the number of hours of class time, as follows:

Classes 1-20 hours - \$65,
Classes 21-50 hours - \$120, and
Classes 50+ hours - \$175.

Continuing education fees have not been increased since the current sliding scale was adopted in 1999. Continuing education courses are non-credit courses and are taken by students not seeking a degree.

67 Eliminate Certain Tuition Waivers

(\$6,149,087) R (\$6,149,087) R

Eliminates tuition waivers for senior citizens (\$1,316,192) and prisoners (\$4,832,895).

F. Expansion**68 Additional Nursing Faculty**

\$4,835,000 R \$6,242,300 R

Provides funds for at least 65 additional nursing faculty positions to be distributed to the colleges based on the length of colleges' waiting lists of student applicants for nursing programs. These funds may be used to leverage funds from the Golden LEAF Foundation and the Health and Wellness Trust Fund for health care equipment and training.

69 Vocational and Technical Education Programs

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

Provides funds to re-establish and place renewed emphasis on vocational and technical education programs. Funds may be used for faculty, equipment, or supplies in the following curriculum areas: Transportation, Engineering, Industrial, Military, Construction, and Green Technology Sectors. Funds shall be distributed to colleges based on the number of FTE students enrolled in these areas.

70 Equipment and Technology

\$10,000,000 R \$12,000,000 R

Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the \$31.3 million included in the base budget for this purpose. Funds shall be distributed in accordance with the existing equipment formula.

71 Restore Funding for the NC Military Business Center

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

Restores funding to the NC Military Business Center at Fayetteville Technical Community College. The Center received non-recurring funds in FY 2008-09 while undergoing a continuation review. The Center works with communities and companies to develop and obtain federal business opportunities, including with the US military at NC military installations.

Senate Subcommittee on Education

FY 09-10

FY 10-11

72 Customized Training

\$500,000 R

\$500,000 R

Provides additional funding for the Customized Training Program to improve programming and develop stronger infrastructure for college-based instruction. The Customized Training Program offers programs and training services to assist new and existing business and industry to remain productive, profitable, and within the State.

Total Legislative Changes

(\$12,682,883) R

(\$9,592,400) R

Total Position Changes

-9.00

-9.00

Revised Budget

\$1,059,888,269

\$1,104,442,194

UNC System

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$3,026,185,255		\$3,100,871,575

Legislative Changes

A. Base Budget Adjustments

73 Management Flexibility Reduction	(\$70,066,227)	R	(\$70,066,227)	R
Mandates a management flexibility reduction for the UNC operating budget. The UNC President and UNC Board of Governors shall follow the "Guidelines for Implementing 2009-11 Budget Reductions" issued to UNC Chancellors in 2009 when making reductions.	(\$5,370,571)	NR		
74 Salary Related Reductions	(\$7,757,661)	R	(\$7,741,169)	R
Removes OSBM increases for Overtime Pay, Premium Pay, Unemployment Compensation, Disability Benefits, and Workers Compensation.				
75 Building Reserve Adjustments	(\$2,692,333)	NR	(\$2,256,597)	NR
Adjusts the building reserves for operating new and renovated buildings due to changes in building completion dates.				
76 Library Inflation Removal	(\$14,129,584)	R	(\$18,411,905)	R
Removes an inflationary adjustment for library books and periodicals.				
77 Fuel Oil Inflation Adjustment	(\$1,302,965)	R	(\$1,061,665)	R
Reduces the inflationary increases for utility budgets at UNC-W, NCA&T, WCU, ECSU, and NCCU due to a decline in the price of residual fuel oil. Also restores a utility cut to UNC-GA made in error.				
78 University Cancer Research Fund - Increased Tax Projections	(\$561,179)	R	(\$592,890)	R
Lowers the General Fund appropriation to the University Cancer Research Fund due to an increase in the projected tax collections from the tax on tobacco products other than cigarettes. With this adjustment, the \$50 million commitment to the Fund in FY 2009-10 will consist of \$8 million Tobacco Trust Fund, \$25 million General Fund, and \$17 million tobacco tax proceeds.				
79 Reserve for Distance Education Reduction	(\$112,936)	R	(\$112,936)	R
Reduces the Reserve for Distance Education Capacity Enhancement by 10%. Created in 1996, the reserve is currently being used for UNC online efforts.				

80 Reserve for Information Technology Reduction

(\$90,592) R

(\$90,592) R

Reduces the Reserve for Information Technology Productivity and Efficiency by 10%. This reserve has been used to help 14 UNC campuses implement the Banner computer program for Finance, Human Resources, and Financial Aid.

81 Strategic Initiative Reserve Reduction

(\$1,000,000) NR

(\$1,000,000) NR

Reduces the UNC President's \$3.3 million Strategic Initiative Reserve for two years. The Reserve is used to encourage multi-campus initiatives, take advantage of promising opportunities, and address system-wide issues and concerns.

82 Legislators' Schools For Leadership Development Abolished

(\$500,000) R

(\$500,000) R

Abolishes the Legislators' Schools for Leadership Development at ECU and WCU. These programs provide summer residential programs to enhance the leadership abilities of rising eighth through eleventh graders.

-4.00

-4.00

83 Bowles Center for Alcohol Studies - DWI Fee Change

(\$500,000) R

(\$500,000) R

Reduces the General Fund appropriation for the Bowles Center for Alcohol Studies by directing that the \$25 DWI driver's license restoration fee be used for the Center's operating support instead of the Center's endowment fund.

84 Focused Growth Reserve Eliminated

(\$1,343,002) R

(\$1,343,002) R

Eliminates a UNC General Administration reserve for new degree programs on Focused Growth campuses. Enrollment growth funding can be used to initiate new academic programs. This reduction does not reduce the \$29.2 million in Focused Growth funds allocated to the 7 designated campuses.

85 Tuition Waiver for NC Science and Math Graduates Phased Out

(\$1,000,000) R

Phases out the waiver of tuition at UNC institutions for graduates of the North Carolina School of Science and Math beginning in FY 2010-11. All UNC students currently receiving the tuition waiver and Science and Math students graduating in 2009 will receive the tuition waiver until college graduation.

86 Nurse Educators of Tomorrow - Fund Balance Reduced

Reverts \$1 million from the fund balance in the Nurse Educators of Tomorrow scholarship-loan program. A slow start-up in this program to increase the number of nursing faculty allowed a fund balance to accrue in this nonreverting account. The increased General Fund availability will be used to fund expansion budget items.

87 Future Teachers Scholarship-Loan Program Reduced

(\$1,000,000) R

(\$1,000,000) R

Reduces the appropriation for the Future Teachers of North Carolina Scholarship-Loan program due to low enrollment.

88 NCCU Salary Correction

(\$36,000) R

Deletes OSBM error in SPA salary line item for NC Central University.

B. Expansion**89 UNC Need-Based Aid**

\$23,397,311 R \$23,397,311 R

Increases the UNC Need-Based Student Financial Aid Program to accommodate growth in eligible students and to hold current recipients harmless from increases in cost of attendance. There is \$116.4 million appropriated from the Escheats Fund for the program.

90 Distinguished Professors Endowment Fund

\$6,800,000 R \$6,800,000 R

Increases the Distinguished Professors Endowment Fund to match a grant from the C.D. Spangler Foundation to award professorships at each of the 16 UNC campuses and to address the backlog of 86 professorships awaiting State matching funds.

91 Campus Safety

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

Continues the implementation of the UNC Campus Safety Task Force recommendations by increasing the number of university personnel in mental health services and campus police.

92 Veterinary Medicine Clinical Teaching and Research Fund

\$250,000 NR

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

93 ECU Dental School Operations

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

Provides funds to the School of Dentistry at East Carolina University to hire new faculty, to develop the curriculum in preparation of program accreditation, and to establish the location of dental service learning centers throughout the state where faculty and students will see patients.

94 ECU Indigent Care

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

Reimburses a portion of the annual uncompensated patient care provided by the clinics of the East Carolina University Brody School of Medicine.

95 UNC Hospitals Indigent Care

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

Increases UNC Hospitals' reimbursement for indigent patient care.

96 Medical Care Expansion

\$2,620,000 NR

Provides \$1,310,000 to continue planning for the expansion of the UNC-Chapel Hill and East Carolina University medical schools and medical residency programs. Also provides \$1,310,000 to the UNC Board of Governors and Mountain Area Health Education Center (MAHEC) for planning and programming for the Center for Health and Aging.

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97 Nursing Program Expansion

\$835,000 R

\$835,000 R

Funds the establishment of an accelerated baccalaureate nursing program at North Carolina Central University (\$500,000) that will produce highly skilled nursing personnel in a shorter time period and will have a specific focus on recruiting students from medically underserved populations within North Carolina. Also funds an increase of 80 students at the UNC-Chapel Hill School of Nursing (\$335,000) with an emphasis on increasing the number of pre-licensure graduates and providing increased access to baccalaureate nursing education to college graduates.

5.00

5.00

98 ASU College of Health Sciences and Allied Professions

\$250,000 R

\$250,000 R

Provides operating funds for Appalachian State University's newly consolidated College of Health Sciences and Allied Professions.

99 UNC-W College of Health and Human Services

\$400,000 R

\$400,000 R

Funds supplemental instruction and additional operating support for UNC Wilmington's new College of Health and Human Services.

100 NC Research Campus at Kannapolis

\$3,000,000 R

\$3,000,000 R

Provides funding to hire researchers and to provide equipment and supplies for University personnel working at the NC Research Campus in Kannapolis. Six UNC-system campuses are involved in collaborative research at the campus to break new ground in health and science discoveries and help attract new employers and jobs to the State. The UNC System's annual operating budget at the Research Campus will increase to \$22.5 million with this appropriation.

101 Energy Production Infrastructure Center at UNCC

\$2,000,000 R

\$5,000,000 R

Provides funds to hire 14 senior faculty and 24 research support staff to develop programs in the following targeted hiring areas: electrical power including alternative energy, power plant engineering, and power system infrastructure. This center will help meet the increasing demand for engineers in the energy field created by an aging workforce and industry growth.

15.00

38.00

102 NC A&T College of Engineering

\$2,000,000 R

\$2,000,000 R

Provides the NC A&T State University College of Engineering with funding for post-doctoral and faculty positions, SPA staff support, laboratory supplies, and equipment upgrades and maintenance. A portion of these funds may be used to match NC A&T's portion of a \$18.5 million five-year National Science Foundation Engineering Research Center grant, the first ERC grant awarded to a HBCU (Historically Black College and University).

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FY 09-10**FY 10-11****103 NCSU College of Engineering**

\$5,000,000

R

\$5,000,000

R

Provides funds to the NC State University College of Engineering to add faculty in interdisciplinary areas that respond to State and national needs. A portion of the funds may be used to match external grants for Electric Vehicle Research in the NCSU Advanced Transportation Energy Center.

104 NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering

\$1,000,000

R

\$1,000,000

R

Continues the phase-in of faculty and staff for the NC A&T/UNC-G Joint School of Nanoscience and Nanotechnology located the Gateway University Research Park in Greensboro. When the new building housing the school is completed in 2012, scientists will be trained in areas such as drug design and delivery, nanobioengineering, and genetic screening.

105 WCU Rapid Product Realization

\$200,000

R

\$200,000

R

Funds additional faculty and staff to enable Western Carolina's Center for Rapid Product Realization to link the academic programs of the School of Construction Management and Technology to regional businesses.

106 ECSU School of Aviation

\$300,000

R

\$300,000

R

Provides additional operating funds for the newly established flight school at the Elizabeth City State University School of aviation. The flight school was established with an appropriation of \$300,000 R and \$300,000 NR in FY 2008-09.

107 Research Competitiveness Fund

\$3,000,000

R

\$3,000,000

R

Continues the Research Competitiveness Fund that began in 2007. The Fund supports strategic research investments in areas that have high probabilities of economic success and are important to keeping the North Carolina economy competitive. This appropriation builds on last biennium's investment of \$4 million which funded 24 research projects and led to grant proposals for non-state funds exceeding \$35 million.

108 Graduate Student Recruitment and Retention

\$2,000,000

R

\$2,000,000

R

Funds 162 new tuition remissions for graduate students in science, technology, and mathematics degree programs.

109 UNC-SA School of Filmmaking

\$500,000

R

\$500,000

R

Funds additional faculty, staff, and equipment at the UNC School of the Arts School of Filmmaking. Nonrecurring funds will be used to upgrade the theatre at the School of Filmmaking's Sound Stage in High Point and the film archives building on the main campus.

\$500,000

NR

\$500,000

NR

110 Faculty Recruiting and Retention Fund

\$2,000,000

R

\$2,000,000

R

Continues the Faculty Recruiting and Retention Fund that was initiated in FY 2006-07. The UNC President may use the fund to offer salary increases to recruit and retain faculty members in the 16 constituent universities.

111 NC School of Science and Math Online Initiative	\$200,000	R	\$200,000	R
Extends a North Carolina School of Science and Math pilot program that offers online science and math courses to students across the state. In FY 2008-09, 70 juniors in 49 high schools enrolled in up to 2 of the 6 courses offered, such as AP Chemistry, AP Calculus, or Honors Genetics and Biotechnology.				
112 Special Focus Universities	\$2,000,000	R	\$2,000,000	R
Provides UNC-Asheville and UNC School of the Arts with \$1 million each year for their operating budgets because the mission and limited size of these institutions makes it difficult for them to generate sufficient funds from the student credit hour enrollment model and other sources to provide needed student services.				
113 FSU Military One-stop Center & BRAC Outreach	\$251,500	R	\$251,500	R
Funds a one-stop academic counseling center for military and Department of Defense personnel and their dependents at Fayetteville State University. Also funds the development of two 18-month online master's degree programs in Business Administration and Criminal Justice.				
114 UNC-P Academic Support	\$300,000	R	\$300,000	R
Funds additional academic counselors, advisors, and other student support positions to help UNC Pembroke improve its retention and graduation rates.				
115 WSSU Adult & Transfer Student Recruitment	\$475,700	R	\$475,700	R
Funds a joint program between Winston-Salem State University and Forsyth Technical Community College that will add advising center staff focused on community college students and create a Gateway Program to assist working adults with the transition to college.				
Total Legislative Changes	(\$29,454,635)	R	(\$31,546,875)	R
	(\$5,692,904)	NR	(\$2,756,597)	NR
Total Position Changes	16.00		39.00	
Revised Budget	\$2,991,037,716		\$3,066,568,103	

**HEALTH
&
HUMAN SERVICES
Section G**

Health and Human Services

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$5,536,344,939	\$5,806,560,945

Legislative Changes

(1.0) Division of Child Development

1 Eliminate Vacant Positions	(\$51,325)	R	(\$51,325)	R
Eliminates vacant positions within the Division of Child Development.	-2.00		-2.00	
2 Reduce Professional Development Contracts	(\$59,860)	R	(\$59,860)	R
Eliminates funds to administer the testing-out of coursework allowed for lead child care teachers. As of July 2008, lead child care teachers may no longer test out of coursework; therefore, these funds are not needed.				
3 Reduce Operating Expenses	(\$20,000)	R	(\$20,000)	R
Reduces operating expenses within the central management of Division of Child Development.				
4 Position Elimination	(\$36,050)	R	(\$36,050)	R
Eliminates one Processing Assistant V position. This position has been vacant for over one year and duties have been reassigned to other staff.	-1.00		-1.00	
5 Reduce Smart Start Funding	(\$15,000,000)	NR		
Reduces funds for the North Carolina Partnership for Children.				
6 Replace State Funds for Child Care Subsidy	(\$12,452,484)	NR		
Replaces State funding for child care subsidy with one-time Temporary Assistance for Needy Families Block Grant (TANF) contingency funds for FY2009-10.				
7 Replace State Funding for TEACH Program	(\$3,800,000)	NR	(\$3,800,000)	NR
Replaces State funds for the TEACH Program with federal receipts for two years.				
8 Plus Program	\$46,000,000	R	\$46,000,000	R
Transfers funds from Department of Public Instruction's More At Four Program to Department of Health and Human Services, Division of Child Development for the creation of a high quality classroom subsidy program for four-year-old children. There will be 25 receipt-supported positions transferred from Department of Public Instruction to Division of Child Development.				

9 Federal Recovery Funds for Child Care Subsidy

Increases funds for child care subsidy and a targeted market rate increase by \$16,759,163. Increases funds for quality enhancement activities by \$11,519,144 as required by the Federal Recovery Act. Increases funds to local governments for the administration of the child care subsidy program by \$2,030,661.

10 Child Care Subsidy Plus Program

Provides Federal Recovery Funds for a high quality classroom childcare subsidy program for four-year-old children. The program will be established within the Division of Child Development and reduces funds for the More At Four educational program.

(\$37,224,166) NR

11 Increase Fees for Child Care Centers and Charge a Fee for Child Care Homes

Increases the existing child care licensure fees by 50% and reduces the State appropriations within the Division of Child Development. Imposes a new fee for child care homes equal to the amount that the smallest centers are required to pay.

(\$602,385) R

(\$602,385) R

(2.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**12 Various Reductions at Facilities**

Reduces various line items including vehicle replacements, golf carts, and furniture purchases at the facilities managed within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

(\$705,659) NR

(\$709,100) NR

13 Eliminate Vacant Positions

Eliminates vacant positions within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

(\$12,912,934) R

(\$12,912,934) R

-376.24

-376.24

14 Close Bed Units at Broughton and Cherry Hospitals

Eliminates funds for two 25 bed units at Broughton and Cherry Hospitals.

(\$6,027,471) R

(\$6,027,471) R

15 Federal Funds Payback for Broughton Hospital

Reduces State funds due to a pay-back of federal funds expected from Centers for Medicare & Medicaid Services. An Administrative Law Judge ruled that Broughton Hospital should not have been decertified in August 2007 and that federal funding should not have been withheld. This payback of funds will replace State funds within the DMHDDSAS budget.

(\$8,000,000) NR

16 Reduce Operating Expenses

Reduces funds within operating accounts within the division's central office by \$250,000. Reduces funds at the maintenance facilities by \$1,000,000.

(\$1,250,000) R

(\$1,250,000) R

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<p>17 Increase Patient Receipts at Alcohol, Drug Abuse Treatment Centers Reduces State funds at the ADATCs in anticipation of additional patient revenues collected. This is due to the increased bed capacity available at the ADATCs.</p>	(\$662,867) R	(\$1,127,895) R
<p>18 Close Wright and Whitaker Schools Eliminates funding for the Wright and Whitaker schools located in Durham and Butner, respectively. These schools provide residential based treatment and training for emotionally- and behaviorally-disturbed students. The schools collectively served fewer than 100 students.</p>	(\$2,889,991) R -98.00	(\$5,779,982) R -98.00
<p>19 Reduce Cherry Hospital Staffing Levels Reduces staff planned and budgeted at the Cherry Hospital based on revised capacity levels.</p>	(\$810,049) R -19.00	(\$4,195,178) R -140.50
<p>20 Reduce Funds for Psychiatric Hospitals' Electronic Health Records Reduces funds for psychiatric hospitals' electronic health record systems at Central and Cherry Hospitals. It is anticipated that federal recovery funds will be available to support the development of this technology.</p>	(\$21,060,455) NR -3.00	(\$31,662,312) NR -5.00
<p>21 Crisis Services Provides funds for local inpatient bed capacity located within community hospitals.</p>	\$12,000,000 R	\$12,000,000 R
<p>22 Dorothea Dix Overflow Unit Provides funds and time-limited positions for the Dorothea Dix Overflow Unit. The unit will operate 36 beds available to patients statewide. Additionally, Wake County will contract with the State to operate 24 inpatient beds to serve county residents.</p>	\$3,000,000 NR 174.75	
<p>23 Training and Workforce Development Initiatives Provides funds for training to improve the quality of care provided to clients in the division's residential facilities.</p>	\$325,000 R	\$325,000 R
<p>24 Fund Mental Health Leadership Academy Assists Local Management Entities (LMEs) with improving the delivery of services. Provides funds to LMEs to pay for staff participation in the Mental Health Leadership Academy at University of North Carolina Kenan-Flagler Business School.</p>	\$500,000 NR	\$500,000 NR
<p>25 Expand Cross Area Service Programs Provides funds to support Cross Area Service Programs and other substance abuse treatment and prevention initiatives.</p>	\$2,500,000 NR	\$2,500,000 NR
<p>26 Workforce Development Specialist Provides funds to create a Workforce Development Specialist position within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.</p>	\$50,000 R 1.00	\$50,000 R 1.00

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27 Substance Abuse Planning and Services

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

Provides funds for the development of a substance abuse comprehensive prevention plan targeting young people and establishing a continuum of care for chronic diseases.

(3.0) Division of Public Health

28 Eliminate Vacant Positions

(\$1,805,121) R (\$1,805,121) R

Eliminates vacant positions within the Division of Public Health.

-46.00 -46.00

29 Reduce Operating Budgets

(\$348,363) R (\$348,363) R

Reduces operating budgets within three branches of the Division of Public Health.

30 Reduce AIDS Drug Assistance Program

(\$3,074,119) NR (\$3,074,119) NR

Reduces State funds used to purchase pharmaceuticals. Pharmaceuticals from the "drug reserve" inventory will be used.

31 Vital Records Fee Increase

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

Reduces State funds by allowing Vital Records operation become partially receipt-supported. Fee charged for copy of vital records increased from \$15 to \$20 per copy. Fee charged for expedited out-of-state service increased by \$5.

32 Reduce Funds for Public Health Incubator Program

(\$950,000) R (\$950,000) R

Reduces State funds for Local Health Services Incubator Grant program.

33 Shift Positions to Receipt Support

(\$70,541) R (\$70,541) R

Replaces State appropriation with federal WIC funds for public health and regional consultants.

34 Reduces Community Focused Eliminating Health Disparities Initiative

(\$50,000) R (\$50,000) R

Reduces funds for Community Focused Eliminating Health Disparities Initiative.

35 Eliminate Positions and Reduce Contracts in Early Intervention Program

(\$660,054) R (\$660,054) R

Eliminates nine vacant positions and reduces contract funding for four Children's Developmental Service Agencies (CDSAs).

-9.00 -9.00

36 Replace State Funds with Federal Receipts

(\$1,191,155) R (\$1,191,155) R

Replaces State appropriations with Maternal Child Health Block Grant and Medicaid administration funds for several maternal, infant, and child programs.

37 Eliminate Statewide Contracts

(\$457,967) R (\$457,967) R

Eliminates funds that support the collection and analysis of hospital, family and community data concerning infants and children.

38 Reduce Contract Funding for Children and Youth	(\$903,965)	R	(\$903,965)	R
Reduces contract funds for three contracts that historically have unobligated funds.				
39 Remove Inflationary Increases and Vehicle and Equipment Replacement	(\$3,707,263)	R	(\$4,847,394)	R
Reduces State funds by removing inflationary increases for utilities, water, sewer, and pharmaceuticals from the continuation budget. Reduces State funds for vehicle and equipment replacement.				
40 Reduce Funding for Accreditation of Local Health Departments	(\$750,000)	NR		
Suspends for one year the Division of Public Health's evaluation and accreditation of Local Health Departments (LHDs).				
41 Eliminate Funding for Lyme Disease Study	(\$139,802)	R	(\$139,802)	R
Eliminates the Division of Public Health's funding for the collaborative study with the Division of Environmental and Natural Resources.				
42 Eliminate Kidney Disease Purchase of Medical Care Program	(\$160,000)	R	(\$160,000)	R
Eliminates the Kidney Disease Purchase of Medical Care Program that provides up to \$300 for persons with annual incomes up to 100% FPL. Persons with End-Stage Renal Disease are eligible for health care services through Medicare. The program was suspended in January 2009.				
43 Eliminate Epilepsy Purchase of Medical Care Program	(\$202,000)	R	(\$202,000)	R
Eliminates the Epilepsy Purchase of Medical Care Program that serves a minimum number of persons who have annual incomes up to 100% FPL. The program was suspended in January 2009.				
44 Eliminate Adult Cystic Fibrosis Program	(\$175,000)	R	(\$175,000)	R
Eliminates the Adult Cystic Fibrosis Purchase of Medical Care program which serves a minimum number of persons. The program was suspended in January 2009.				
45 Eliminate Funding for the Early Hearing Program	(\$30,000)	R	(\$30,000)	R
Eliminates the Early Hearing Purchase of Medical Care Program that provides hearing devices for infants prior to their being found eligible for the Early Intervention Program. The program was suspended in January 2009.				
46 Eliminate Health Education for Children Contract	(\$150,000)	R	(\$150,000)	R
Eliminates the contract with the Alice P. Aycock Center to plan, develop, and provide health education programs to children.				
47 Eliminate Media Contract	(\$106,746)	R	(\$106,746)	R
Eliminates the media contract through the National Alliance for Tobacco Cessation.				

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<p>48 Eliminate Funds for Tobacco Quit Line Eliminates funding for Tobacco Quit Line. The Quit Line will continue to receive funding from the Health and Wellness Trust Fund.</p>	<p>(\$500,000) R</p>	<p>(\$500,000) R</p>
<p>49 Eliminate Professional and Public Education Contract Eliminates contract with the Southern Atlantic American Cancer Society to conduct training on best practices to physicians and local health departments.</p>	<p>(\$371,250) R</p>	<p>(\$371,250) R</p>
<p>50 Replaces Funding for Medically Fragile Children Program Replaces State funds with federal TANF Block Grant and Social Services Block Grant funds for the daycare program for medically fragile children in Wake County. TANF and SSBG provide \$360,000 in funding for this program.</p>	<p>(\$70,000) R</p>	<p>(\$70,000) R</p>
<p>51 Federal Recovery Funds for Immunization Provides \$5,689,500 for two years from the American Recovery and Reinvestment Act for the purchase of vaccines for children and adults, especially adults age 49 and older who are susceptible to common diseases such as seasonal influenza.</p>		
<p>52 Improve Birth Outcomes and Reduce Infant Mortality Provides funding to educate women on the benefits of 17-p Progesterone, to purchase medication for eligible women at risk for a pre-term births, and for the continued development and implementation of the safe sleep public awareness campaign.</p>	<p>\$247,000 R</p>	<p>\$247,000 R</p>
<p>53 Prevent Neural Tube Birth Defects Provides funds for the purchase of multi-vitamins with folic acid to be distributed to low-income women through Local Health Departments and Safety Net Clinics.</p>	<p>\$480,000 R</p>	<p>\$480,000 R</p>
<p>54 Adolescent Pregnancy Prevention Initiative Provides funding for a grant-in-aid to the Adolescent Pregnancy Prevention Campaign of North Carolina.</p>	<p>\$250,000 NR</p>	
<p>55 Teen Pregnancy Prevention Initiative Provide funding for the adolescent pregnancy prevention, teen parenting, and school dropout prevention program.</p>	<p>\$400,000 NR</p>	
<p>56 School Health Nurses Provides funds to hire 20 additional school nurses to bring the total number of school health nurses supported by Division of Public Health to 232.</p>	<p>\$1,000,000 R</p>	<p>\$1,000,000 R</p>
<p>57 Stroke Prevention Provides funding for Operation of the Stroke Advisory Council, the continued implementation of public awareness campaign, and identification of stroke rehabilitation services throughout the State.</p>	<p>\$450,000 NR</p>	

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58 Prevent Blindness

Provides funding for a grant-in-aid to Prevent Blindness North Carolina to expand the pre-kindergarten screening program.

\$150,000 NR

59 North Carolina Arthritis Patient Services

Provides a grant-in-aid to North Carolina Arthritis Patient Services to support activities.

\$50,000 NR

60 Dental Service for Special Care Populations

Provides funding for a mobile dental unit to serve special care populations in underserved areas.

\$200,000 NR

61 Medical Examiner Equipment

Provides funds to support the Medical Examiner System.

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

(4.0) NC Health Choice

62 Reduce Operating Expense

Reduces various operating accounts that historically have unobligated funds.

(\$23,645) R (\$23,645) R

63 Establish/Increase Emergency Room Co-payment for Non-emergency Visits

Reduces State funding by establishing a \$25 co-payment for non-emergency visits for families with children at 100% to 150% federal poverty level (FPL), and the current co-payment of \$20, be increased to \$25 for families with children between 150% and 200% FPL.

(\$217,665) R (\$317,728) R

64 Increase Co-Payments for Prescription Drugs

Reduces State funding by increasing co-payments for prescription drugs:
\$2 for Generic Drugs; \$2 for Brand Name Drugs without Generic Equivalent; \$5 for Brand Name Drugs for families at or below 150% federal poverty level (FPL); and \$10 for families above 151% FPL.

(\$450,000) R (\$450,000) R

65 Shift funds from NC Kids Care to Health Choice

Moves funds for NC Kids Care to Health Choice for SFY 2009-10 and SFY 2010-11 to fund Health Choice, but allows for \$7,000,000 to be available in SFY 2011-12 for NC Kids Care.

\$7,000,000 NR \$7,000,000 NR

66 Health Choice Enrollment Growth

Provides funds to increase enrollment in Health Choice by 15,583 children in SFY 2009-10 and maintain this level of enrollment through SFY 2010-11.

\$7,829,934 R \$7,829,934 R

(5.0) Division of Central Management and Support

67 Reduce Physician Loan Repayment Program

Reduces program funding by 7% on a non-recurring basis and the number of contracts awarded by approximately four.

(\$105,000) NR

68 Reduce Psychiatric Loan Repayment Program

Reduces program funding by 7% on a non-recurring basis, leaving sufficient funds to expand the number of contract awards over the prior year.

(\$70,000) NR

69 Reduce Loan Repayment Incentives at State Facilities

Reduces program funding on a non-recurring basis. The General Assembly appropriated \$868,519 during the 2008 Session to recruit medical doctors to the State's mental health hospitals. To date, these funds have not been awarded. This one-time reduction permits continuance of the program in FY 2009-10 and full implementation in FY 2010-11.

(\$400,000) NR

70 Reduce Community Health Grants

Reduces funding for the Community Health Grant program by 7%, leaving \$1,860,000 recurring. This reduction decreases the number of grants awarded annually by approximately two.

(\$140,000) R (\$140,000) R

71 Medication Access Program

Provides \$2,745,000 in SFY 2009-10 and \$3,000,000 in SFY 2010-11 from the Health and Wellness Trust Fund (HWTF) to support the Medication Access Program. The program assists indigent residents in need of prescription drugs accessing pharmaceutical manufacturers' free drug programs.

72 Health Net

Appropriates funds to expand access to comprehensive health services for uninsured individuals.

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

73 Rural Hospitals Operation and Maintenance

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

\$2,000,000 NR \$2,000,000 NR

74 Aid to Safety Net Community Health Centers

Provides funding on a competitive grant basis to increase the capacity of rural health centers, local health departments, free clinics, school-based health centers, and other entities to provide health care to low-income and uninsured persons.

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

75 Management Flexibility Reserve

Reduces funds for the Department of Health and Human Services. The reduction will be across all agencies within DHHS and will be at the discretion of the Secretary.

(\$22,962,170) R (\$22,962,170) R

76 Eliminate Vacant Positions

Eliminates vacant positions within the Division of Central Management.

(\$1,405,456) R (\$1,405,456) R

-25.00 -25.00

77 Eliminate Vacant MMIS Positions

Eliminates vacant positions within the Division of Central Management, Office of Medicaid Management and Information System (MMIS) Services.

(\$229,570) R (\$229,570) R

-28.00 -28.00

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78 Reduce Operating Budgets

(\$349,235) R (\$349,235) R

Reduces operating budgets within Central Management and Support divisions and offices, including the Secretary's Office, the Administrative Support section, the Controller's Office, and the Office of Rural Health and Community Care.

79 Reduce Non-Profit Appropriations

(\$89,250) R (\$89,250) R

Reduces appropriations by 7% for each of the non-profits receiving funds through the Central Management and Support budget. Affected non-profits include the Institute of Medicine, Food Runners, Special Olympics, ALS Association, and Action for Children.

80 Reduce Rental Subsidy

(\$930,000) NR

Reduces funds for transfer to the Housing Finance Agency to operate the Key Program. Approximately 310 rental units will not be ready for occupancy in FY 2009-10. This reduction does not affect service levels.

81 Medicaid Management Information System (MMIS) Replacement

Appropriates prior-year earned revenue of \$11,071,502 for FY 2009-10 and \$9,820,689 for FY 2010-11 to match federal funds for the MMIS Replacement project. Total receipts of \$55,357,510 for FY 2009-10 and \$49,103,445 for FY 2010-11 offset anticipated requirements.

82 Federal Recovery Funds for Weatherization Assistance

Appropriates Federal Recovery funds for weatherization assistance to low-income North Carolinians. The Department will implement this program pursuant to instructions from the North Carolina General Assembly.

83 Additional Community Services Block Grant from Federal Recovery Act

Appropriates Community Services Block Grant (CSBG) funds, \$21,870,834 in FY 2009-10 and \$4,374,166 in FY 2010-11, available through the American Recovery and Reinvestment Act. Federal Recovery funds will increase access to employment supports, food, housing, and health care through services provided by community action and limited purpose agencies. Approximately one percent is set aside for benefit enrollment and coordination.

(6.0) Division of Social Services

84 Eliminate Vacant Positions

(\$694,570) R (\$694,570) R

Eliminates vacant positions within the Division of Social Services.

-30.00

-30.00

85 Reduce Operating and Contracts Budgets

(\$711,364) R (\$711,364) R

Reduces operating budgets within the Division's Central Office, Economic Services section, and Child Support Enforcement (CSE) program. Also reduces the contract budget for CSE.

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86 Work First Cash Assistance Funding

Replaces State funds for Work First cash assistance payments with federal TANF Block Grant funds.

(\$7,178,459) R (\$7,178,459) R

87 Electing Counties Work First State Funds

Replaces State funds with federal TANF Contingency funds for Work First cash assistance payments and Work First county block grants for Electing Counties.

(\$2,378,213) NR

88 Reduce Funds for Child Advocacy Centers

Reduces funding for the 21 accredited child advocacy centers statewide, which provide services to abused and neglected children. During its 2008 Session, the General Assembly increased State appropriations by \$350,000 on a recurring basis. This reduction leaves \$375,000 in total funding.

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

89 Replace State Funds for Maternity Home Services

Replaces State funding for Maternity Home Services with federal TANF Block Grant and Social Services Block Grant funds - \$943,002 is provided in federal block grant funding for provider reimbursements. There are fifteen maternity homes in nine counties providing services to approximately 190 women.

(\$105,002) R (\$105,002) R

90 Reduce Funds for NC Reach

Suspends State appropriations in FY 2009-10 for the NC Reach post-secondary scholarship program for adopted children and those aging out of foster care. \$3,168,250 is appropriated from the Escheat Fund in FY 2009-10 to continue support for the program. Recurring State appropriations then replace funding from the Escheat Fund in FY 2010-11, totaling \$3,168,250.

(\$3,168,250) NR \$3,168,250 R

91 Replace Funds for the Child Welfare Collaborative

Replaces State funds with federal TANF funds to continue support for the Child Welfare Collaborative, which provides financial, educational, and employment support for selected social work students who commit to working in county social services departments.

(\$261,028) R (\$261,028) R

92 Federal Recovery Funds for Foster Care and Adoption Assistance

Reduces State appropriations to represent State savings due to enhanced federal participation for Title IV-E payments for foster care and adoption services. The American Recovery and Reinvestment Act provides enhanced federal participation from October 1, 2008 through September 30, 2010. County costs will be offset by an equal amount of federal recovery funds.

(\$2,840,410) NR (\$726,309) NR

93 Federal Recovery Funds for Child Support Enforcement

Reduces State appropriations and budgets federal funds to reflect the American Recovery and Reinvestment Act's temporary restoration of the child support incentive match, which was repealed by the Deficit Reduction Act of 2005.

(\$2,214,542) NR (\$330,000) NR

94 Replace State Funds for State Aid to Counties

Reduces State aid to counties to support costs associated with county administration of public assistance programs. Federal recovery funds will offset this reduction.

(\$5,473,985) NR (\$5,473,985) NR

95 Food Banks

Provides funding to be equally distributed to the six regional food banks within North Carolina. Up to \$500,000 of this funding may be used to offset increased costs for fuel consumption related to transporting food.

\$1,500,000 NR \$1,500,000 NR

(7.0) Office of Education Services**96 Reduce Operating Budget**

Reduces operating budgets office-wide, including accounts for administrative and operating supplies, and equipment. These reductions do not impact the Office's ability to carry out programs and services.

(\$703,191) R (\$703,191) R

97 Reduce Contract Funds

Reduces funding for contracted services across all OES programs, not impacting services required by a child's Individualized Education Plan (IEP).

(\$254,931) R (\$254,931) R

98 Eliminate Vacant Positions

Eliminates twenty (20) positions that have been vacant for more than a year. Three (3) of these positions are at Western North Carolina School for the Deaf; seven (7) at Eastern North Carolina School for the Deaf; eight (8) at Governor Morehead School for the Blind; and two (2) at the Governor Morehead Preschool.

(\$890,530) R (\$890,530) R

-20.00

-20.00

99 Suspend Governor Morehead School Short Term Outreach Program

Temporarily suspends the Short Term Outreach program for the biennium. The program annually provides weekly camps for approximately 70 children from across the State to develop skills such as orientation and mobility, and money handling.

(\$151,679) NR (\$151,679) NR
-3.00 -3.00

100 Reduce Funding for Schools for the Deaf

Reduces funding in support of the Western and Eastern North Carolina Schools for the Deaf. This reduction leaves \$15,587,315 in recurring funds for the schools in FY 2010-11. The Schools currently serve 206 students.

(\$5,000,000) R

(8.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing**101 Eliminate Vacant Positions**

Eliminates vacant positions within the Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing.

(\$130,777) R (\$130,777) R

-5.00

-5.00

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102 Reduce Operating Budget

(\$32,431) R (\$32,431) R

Reduces operating budgets for the Deaf and Hard of Hearing Regional Centers by 8%. This operating reduction does not impact the Division's ability to carry out programs and services.

103 Replace State Funds with Federal Receipts

(\$150,000) R (\$150,000) R

Budgets additional funds from the Basic Support Vocational Rehabilitation Grant, and reduces State funds.

104 Remove Inflationary Increases

(\$112,019) R (\$170,960) R

Removes allowable inflationary increases within the continuation budget for the Medical Eye Care and Rehabilitation Services Programs.

105 Transfer from Telecommunications Relay Trust Fund

Reduces the Telecommunications Relay Trust Fund by \$5,000,000 to support State appropriations for FY 2009-10.

106 Federal Recovery Funds for Division of Services for the Blind

Budgets federal funds available through the American Recovery and Reinvestment Act in the amount of \$2,974,779 for Vocational Rehabilitation Services and \$1,042,383 for the Independent Living Program (Older Blind Individuals). Funding availability dates are undetermined. A total of \$2,008,581 is budgeted for each year of the biennium.

107 Accessible Electronic Information for Blind and Disabled Persons

\$75,000 NR

Continues funding for contracted accessible electronic information services, which allow individuals with vision loss to access print media through telephone systems.

(9.0) Division of Vocational Rehabilitation

108 Eliminate Vacant Positions

(\$329,456) R (\$329,456) R

Eliminates vacant positions within the Division of Vocational Rehabilitation.

-5.00

-5.00

109 Reduce Basic Support Case Services

(\$3,612,025) R (\$3,612,025) R

Reduces State appropriations for non-medical consumer purchases.

110 Remove Inflationary Increases

(\$711,283) R (\$1,042,189) R

Removes inflationary increases within the continuation budget for items such as electrical, natural gas, water and sewer, and medical and non-medical services.

111 Federal Recovery Funds for Vocational Rehabilitation Services

Budgets federal funds available through the American Reinvestment and Recovery Act to support the Vocational Rehabilitation Services program in the amount of \$15,054,221 through September 30, 2010. An estimated amount of \$402,340 will be available for the Independent Living Program, which will be shared between DVRS and the Division of Services for the Blind. \$7,728,281 is budgeted for each year of the biennium.

(10.0) Division of Aging and Adult Services

112 Eliminate Vacant Positions	(\$16,025)	R	(\$16,025)	R
Eliminates vacant positions within the Division of Aging and Adult Services.	-1.00		-1.00	
113 Eliminate Quality Improvement Consultation Program	(\$190,204)	R	(\$190,204)	R
Eliminates a contract and position that supported a Quality Improvement Program pilot for Adult Care Homes.	-1.00		-1.00	
114 Eliminate Senior Center Outreach Program	(\$100,000)	R	(\$100,000)	R
Eliminates funding for the Senior Center Outreach Program, previously allocated to the 17 Area Agencies on Aging to promote the use of services available through senior centers.				
115 Operating Reductions	(\$90,466)	R	(\$90,466)	R
Continues Governor's reduction on travel, supplies, printing, and other operating expenses.				
116 Replace Home and Community Care Block Grant Funds	(\$2,768,783)	NR		
Replace funding for the Home and Community Care Block Grant, which provides funding for in-home and community-based services for seniors. The \$2,768,783 reduction in State appropriations will be offset by federal recovery funds for senior nutrition services.				
117 Home and Community Care Block Grant	\$1,000,000	R	\$1,000,000	R
Provides funding for the Home and Community Care Block Grant to support services designed to help frail elderly stay in their homes.				
118 Senior Community Service Employment				
The Senior Community Service Employment Program (SCSEP) places economically disadvantaged individuals 55 years of age and older with an income at or below 125% of the federal poverty level into part-time community service programs while transitioning clients into unsubsidized employment. Currently, five Area Agencies on Aging provide employment services in 25 counties. \$621,560 in federal recovery funds will be available to support the program. Twenty percent of funds must be spent in the current year. The remaining funds (\$497,248) and the required local match (\$55,250) are budgeted as receipt-supported activities.				

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119 Project CARE

\$500,000

R

\$500,000

R

Provides funding for Project C.A.R.E. (Caregiver Alternatives to Running on Empty), a respite care program for caregivers of persons with Alzheimer's and dementia.

(11.0) Division of Medical Assistance

120 Eliminate Vacant Positions

(\$559,031)

R

(\$559,031)

R

Eliminates vacant positions within the Division of Medical Assistance.

-15.00

-15.00

121 Reduce Prescription Drug Costs

(\$25,791,264)

R

(\$30,214,013)

R

Reduces prescription drug expenditures by employing the following actions: enhancing utilization management of the Prescription Advantage List (PAL), increasing utilization of generic drugs in place of brand name drugs, and increasing rebate collections on generic drugs. If sufficient savings are not realized by these actions, the department shall implement a preferred drug list for all drug classes in the Medicaid program. Generic drugs and brandname drugs that offer supplemental rebates will be included.

122 Freeze Provider Inflationary Increases in FY 2009-10

(\$73,752,358)

R

(\$77,641,997)

R

Freezes provider inflationary increases in FY 2009-10. The freeze applies to all public and private providers except for federally qualified health centers, rural health centers, school-based and school-linked health centers, State institutions, hospital outpatient, pharmacy, and the non-inflationary components of the case-mix reimbursement system for skilled nursing facilities.

123 Continue Provider Inflationary Rate Freeze from FY 2008-09

(\$27,676,137)

R

(\$30,014,082)

R

Continues the additional inflationary rate freeze from FY 2008-09 to maintain rates at current levels. The NCGA reduced provider inflationary rates by 67% during the 2008 Session. The division, through a budget flexibility special provision, reduced the rates by an additional 33%.

124 Modify Private Duty Nursing

(\$2,065,924)

R

(\$2,729,287)

R

Reduces private duty nursing budget based on medical policy changes that would limit the number of hours adults would receive to 16 per day.

125 Change PT, OT, and ST benefits

(\$2,453,119)

R

(\$3,443,360)

R

Reduces budget for physical therapy (PT), occupational therapy (OT), and speech therapy (ST) to ensure appropriate utilization of services. Adult visits would be limited to 30 visits per year. Savings are estimated to be 14% of projected expenditures. Effective October 1, 2009.

126 Enhance Third Party Liability Recoveries and Cost Avoidance

(\$20,000,000)

R

(\$20,000,000)

R

Reduces medical assistance payments by increasing payment by third parties and increasing cost avoidance through better utilization of technology and other Medicaid cost-containment activities.

127 Implement False Claims Act

(\$2,229,757) R

Increases the amount North Carolina can retain from fraud and abuse recoveries by implementing provisions that meet federal False Claims Act standards. The 10% bonus is expected to generate about \$2.4 million annually. Of the amount collected, \$176,068 will be used to support 5 positions at the Attorney General's Office to implement the act. Net collections will be offset by a reduction to State appropriations.

128 Shift from NC Kids Care to Health Choice

Shifts the reserve for the NC Kids Care program to Health Choice on a one-time, non-recurring basis for the biennium to expand Health Choice to more than 15,583 children each year.

(\$7,000,000) NR (\$7,000,000) NR

129 Modify Personal Care Services Benefits

Reduces personal care services benefits to reduce overutilization of services. Effective October 1, 2009.

(\$54,855,000) R (\$54,855,000) R

130 Reduce Funding for Community Support

Reduces funding for the Community Support program for adults by limiting the hours for Community Support Group services to 8 hours per week.

(\$15,000,000) R (\$15,000,000) R

131 Eliminate Administrative Expenditure Increases

Eliminates increases on administrative expenditures in fund code 1101 temporarily for each year of the biennium.

(\$1,200,000) NR (\$1,200,000) NR

132 Eliminate HIV Case Management

Eliminates funds for HIV case management services.

(\$1,668,027) R (\$1,668,027) R

133 Eliminates Funding for CCNC-Health Choice

Eliminates the per member/per month payment to the Community Care of North Carolina networks associated with Health Choice enrollees.

(\$900,000) R (\$900,000) R

134 Reduction in Medical Assistance Payments

Reduces Medical Assistance payments to be offset by federal recovery funds.

(\$920,377,105) NR (\$514,514,239) NR

135 Legal Positions in the Attorney General's Office

Provides nonrecurring funds for four time-limited attorney II positions at the Attorney General's office to continue to help with the backlog of Community Support appeals cases at the Office of Administrative Hearings (OAH).

\$165,566 NR

136 Medicaid Appeals Process

Provides nonrecurring funding to continue to the employment of temporary hearing officers in the Division of Medical Assistance to help with the backlog of Community Support appeals cases.

\$238,140 NR

(12.0) Division of Health Service Regulation**137 Eliminate Vacant Positions**

Eliminates vacant positions within the Division of Health Service Regulation.

(\$444,518)	R	(\$444,518)	R
-7.00		-7.00	

138 Operating Freeze

Continues freeze on operating expenses from the FY 2008-09 budget (Other Operating - 2xxx-5xxx, Fund 1311 Rent/Lease-Bldg/Office).

(\$466,688)	R	(\$466,688)	R
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139 Increase Fees for License Renewals

Increases licensing fees to health care facilities regulated by the division and reduces State appropriation in a similar amount. The cost of administering the licensure program is shared with facilities.

140 Eliminate Two Vacant Positions in Medical Facilities Construction

Eliminates two vacant positions in the Medical Facilities Construction Section, which review construction plans, make on-site inspections, and provide consultation to ensure compliance with federal and State standards. The reduction will reduce the number of section staff to 63 FTEs.

(\$164,640)	R	(\$164,640)	R
-2.00		-2.00	

141 Charge Fee for Initial Facility License

Reduces State appropriations by amount generated by initial facility license fees for new facilities. Fees would apply to adult care homes, hospitals, home care, nursing homes, and mental health facilities.

Total Legislative Changes

(\$227,577,683)	R	(\$252,313,316)	R
(\$1,032,666,144)	NR	(\$555,141,743)	NR

Total Position Changes

-520.49		-818.74	
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Revised Budget

\$4,276,101,112		\$4,999,105,886	
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**NATURAL
&
ECONOMIC
RESOURCES
Section H**

Agriculture and Consumer Services

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$65,402,492		\$65,638,839	

Legislative Changes

A. Department-Wide

1 Management Flexibility Reserve (\$2,005,780) R (\$2,005,780) R
 Provides the Department with flexibility to manage the reduction per Section 6.6.

2 Fund Shift Positions to Receipt Support (\$467,047) R (\$467,047) R
 Shifts 10.7 positions to receipt support. These receipts come from various enterprise funds, grants, and other revenue sources. -10.70 -10.70

3 Vacant Positions (\$339,079) R (\$339,079) R
 Eliminates 6.5 positions vacant on July 1, 2008. -6.50 -6.50

Agricultural Program Specialist	\$55,880
Medical Laboratory Technician II	\$54,851
Meat and Poultry Inspector II	\$19,159
Chemistry Supervisor III	\$63,140
Administrative Officer II	\$48,359
Agricultural Programs Administrator	\$99,322
Executive Assistant I	\$58,368

4 Worker's Compensation (\$75,000) R (\$75,000) R
 Reduces funding for worker's compensation due to a recent decrease in premiums for the Department.

B. Administrative Services

5 Continuation Budget Increase (\$352,825) R (\$352,825) R
 Eliminates the Governor's continuation budget increases.

D. Agronomic Services

6 Fertilizer Assessment (\$375,000) R (\$375,000) R
 Replaces the General Fund appropriation with an increase in the fertilizer assessment. The fertilizer assessment will be increased from \$0.25 per ton of fertilizer to \$0.50 per ton, bringing North Carolina's assessment in line with surrounding states. All receipts from the increase will be used to support Agronomic Services.

E. Marketing**7 Got to Be NC**

Provides nonrecurring funding for Got to Be NC marketing. This program promotes North Carolina's farmers by helping to develop markets for North Carolina produce and products in grocery stores, restaurants, farmer's markets, and other establishments. Participation in Got to Be NC by North Carolina Farmers continues to grow, and farmers report sales increases of 10 to 40 percent upon joining the Got to Be NC promotion.

\$600,000 NR

E. Markets**8 Marketing Funds**

Provides funding for the promotion of agriculture festivals in small towns with populations less than 5,000. The amount per festival shall not exceed \$5,000.

\$50,000 NR

F. Pesticides**9 Pesticide Registration Fee**

Increases the current annual pesticide registration fee from \$100 to \$150 for each brand or grade of pesticide registered and reduces General Fund appropriations to the Pesticide Division.

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

G. Plant Industry**10 Plant Inspection Fees**

Increases nursery certification and registration fees and reduces the General Fund appropriation to the Plant Industry Division. The certification fee will increase from \$10 to \$100 for the initial acre and from \$2 to \$3 for additional acres. The registration fee for nurseries will increase from \$6 to \$20.

(\$58,303) R (\$58,303) R

H. Standards**11 Calibration Inspection Over-realized Receipts**

Budgets over-realized receipts for calibration inspections services.

(\$20,000) R (\$20,000) R

12 Petroleum Device Technician License Fee

Creates a registration fee for petroleum device technician licenses for those who service LP-Gas meters.

(\$10,000) R (\$10,000) R

I. Veterinary Services**13 Animal Diagnostic Fees**

Replaces the General Fund appropriation for veterinary services with increased fees for certain animal diagnostic tests.

(\$250,000) R (\$250,000) R

Total Legislative Changes	(\$4,453,034)	R	(\$4,453,034)	R
	\$650,000	NR		
Total Position Changes	-17.20		-17.20	
Revised Budget	\$61,599,458		\$61,185,805	

Labor

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$19,064,773		\$19,092,834	
Legislative Changes				
Department-Wide				
14 Vacant Positions	(\$431,371)	R	(\$431,371)	R
Eliminates eight positions vacant on July 1, 2008.				
	-8.00		-8.00	
15 Management Flexibility Reserve	(\$135,406)	R	(\$135,406)	R
Provides the Department with flexibility to manage the reduction per Section 6.6.				
Administration				
16 Administration Continuation Budget Increase	(\$86,413)	R	(\$86,413)	R
Eliminates the Governor's Continuation Budget increase.				
Occupational Safety and Health				
17 OSH Continuation Budget Increase	(\$91,721)	R	(\$91,721)	R
Eliminates the Governor's Continuation Budget increase.				
18 Publication Fees	(\$21,325)	R	(\$21,325)	R
Directs OSH to raise publication fees to adjust for inflation and to take a corresponding General Fund reduction. Fees were last raised February 1, 2001.				
Standards and Inspections				
19 Standards and Inspections Continuation Budget Increase	(\$125,051)	R	(\$125,051)	R
Eliminates the Governor's Continuation Budget increase.				
20 Apprenticeship Continuation Budget Increase	(\$23,382)	R	(\$23,382)	R
Eliminates the Governor's Continuation Budget increase.				
21 Apprenticeship Program	(\$450,000)	R	(\$450,000)	R
Directs the Apprenticeship Program to create new fees to generate enough revenue so that the program can take a 25% reduction to General Fund support.				

Total Legislative Changes	(\$1,364,669)	R	(\$1,364,669)	R
Total Position Changes	-8.00		-8.00	
Revised Budget	\$17,700,104		\$17,728,165	

Environment & Natural Resources

GENERAL FUND

Adjusted Continuation Budget	FY 09-10		FY 10-11	
	\$212,524,097		\$214,924,435	

Legislative Changes

(1.0) Department-Wide

22 Vacant Positions	(\$1,580,786)	R	(\$1,580,786)	R
Eliminates 32.25 positions throughout the Department vacant on July 1, 2008.				
	-32.25		-32.25	
23 Management Flexibility Reserve	(\$4,431,041)	R	(\$4,431,041)	R
Provides the Department with flexibility to manage the reduction per Section 6.6.				

(2.0) Administration

24 Continuation Budget Increase	(\$1,437,364)	R	(\$1,437,364)	R
Eliminates the Governor's Continuation Budget increase.				

(2.0) Office of Environmental Education

25 Environmental Education	(\$551,681)	R	(\$551,681)	R
Reorganizes the Office of Environmental Education. Transfers curriculum development functions to the Department of Public Instruction, Community Colleges, and the University system; technical materials to the State Library; and the clearinghouse function and the Program Development Coordinator to the Office of Public Affairs.				
	-7.00		-7.00	

(2.0) Office of Public Affairs

26 Environmental Education	\$150,000	R	\$150,000	R
Reorganizes the Office of Environmental Education, transferring the Program Development Coordinator and associated operating expenses to the Office of Public Affairs.				
	1.00		1.00	

(3.0) Center for Geographic Information Analysis

27 Center for Geographic Information Analysis Transfer				
Transfers the Center for Geographic Information Analysis from the Department to the Office of the State Chief Information Officer.				

(3.0) Coastal Management

28 General Fund Position to Receipt Support	(\$81,492)	R	(\$81,492)	R
Shifts funding of one Environmental Supervisor II to a grant from the National Oceanic and Atmospheric Administration.				
	-1.00		-1.00	

(3.0) Environmental Health**29 General Fund Support to Receipt Support**

(\$61,724) R (\$61,724) R

Shifts funding for rent for the Division's main office to a federal grant.

30 Food and Lodging Inspection Fee

(\$87,680) R (\$87,680) R

Adjusts the food/lodging inspection fee for inflation. Fees are currently either \$50 or \$200 and will be increased to \$60 and \$235 respectively. Fees were last increased October 1, 2002. New fee revenue will be distributed in accordance with G.S.130A-248. Fee revenue credited to the Department will be used to support operations of the Division and will allow the Division to take a corresponding General Fund reduction.

31 General Fund Position to Receipt Support

(\$38,272) R (\$38,272) R

Shifts funding of one Processing Assistant IV from General Fund support to food and lodging inspection fee receipts.

-1.00 -1.00

32 Radiation Protection Section

(\$416,282) R (\$833,337) R

Requires that the radiation protection section become entirely receipt supported by 2010-11. Reduces General Fund support by 50% in FY 2009-10 and eliminates all General Fund support in FY 2010-11. Moves 12.0 positions from the General Fund to receipt support in FY 2010-11.

-12.00

(3.0) Land Resources**33 County Boundary Program**

(\$106,479) R (\$106,479) R

Eliminates funding for the County Boundary Program.

-1.00 -1.00

(3.0) Pollution Prevention & Enviro. Assistance**34 Solid Waste Management Trust Fund Receipts**

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

Directs the Division to shift operating expenses to the Solid Waste Management Trust Fund (SWMTF). SWMTF began receiving new revenue in FY 2008-09 from the solid waste disposal tax, a portion of which was authorized to be used for operating expenses.

(3.0) Waste Management**35 Inactive Hazardous Sites Cleanup Fund Receipts**

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

Directs the Division to shift operating expenses to the Inactive Hazardous Sites Cleanup Fund. The Inactive Hazardous Sites Cleanup Fund began receiving new revenue in FY 2008-09 from the solid waste disposal tax, a portion of which was authorized to be used for operating expenses.

(4.0) Forest Resources**36 Forestry Equipment**

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

Reduces the Division of Forest Resources' equipment budget.

37 Continuation Budget Increase for Operating Reserves

Reduces the continuation budget increase for operating reserves due to expected construction delays.

(\$45,197) NR

38 Continuation Budget Increase for Over-time Pay

Reduces the continuation budget increase for over-time pay by 50%.

(\$450,000) R (\$450,000) R

(4.0) Marine Fisheries**39 Equipment Increase**

Eliminates the continuation budget increase for equipment.

(\$1,458,154) R (\$1,409,154) R

40 Sea Grant Transfer

Reduces the Sea Grant transfer to NCSU to \$600,000.

(\$253,688) R (\$253,688) R

(4.0) Museum of Natural Sciences**41 Continuation Budget Increase for Nature Research Center**

Reduces the continuation budget increase for operating reserves for the Nature Research Center. The center is scheduled to open October 2011. This reduction leaves approximately \$500,000 in FY 2010-11 for program start-up prior to building completion.

(\$499,715) R (\$1,433,479) R

-5.00

-24.00

(4.0) Parks & Recreation**42 Aid & Public Assistance**

Reduces aid and public assistance by 10%.

(\$399,372) R (\$399,372) R

(5.0) Reserves & Transfers**43 Beaver Management Assistance Program**

Reduces the transfer to the Wildlife Resources Commission (WRC) for the Beaver Management Assistance Program. WRC will continue to operate the program using \$349,000 in WRC revenue from the sales tax transfer.

(\$349,000) R (\$349,000) R

44 Grassroots Science Museums

Reduces the funding for Grassroots Science Museums by 2%.

(\$69,627) R (\$69,627) R

45 Partnership for the Sounds

Reduces General Fund support for the Partnership for the Sounds by 2%.

(\$10,345) R (\$10,345) R

46 Clean Water State Revolving Fund Match

Provides funds to meet the 20% State match required to draw down maximum federal funds for the Clean Water State Revolving Fund.

\$2,481,000 NR

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47 Drinking Water State Revolving Fund

Provides funds to meet the 20% State match required to draw down maximum federal funds for the Clean Water State Revolving Fund.

\$5,482,800 NR

Total Legislative Changes

(\$13,157,702) R (\$14,459,521) R

\$7,918,603 NR

Total Position Changes

-46.25

-77.25

Revised Budget

\$207,284,998

\$200,464,914

DENR-Clean Water Management Trust Fund

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$100,000,000	\$100,000,000
Legislative Changes		
Clean Water Management Trust Fund		
48 Reduce Appropriation		
Reduce appropriation to the Clean Water Management Trust Fund by 5% in FY 2009-10.	(\$5,000,000)	NR
Total Legislative Changes	(\$5,000,000)	NR
Total Position Changes		
Revised Budget	\$95,000,000	\$100,000,000

Commerce

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$46,019,823		\$46,028,986	
Legislative Changes				
A. Department-Wide				
49 Management Flexibility Reserve	(\$623,108)	R	(\$623,108)	R
Provides the Department with flexibility to manage the reduction per Section 6.6.				
50 Vacant Positions	(\$158,114)	R	(\$158,114)	R
Eliminates three positions vacant on July 1, 2008.				
	-3.00		-3.00	
B. Administrative Services				
51 Continuation Budget Increase	(\$39,760)	R	(\$39,760)	R
Eliminates the Governor's Continuation Budget increase.				
52 Vacant Position	(\$148,201)	R	(\$148,201)	R
Eliminates the General Counsel position in the Secretary's Office. This position has been vacant since September 2007.				
	-1.00		-1.00	
C. Executive Aircraft				
53 Replacement Plane	(\$1,326,428)	R	(\$1,326,428)	R
Eliminates funding for lease payments for a replacement aircraft for the King Air B-200. The order for the new plane has been cancelled.				
D. MIS				
54 Continuation Budget Increase	(\$23,133)	R	(\$23,133)	R
Eliminates the Governor's Continuation Budget increase.				
55 Transferred Positions	(\$250,000)	R	(\$250,000)	R
Eliminates the salaries, benefits, and operating support for three positions that were transferred to ITS in November 2008.				
E. Policy and Research				
56 Continuation Budget Increase	(\$52,357)	R	(\$52,357)	R
Eliminates the Governor's Continuation Budget increase.				

F. Marketing

57 Continuation Budget Increase	(\$46,987)	R	(\$46,987)	R
Eliminates the Governor's Continuation Budget increase.				
58 Business Destination Marketing	\$500,000	NR		
Provides funds to market the State as a business destination. Section 14.2(a) allocates an additional \$1 million from the One North Carolina Fund cash balance for this purpose, bringing the total additional funds appropriated for marketing the State as a business destination to \$1.5 million for FY 2009-10.				

G. Business and Industry

59 Continuation Budget Increase	(\$27,930)	R	(\$27,930)	R
Eliminates the Governor's Continuation Budget increase.				
60 Continuation Budget Funds for China Office	\$175,000	R	\$175,000	R
Moves funds appropriated for the new China Trade Office from the International Trade Division to the Business and Industry Division. These two divisions each fund one position in the trade offices. Funds for the International Trade position were appropriated in FY 2008-09. The Continuation Budget included an adjustment to provide the Business and Industry position, but the funds were appropriated to the wrong fund. This item corrects that.				

H. International Trade

61 Continuation Budget Funds for China Office	(\$175,000)	R	(\$175,000)	R
Moves funds appropriated for the new China Trade Office from the International Trade Division to the Business and Industry Division. These two division each fund one position in the trade offices. Funds for the International Trade position were appropriated in FY 2008-09. The Continuation Budget included an adjustment to provide the Business and Industry position, but the funds were appropriated to the wrong fund. This item corrects that.				
62 Continuation Budget Increase	(\$27,979)	R	(\$27,979)	R
Eliminates the Governor's Continuation Budget increase.				
63 Korean Trade Office	(\$24,000)	R	(\$24,000)	R
Eliminates the General Fund appropriation for the Korean Trade Office. This office is shared with the NC Ports Authority, and can be fully supported by the Ports.				

I. Tourism, Film, and Sports Development

64 Continuation Budget Increase	(\$9,373)	R	(\$9,373)	R
Eliminates the Governor's Continuation Budget increase.				

65 Tourist Destination Marketing

Provides funds to promote the State as a tourist destination. The Department of Commerce shall promote Historically Underutilized Businesses and supplier diversity when marketing the State of North Carolina. Such promotion may include advertising with minority media outlets and advertising with minorities in the motorsports industry. The Department and firms that contract with the Department to promote Historically Underutilized Businesses and supplier diversity shall make a good faith effort to achieve diversity in the bidding and awarding of marketing and advertising contracts.

\$259,165 NR

J. Welcome Centers

66 Continuation Budget Increase

Eliminates the Governor's Continuation Budget increase.

(\$19,774) R (\$19,774) R

K. Wanchese Seafood Industrial Park

67 Continuation Budget Increase

Eliminates the Governor's Continuation Budget increase.

(\$12,237) R (\$12,237) R

L. Commerce Finance

68 Continuation Budget for JMAC

Corrects the Continuation Budget for the Job Maintenance and Capital Development Fund (JMAC). Funds were appropriated for FY 2008-09 on a nonrecurring basis but were included in the Continuation Budget on a recurring basis. JMAC has a cash balance of \$5 million and does not need an appropriation for FY 2009-10.

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

69 Small Business Assistance Fund

Creates a new fund within the Department to assist small businesses with 100 or fewer employees and less than \$1 million in annual receipts. The Fund will provide loans to qualifying businesses for any of the following purposes:

\$3,000,000 NR

- To guarantee a commercial loan;
- To finance bonds to allow small businesses to better leverage federal stimulus dollars;
- To provide emergency bridge loans; and,
- For any other purpose related to small business job preservation.

70 One NC Small Business Funds

Section 14.2(b) transfers \$2 million from the One NC Fund cash balance to the One NC Small Business Fund for FY 2009-10. One NC Small Business provides matching grants to businesses that qualify for federal SBIR/STTR Incentive funds.

71 Green Business Fund

Section 20A.1 allocates \$5 million of the funds received by the State under the American Recovery and Reinvestment Act and appropriated to the State Energy Office to the Green Business Fund. The Green Business Fund provides grants to private businesses with less than 100 employees, non-profit organizations, and State agencies to encourage the growth of a green economy in North Carolina.

M. Community Assistance**72 Continuation Budget Increase**

(\$16,081)	R	(\$16,081)	R
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Eliminates the Governor's Continuation Budget increase.

73 Office of Rural Development Programs

(\$91,032)	R	(\$91,032)	R
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Eliminates a new office created by the Department of Commerce in November 2008. This office is unnecessary, as the General Assembly provides \$24 million to the Rural Economic Development Center to serve rural areas of the State.

-1.00		-1.00	
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74 General Fund Positions to Receipt Support

(\$262,842)	R	(\$262,842)	R
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Eliminates 7 vacant receipt supported positions and transfers 5 General Fund positions to receipt support. Several of these receipt-supported positions have been vacant since before 2007.

-5.00		-5.00	
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75 Main Street Solutions

Creates the Main Street Solutions Fund. This program will provide grants to micropolitan cities in Tier Two and Three counties to assist with economic development projects designed to foster job creation and entrepreneurship in the State's smaller cities.

\$3,000,000	NR		
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N. Industrial Commission**76 Continuation Budget Increase**

(\$257,826)	R	(\$257,826)	R
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Eliminates the Governor's Continuation Budget increase.

77 Legal Specialists to Receipt Support

(\$167,987)	R	(\$167,987)	R
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Transfers support for three legal specialists in the Commissioners' Office from General Fund to receipts.

-3.00		-3.00	
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78 Deputy Commissioners to Receipt Support

(\$203,760)	R	(\$203,760)	R
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Transfers support for two Deputy Commissioners from General Fund to receipts.

-2.00		-2.00	
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79 Program Assistants to Receipt Support

(\$266,530)	R	(\$266,530)	R
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Transfers support for eight Program Assistants from General Fund to receipts.

-8.00		-8.00	
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Senate Subcommittee on Natural and Economic Resources

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FY 10-11

80 Safety Education Section Continuation Review

Provides funding for the Safety Education Section for one year. Beginning in FY 2010-11, this program will be wholly receipt supported. Also restores recurring funds that were inadvertently eliminated as part of this Continuation Review.

\$204,561 R
\$467,104 NR

\$204,561 R

Total Legislative Changes

(\$8,850,878) R
\$7,226,269 NR

(\$8,850,878) R

Total Position Changes

-23.00

-23.00

Revised Budget

\$44,395,214

\$37,178,108

Commerce - State Aid

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$15,642,232		\$15,642,232
Legislative Changes			
81 Non-profit Operating Efficiencies	(\$337,559)	R	(\$337,559) R
Reduces the recurring pass-through appropriations to each non-profit by two percent.			
82 Regional Economic Development Commissions	\$3,000,000	NR	
Provides funding for the seven Regional Economic Development Commissions. Funds will be allotted to the Commissions in accordance with the formula set out in Section 14.13.			
83 Minority Support Center Funds			
Section 14.2(c) directs the Department of Commerce to allocate \$1 million from the One NC Fund cash balance to the Minority Support Center. These funds shall be used to further community economic development lending and support in low-wealth communities and to make capital accessible to small businesses in a way that will have an economic stimulus impact.			
84 Defense and Security Technology Accelerator	\$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.			
85 Biofuels Center of North Carolina			
Section 20A.2 allocates \$3 million of the funds received by the State under the American Recovery and Reinvestment Act and appropriated to the State Energy Office to the Biofuels Center of NC. Funds will be used for costs related to implementing the North Carolina Strategic Plan for Biofuels Leadership developed under S.L. 2006-206.			
Total Legislative Changes	(\$337,559)	R	(\$337,559) R
	\$3,500,000	NR	
Total Position Changes			
Revised Budget	\$18,804,673		\$15,304,673

N.C. Biotechnology Center

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$15,427,561		\$15,427,561	
Legislative Changes				
86 Operating Efficiencies	(\$308,551)	R	(\$308,551)	R
Reduces the budget for the Biotech Center by two percent.				
Total Legislative Changes	(\$308,551)	R	(\$308,551)	R
Total Position Changes				
Revised Budget	\$15,119,010		\$15,119,010	

Rural Economic Development Center

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$24,059,581		\$24,059,581	
Legislative Changes				
87 Operating Efficiencies	(\$40,128)	R	(\$40,128)	R
Reduces the administrative appropriation to the Rural Center by two percent.				
Total Legislative Changes	(\$40,128)	R	(\$40,128)	R
Total Position Changes				
Revised Budget	\$24,019,453		\$24,019,453	

JUSTICE
&
PUBLIC SAFETY
Section I

Judicial

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$497,649,235		\$507,638,940

Legislative Changes

Administration

1 Reduce Information Technology Funding	(\$977,499)	R	(\$977,499)	R
Adjust continuation budget increases for information and other technology services.				
2 Eliminate Vacant AOC Administrative Positions	(\$621,720)	R	(\$621,720)	R
Eight (8) vacant positions in AOC's Raleigh office are eliminated:				
	-8.00		-8.00	

Pos.#	Position	Salary
60004908	Sr. Accountant	36,598
60094875	Wan Engineer III	70,506
60094888	App. Analyst Prog. III	80,145
60055085	Sr. Java Developer	78,000
60004852	Management Asst	43,507
60095893	Instructional Designer	54,080

Department-Wide

3 Reduce Various Operating Accounts	(\$950,000)	R	(\$950,000)	R
Governor's recommendation: reduce various operating accounts on a recurring basis:				

Supplies: (\$150,000)
 Employee Educational Assistance: (\$50,000)
 Registration Fees: (\$100,000)
 Travel: (\$150,000)
 Equipment: (\$500,000)

4 Reduce Employee Travel Budget	(\$830,000)	R	(\$830,000)	R
Reduce the amount in the continuation budget for employee transportation, lodging, and meals by restricting the number of trips and reducing the mileage reimbursement rate for the use of personal vehicles.				

5 Eliminate Telephone System Line Items	(\$4,613,429)	R	(\$4,613,429)	R
SL 2007-108 authorized a new fee to pay for judicial and county courthouse telephone systems. Therefore, the continuation budget line items for telephone upgrades, maintenance, and operations are eliminated.				

6 Reduce Academic Services Budget	(\$307,692)	R	(\$345,312)	R
The continuation budget increases for academic services are eliminated.				

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7 Adjust Continuation Budget Line Items

(\$5,939,522) R (\$10,454,317) R

The continuation budget is adjusted to remove increases for the maintenance agreements, legal services, and miscellaneous contractual services.

8 Establish Management Flexibility Reserve

(\$7,266,832) R (\$7,266,832) R

Establishes a management flexibility reserve to provide the Administrative Office of the Courts with the flexibility to manage additional reductions totaling \$7,266,832.

District Attorneys

9 Eliminate DA Conference Funding

(\$401,289) R (\$401,289) R

The continuation budget for the NC Conference of District Attorneys is eliminated.

-5.00 -5.00

10 Eliminate Vacant DA Investigator Positions

(\$403,214) R (\$403,214) R

Eight vacant District Attorney investigator positions are eliminated.

-8.00 -8.00

Equipment and Other Reserves

11 Freeze Step Increases for Magistrates and Clerks

Freeze the step increase for the salaries of Magistrates and Clerks for FY 2009-11.

(\$2,324,864) NR (\$6,390,013) NR

12 Evaluation & Training to Improve Court Operations

Governor's recommendation:\$750,000 to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) for evaluation of court processes and procedures and developing best practices for effective programs. In addition, this funding will support continuing education and basic systems training for court professionals and those who interface with court systems. Training is especially critical to ensure the timely implementation of NCAWARE, a statewide warrant repository. The allocation of this funding will be made under the authority of the Governor's Crime Commission, the State administrator of the Byrne/JAG Formula Program.

Trial Courts

13 Dispute Resolution Centers Funding

(\$159,932) R (\$159,932) R

Eliminate the pass-through funds for local dispute resolution centers and the Mediation Network of North Carolina. The Dispute Resolution Commission may propose fee increases to offset the loss of General Fund support.

14 Reduce Pass-Through Funding to the NC State Bar

(\$210,000) R (\$210,000) R

Reduce the continuation budget pass-through funding to the NC State Bar as follows:

Civil Justice Act: (\$100,000)
 Financial Protection Law Center: (\$10,000)
 Land loss Protection Center: (\$100,000)

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	FY 09-10		FY 10-11	
15 Eliminate Clerks' Conference Funds	(\$121,401)	R	(\$121,401)	R
The continuation budget for the Conference of Clerks of Superior Court is eliminated.	-2.00		-2.00	
16 Eliminate Vacant GAL Supervisory Positions	(\$103,866)	R	(\$103,866)	R
Two vacant GAL Program Supervisor positions are eliminated.	-2.00		-2.00	
17 Eliminate Superior Court Judge Travel Allowance	(\$672,000)	R	(\$672,000)	R
Funding for the \$7,000 annual travel allowance for each Superior Court Judge is eliminated from the continuation budget. Superior Court Judges' travel expenses shall be paid on a reimbursement basis from the Trial Court Division's travel budget.				
18 Eliminate Vacant Court Positions	(\$1,280,429)	R	(\$1,280,429)	R
The continuation budget is reduced to eliminate vacant Victim/Witness Legal Assistants and Assistant District Attorney positions.	-25.00		-25.00	
Asst District Attorney (2.0)				
Victim Witness Legal Asst (23.0)				
Total Legislative Changes	(\$24,858,825)	R	(\$29,411,240)	R
	(\$2,324,864)	NR	(\$6,390,013)	NR
Total Position Changes	-50.00		-50.00	
Revised Budget	\$470,465,546		\$471,837,687	

Judicial - Indigent Defense

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$133,881,190		\$132,320,396	

Legislative Changes

Department-Wide

19 Reduce Various Operating Accounts	(\$357,388)	R	(\$357,388)	R
Governor's recommendation: reduce various operating accounts including Travel (\$309,637)R, Registration Fees (\$17,000)R, Academic Services (\$17,500)R, Library & Learning Resources (\$13,251)R, and PC/Printer Equipment (\$30,000)NR.	(\$30,000)	NR		
20 Establish Management Flexibility Reserve	(\$1,593,302)	R	(\$1,593,302)	R
Establishes a management flexibility reserve to provide the Office of Indigent Defense Services with the flexibility to manage additional reductions totaling \$1,593,302.				

Indigent Defense Services

21 Reduce Aid to Center of Death Penalty Litigation	(\$59,000)	R	(\$59,000)	R
The pass-through funding to the Center for Death Penalty Litigation is reduced by 10 percent.				
22 Reduce Prisoner Legal Services Funds	(\$124,407)	R	(\$124,407)	R
Funding provided for the Prisoner Legal Services contract is reduced by 10 percent.				

Indigent Person Attorney

23 Adjust the PAC Continuation Budget	(\$3,500,000)	R	(\$8,500,000)	R
The continuation budget for the Private Attorney Fund includes increases of \$16.1 million in FY 2009-10 and \$14.3 million in FY 2010-11. The recurring continuation increases are reduced. Non-recurring funds are provided to address the backlog of unpaid claims carried over from FY2008-09.	\$7,000,000	NR		

Sentencing Services

24 Reduce Sentencing Services Budget	(\$283,029)	R	(\$283,029)	R
Reduce the continuation budget for the Sentencing Services Program by 10 percent.				

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Total Legislative Changes

(\$5,917,126) R
\$6,970,000 NR

(\$10,917,126) R

Total Position Changes

Revised Budget

\$134,934,064

\$121,403,270

Justice

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$100,441,147		\$101,047,019	

Legislative Changes

Administration

25 Shift Position to Receipt Support	(\$44,215)	R	(\$44,215)	R
Governor's recommendation that an appropriated administrative position be shifted to receipt support. This position will now be funded by receipts generated through administrative charges from grants, cost of collection for DPI school penalties, Private Protective Services operating receipts, and Justice Academy Bookstore receipts	-1.00		-1.00	

Criminal Justice Training and Standards - CJTS

26 Reduce CJTS Operating Funds	(\$1,000,000)	R	(\$2,000,000)	R
Reduction in operating funds for the Criminal Justice Training and Standards Division. This reduction will be offset by receipts from a new \$2.00 fee to support the division.				

Department-Wide

27 Reduce Various Operating Accounts	(\$215,000)	R	(\$215,000)	R
Governor's recommendation that funding for various operating accounts be reduced across the agency.				
28 Eliminate 27 vacant positions	(\$1,221,703)	R	(\$1,221,703)	R
Elimination of 27 positions that have been vacant for six months or more.	-27.00		-27.00	
29 Establish Management Flexibility Reserve	(\$2,692,365)	R	(\$2,692,365)	R
Establishes a management flexibility reserve to provide the Department of Justice with the flexibility to manage additional reductions totaling \$2,692,365.				

Legal Services

30 Shift Consumer Protection Positions	(\$1,400,000)	R	(\$1,400,000)	R
Conversion of 21 staff positions in the Consumer Protection Program from General Fund appropriation to receipt support. Receipts associated with court orders and legal consumer settlements will be used to fund these positions.	-21.00		-21.00	
31 Eliminate 6 Vacant Positions	(\$367,641)	R	(\$367,641)	R
Governor's recommendation that six vacant positions be eliminated. The positions include two attorneys, three SBI support positions, and one academy training coordinator.	-6.00		-6.00	

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32 Reduction in NC LEAF funding

(\$50,000) R (\$50,000) R

10 percent reduction in funding for the North Carolina Legal Education Assistance Foundation (NC LEAF)

33 Maximization of Medicaid Fraud Recovery Efforts

(\$168,566) R (\$337,132) R

Reduction in the General Fund appropriation for the Medicaid Fraud Unit. This reduction will be offset by the program's efforts to maximize recovery fees and related administrative receipts.

State Bureau of Investigation - SBI

34 Reduce Vehicle Replacement Budget

(\$342,303) R (\$342,303) R

Reduction in the SBI vehicle replacement budget.

35 Reduce Telecommunication Service Charges

(\$459,599) R (\$459,599) R

Governor's recommendation that telecommunication service charges be reduced by providing all connections to criminal databases through secure internet connections.

36 Eliminate the Fingerprint Card Program

(\$15,696) R (\$15,696) R

Governor's recommendation that the fingerprint card program be eliminated now that all 100 counties have access to the Statewide fingerprint Identification System (SAFIS), which utilizes live scan devices.

37 Shift Positions to Receipt Support

(\$165,905) R (\$165,905) R

Governor's recommendation that two appropriated Information Technology positions be shifted to receipt support. These positions will now be funded through user fees associated with criminal databases that these positions support.

-2.00 -2.00

38 Increase SBI Crime Lab Fee

(\$195,442) R (\$390,884) R

Governor's recommendation that the fee assessed on convicted criminals to recover the cost of SBI Crime Lab analysis be increased from \$300 to \$600. DWI cases make up a large percentage of the total revenue generated from this fee.

39 Expand GangNet

Governor's report on the use of funding of up to \$1.8 million to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) for an expansion of the GangNet intelligence information database. The database will be expanded to include probation officers, the State Bureau of Investigation, the State's Homeland Security Intelligence Network and the NC Justice Xchange, which facilitates criminal integration by allowing the exchange of information throughout the criminal justice community. These efforts will be coordinated with Durham County and Charlotte-Mecklenburg, which administer the GangNet eastern and western nodes, respectively. The allocation of this funding will be made under the authority of the Governor Crime Commission, the state administrator of the Byrne/JAG Formula Program.

40 Federal Funds to Expedite Criminal and Drug Cases

Governor's report on the use of funding of up to \$1.8 million to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) to support overtime expenditures required to expedite methamphetamine and violent crime investigations. This funding will be made under the authority of the Governor's Crime Commission, the state administrator of the Byrne/JAG Program.

Total Legislative Changes	(\$8,338,435)	R	(\$9,702,443)	R
Total Position Changes	-57.00		-57.00	
Revised Budget	\$92,102,712		\$91,344,576	

Juvenile Justice & Delinquency Prevention

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$172,484,415		\$172,651,108	

Legislative Changes

41 Establish a Management Flexibility Reserve	(\$3,502,899)	R	(\$3,502,899)	R
<p>It is recommended that a management flexibility reserve be established to provide the Department Juvenile Justice & Delinquency Prevention with the flexibility to manage additional reductions totaling \$3,502,899.</p>				

Administrative Services

42 Eliminate Seven Central Office Positions	(\$426,955)	R	(\$426,955)	R
<p>The Governor recommends eliminating seven central office positions, including one human resources position, one webmaster position, one administrative secretary, one information technology project manager, and three facility investigators. These eliminations will be a combination of filled and vacant positions</p>				
	-7.00		-7.00	
43 Reduce Appropriation for Furniture	(\$218,393)	NR		
<p>The Governor recommends funding for furniture be reduced on a nonrecurring basis.</p>				
44 Reduce Legal Services	(\$130,781)	R	(\$130,781)	R
<p>Eliminate the continuation budget increase for Legal Services.</p>				

Center for the Prevention of School Violence

45 Eliminate the CPSV	(\$474,923)	R	(\$474,923)	R
<p>Eliminate funding for the Center for the Prevention of School Violence (CPSV). According to the Department, this division serves as a resource center and "think tank" for schools. These functions are not part of the core mission of the Department.</p>				
	-6.00		-6.00	

Department wide

46 Gang Prevention and Intervention Pilot Program
<p>The Governor recommends using \$6 million from the American Reinvestment and Recovery Act for the implementation of a two-year Gang Prevention and Intervention Pilot Program. This program will focus on youth at-risk for gang involvement and those who are already associated with gangs and gang activity. The pilot program will serve Cabarrus, Mecklenburg, Nash, Edgecombe, Wilson, and Halifax Counties.</p>

Senate Subcommittee on Justice and Public Safety

FY 09-10**FY 10-11****47 Eliminate Overtime budget increase**

(\$1,805,207) R (\$1,805,207) R

Eliminate the continuation budget increase in the Overtime pay line item.

48 Eliminate the increase for temporary services

(\$333,906) R (\$333,906) R

Eliminate the continuation budget increase used to pay for temporary services.

49 Eliminate vacant positions

(\$974,956) R (\$974,956) R

Eliminate 25 positions that have been vacant for a year or longer.

-25.00

-25.00

Intervention/Prevention**50 Eliminate Alternative to Detention Contract**

(\$43,885) R (\$43,885) R

The Governor recommends eliminating the Alternative to Detention Contract, which provides short-term emergency placement of juveniles through a local provider in District 23 and District 28.

51 Eliminate Pass-Through Funding-Boys & Girls Club

(\$400,000) R (\$400,000) R

Eliminate pass-through funding to eight Boys & Girls Clubs that received a special appropriation of \$50,000 each that was used as part of a match for grant funds that the clubs no longer receive.

52 Reduce Pass-Through Funding- Project Challenge

(\$16,000) R (\$16,000) R

Reduces administrative funding for Project Challenge by 10%. This reduction does not affect the direct services Project Challenge provides in the 33 counties it operates.

53 Additional Juvenile Court Counselors

The Governor recommends using \$1.5 million from the American Reinvestment and Recovery Act to fund 12 new court counselors and 2 new supervisors. These positions will be time limited.

54 Expand JCPC Allocation

\$6,627,532 R \$6,627,532 R

Provide additional funding to the Juvenile Crime Prevention Council (JCPC) county allocation to offset the effects of eliminating the Governor's One on One program and the Support Our Students program. JCPCs are encouraged to use these additional funds to provide services for juveniles that are court involved.

Special Initiatives**55 Close the Alamance Multi-Purpose Home**

(\$600,000) R (\$600,000) R

The Governor recommends closing the Alamance Multi-Purpose Home because of low capacity and low utilization.

56 Eliminate Pass-Through Funding-Governor's 1 on 1

(\$1,645,545) R (\$1,645,545) R

Eliminate funding for the Governor's One on One mentoring program. This program serves lower risk youth in 46 counties and these programs would be eligible for JCPC funds.

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57 Reduce Pass-Through-Juvenile Assessment Center

(\$16,543)

R

(\$16,543)

R

Reduce pass-through funding for the Juvenile Assessment Center by 10%. The Juvenile Assessment Center also receives funding from the county JCPC.

58 Reduce Eckerd Wilderness Camp Rate

(\$1,435,000)

R

(\$1,435,000)

R

The Governor recommends reducing the daily contract rate from \$134.95 to \$123.58. To achieve this reduction, one camp serving 45 NC youth will be closed, service will be discontinued to out-of-state youth currently helping subsidize the cost of NC youth, and the length of stay for some youth will decrease.

Support Our Students

59 Eliminate the Support Our Students program

(\$6,627,532)

R

(\$6,627,532)

R

The Governor recommends eliminating funding for the SOS program, including the elimination of three filled positions. The subcommittee recommends taking the SOS General Funding and providing it to the JCPC county allocation to provide additional prevention services.

-3.00

-3.00

Youth Development Centers

60 Eliminate Youth Development Center positions

(\$948,994)

R

(\$948,994)

R

The Governor recommends eliminating 19 Youth Development Center positions, including a combination of filled and vacant positions. The positions are located at Dillon, Cabarrus, Edgecombe, and Chatham Youth Development Centers.

-19.00

-19.00

61 Eliminate Security Service Agreement

(\$110,717)

R

(\$110,717)

R

Eliminate the Security Service Agreement line item, which was used to provide temporary security at the Cabarrus YDC while a fence was under repair.

62 Eliminate the Treatment Training Reserve

(\$250,000)

R

(\$250,000)

R

Eliminate the treatment training reserve in the continuation budget, which was established to aid the Department in its efforts to train staff in their therapeutic treatment model.

63 Close the Samarkand YDC

(\$5,048,253)

R

(\$6,731,004)

R

Close the Samarkand YDC, which houses committed girls. In 2008, the Department opened four newly constructed replacement YDCs and Samarkand has the highest daily cost of any. The Department has built a replacement facility for girls in Chatham County, effective September 1, 2009.

-63.00

-63.00

64 Close Dobbs YDC

(\$6,986,859)

R

(\$9,315,812)

R

Close the Dobbs YDC. In 2008, the Department opened four replacement YDCs, including one directly across from Dobbs, effective September 1, 2009.

-85.00

-85.00

Total Legislative Changes	(\$25,151,423)	R	(\$29,163,127)	R
	(\$218,393)	NR		
Total Position Changes	-208.00		-208.00	
Revised Budget	\$147,114,599		\$143,487,981	

Correction

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$1,384,910,571		\$1,406,791,264	

Legislative Changes

65 Establish Management Flexibility Reserve	(\$54,478,651)	R	(\$54,478,651)	R
<p>Establishes a management flexibility reserve to provide the Department of Correction with the flexibility to manage additional reductions totaling \$54,478,651</p>				

Community Corrections

66 Probation Parole Officer Reallocation	\$2,383,273	R	\$2,383,273	R
<p>The Governor recommends an appropriation to reallocate 1,048 Probation/Parole Officers from a pay grade 68 to a pay grade 69, as recently authorized by the State Personnel Commission. This request would address significant recruitment and retention issues for the classification.</p>				

67 Community Corrections Intake Officers

The Governor reports on the use of funding of up to \$1.23 million to be made available through the American Reinvestment and Recovery Act for new Community Corrections Intake Officer positions. These positions will perform court intake duties and administrative functions in urban areas where court dockets currently require significant time commitments from Probation/Parole Officers. As recommended in the recent National Institute of Corrections report, these new positions will enable Probation/Parole Officers to dedicate more time to monitoring offenders under their supervision and less time performing administrative functions.

68 Expand Chief Probation Parole Officer Positions	\$2,754,683	R	\$3,793,573	R
<p>Provides funding for an additional 40 Chief Probation Parole Officer (CPPO) positions and 13 Office Assistants to support the chiefs and officers in each newly-established unit. This expansion supports recommendations from the National Institute of Corrections 2008 report to improve the span of control between supervisors and field officers. The Division's goal is to have a 7:1 ratio between supervisors and field officers. Fifty-one positions will be effective October 1, 2009 and an additional two positions will be effective in July 1, 2010.</p>				
	\$376,981	NR		
	51.00		53.00	

69 Expand Probation Parole Officer Positions

Provides funding for an additional 91 Probation Parole Officers (PPO). These additional officers will improve the Department's supervision of probationers and provide more field officers to manage offender caseloads. Seventy-seven positions will be effective October 1, 2009 and an additional 14 positions will be effective in July 1, 2010.

\$4,251,435	R	\$6,270,806	R
\$528,746	NR		
77.00		91.00	

70 Cap DCC Judicial District Managers

Caps Judicial District Manager positions at 30. The original judicial district structure of the Unified Court System had 30 districts. As judicial districts have been split, the Division of Community Corrections has established new management offices for each district, now numbering 45.

(\$814,065)	R	(\$814,065)	R
-15.00		-15.00	

71 Expand funding for CJPP programs

Provide additional funding for the Criminal Justice Partnership Program (CJPP). Counties are encouraged to use the additional funds to provide pre-trial release, as well as multiple treatment, control, and referral options for convicted offenders in each county.

\$3,000,000	R	\$3,000,000	R
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72 VIPER Radios for Improved Community in DCC

The Governor recommends using \$1.3 million from the American Reinvestment and Recovery Act for the purchase of 406 VIPER (interoperable communications) radios to be deployed to those Division of Community Corrections offices within the current VIPER service area.

Department-Wide**73 Eliminate 114 Positions**

	(\$4,369,668)	R	(\$4,369,668)	R
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Governor's Recommendation: eliminates 114 positions, both filled and vacant. Vacant positions will be eliminated effective July 1, 2009; filled positions will be eliminated September 1, 2009.

	-114.00		-114.00	
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Within the Division of Prisons, positions eliminated include

- Nine Canteen Officer Positions
- Three Unit Managers and Three Assistant Unit Managers at Southern Correctional Institution
- Two Dental Assistant Positions
- Four Dog Handler Positions
- Seven DNA Testing Officer Positions
- Twenty-two Administrative Operations Positions
- Five positions through operational consolidation among prisons
- Fifteen Correctional Enterprise Officer Positions

The positions eliminated in the Division of Alcoholism and Chemical Dependency Programs are

- Eleven treatment positions at Haywood and Tyrrell Work Farm

One position each will be taken from the Parole and Post-Release Commission, the Inmate Grievance Commission, and DOC Administration.

Additionally, thirty positions throughout DOC that have been vacant over six months will be eliminated.

74 Increase Federal Alien Assistance Receipts

Governor's Recommendation: the State Criminal Alien Assistance Program (SCAAP) makes federal funds available to states for the purpose of recouping costs associated with incarcerating undocumented aliens. The Department of Correction anticipates future funding from this program will exceed its current budget, and increases the budgeted amount for this receipt line item.

	(\$872,000)	NR		
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75 Reduce Pass-Through Funding

Reduces appropriations to pass-throughs in the Department of Correction by 10%. Specifically, reduces Women at Risk (\$35,000), Summit House (\$123,129), Harriet's House (\$27,500), and Our Children's Place (\$14,600).

	(\$200,229)	R	(\$200,229)	R
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76 Our Children's Place Administration

Provides funds for a contractual position to develop the children's component of a proposed program to allow incarcerated mothers to keep their children while in prison.

	\$50,000	NR		
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77 Reduce Various Operating Accounts

(\$2,197,035)	R	(\$2,197,035)	R
(\$3,950,000)	NR		

Governor's Recommendation: reduces the following operating accounts on a recurring basis.

- Safety and Security Supplies (\$200,000)
- Autos, Trucks, and Buses (\$1,250,000)
- Rent/Lease Motor Vehicles (\$600,000)
- Rent/Lease Building Office (\$147,035)

The following accounts are reduced on a non-recurring basis.

- Autos, Trucks, and Buses (\$1,250,000)
- Clothing and Uniforms (\$500,000)
- Carpentry and Hardware Supplies (\$300,000)
- PC/Printer Equipment (\$300,000)
- General Office Supplies (\$800,000)
- Office Equipment (\$800,000)

Division of Prisons

78 Double Celling at Pamlico

\$1,880,234	R	\$1,581,281	R
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Expands the capacity of Pamlico Correctional Institution by 332 through double-celling. This conversion will be effective on September 1, 2009.

38.00		38.00	
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79 Close McCain Correctional Hospital

(\$9,086,942)	R	(\$15,491,279)	R
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McCain Correctional Hospital is closed effective September 1, 2009. McCain is a former tuberculosis hospital originally built in 1908 and transferred in 1983 to the Department of Correction to provide space for chronically ill and disabled inmates. The facility has capacity for over 400 inmates, of whom around 66% are chronically ill, geriatric, or disabled. The other third are minimum custody population assigned to unit support jobs, such as maintenance, landscaping, and food service. The prison employs 234 positions.

-343.00		-343.00	
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This facility operates at 25% above the average daily cost per inmate for a minimum custody facility. As more modern facilities have been built, it will be possible to serve this population more efficiently.

In order to maintain community-standard health care for chronically ill inmates and remain population-neutral, Hoke and Odom Correctional Institutions will be converted from medium to minimum custody, and those units as well as Nash Correctional Institution will be partially double-celled.

The annualized savings for the closure of McCain is \$11,625,952, but due to one-time costs to convert the other three facilities, the reduction is lower in the first year. In addition to the positions eliminated at McCain, Hoke and Odom together will lose 155 positions, and Nash will gain 46, for a net reduction in State positions of 343.

80 Close Umstead and Guilford Correctional Centers

(\$3,723,492) R (\$4,627,854) R

Umstead and Guilford Correctional Centers are closed effective September 1, 2009. Both facilities operate with higher than average daily costs, and have a combined capacity of 263 inmates, and 95 positions, 87 of which are filled.

-107.00

-107.00

To accommodate inmates displaced by these closings, the Department will convert Lincoln Correctional Center from medium custody to minimum custody, and will double-cell inmates at Warren Correctional Institution. The savings in the first year are reduced by costs associated with double-celling and with providing bunks and lockers at both Warren and Lincoln. The annualized savings will amount to \$4,627,854.

81 Close Wilmington Residential Facility for Women

(\$430,068) R (\$513,298) R

The Wilmington Residential Facility for Women is closed effective September 1, 2009. This minimum custody work release prison is in a rental building in Wilmington and has a capacity of 35 inmates. The owner of the building does not wish to continue the lease to the Department of Correction. Inmates housed in this facility can be transferred to other minimum custody prisons through the State.

-10.00

-10.00

82 Reduce Continuation Increases

(\$25,965,276) R (\$5,417,400) R

Reduce continuation budget items, including OT pay, Shift Premium, and Workers Compensation, were reduced to match actual prior-year expenditures, as well as Hospital Provided Medical Services and Inmate Food and Clothing.

83 Reduce Job Orders for Repair and Renovation

Governor's Recommendation: reduces requests for repairs and renovations to prison facilities.

(\$299,259) NR (\$299,259) NR

84 Reduce Temporary/Contractual Positions

Governor's Recommendation: Reduce funding for temporary and contractual positions on a one-time basis.

(\$89,788) NR

85 Shift Positions to Inmate Welfare Support

(\$149,056) R (\$149,056) R

Governor's Recommendation: shifts three Telecommunication Support Technician positions that support the inmate pay phone system from General Fund support to Inmate Welfare Fund receipts.

-3.00

-3.00

Engineering**86 Shift Construction Contracts to Receipt Support**

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

Governor's Recommendation: funds contracts for oversight of Inmate Construction Program from the special indebtedness funding new prison construction.

(\$600,000) NR (\$600,000) NR

Secretary's Office

87 Eliminate Assistant Secretary

Eliminates the position of Assistant Secretary for Program Development. This position's primary function is to seek federal grants for the Department. This function can be performed by the Office of Research and Planning, and financial oversight of grants is performed by the DOC Controller's Office.

(\$77,046)	R	(\$77,046)	R
-1.00		-1.00	

Total Legislative Changes

(\$87,421,903)	R	(\$71,506,648)	R
(\$4,855,320)	NR	(\$899,259)	NR

Total Position Changes

-427.00	-411.00
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Revised Budget

\$1,292,633,348	\$1,334,385,357
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Crime Control and Public Safety

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$43,925,878		\$44,067,870	

Legislative Changes

Administration

88 Law Enforcement Support Services (LESS)	(\$430,366)	R	(\$430,336)	R
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This recommendation makes funding for the Law Enforcement Support Services (LESS) nonrecurring in FY 2009-10. The program is also directed to propose a fee structure to make the program fully receipt supported by the FY 2010-11.

\$430,336	NR		-4.00	
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89 Elimination of Administrative Staff Positions	(\$82,685)	R	(\$82,685)	R
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Elimination of two administrative positions.

			-2.00	
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Alcohol Law Enforcement - ALE

90 Reduce funding for ALE Vehicle Replacement	(\$316,152)	R	(\$316,152)	R
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Reduce funding for ALE vehicle replacement.

91 Make the Boxing Authority Receipt Supported	(\$147,751)	R	(\$147,751)	R
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Governor's recommendation that the North Carolina Boxing Authority no longer be supported through appropriation. All of the operations of the Boxing Authority will be shifted to fee receipts collected by the Authority. These fee receipts are currently over realized.

			-2.00	
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92 Make Bingo Regulation Receipt Supported	(\$26,600)	R	(\$26,600)	R
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This recommendation eliminates the General Fund appropriation used for bingo regulation. This action will be offset by an increase in the bingo license fee to make the program no longer rely on General Fund appropriation. This fee has not been increased since 1983.

Butner Public Safety - BPS**93 Elimination of Butner Public Safety Division**

	(\$2,617,339)	R	(\$2,617,339)	R
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With the incorporation of the Town of Butner, this recommendation eliminates the Butner Public Safety Division that is using state funds to provide law enforcement services and fire protection to the Town of Butner and surrounding areas in Durham and Granville Counties. Significant residential and commercial growth has occurred in this area and despite several state facilities being located within the Butner jurisdiction, a significant portion of the work done by Butner Public Safety is related to residential and local business calls. This recommendation will require the Town of Butner and surrounding areas to establish fire and police departments.

-55.00

-55.00

Department-Wide**94 Reduce Various Operating Accounts**

	(\$641,147)	R	(\$641,147)	R
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Governor's recommendation that various operating accounts be reduced across the agency.

95 Transfer of State Capitol Police to Crime Control

	\$3,675,861	R	\$3,675,861	R
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Type I transfer of the State Capitol Police Division from the Department of Administration to the Department of Crime Control and Public Safety. Of the total positions transferred, 6.25 positions will be used to support the division's fiscal, policy and administrative functions.

89.25

89.25

96 Establish Management Flexibility Reserve

	(\$857,631)	R	(\$857,631)	R
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Establishes a management flexibility reserve to provide the Department of Crime Control and Public Safety with the flexibility to manage additional reductions totaling \$857,631.

Emergency Management**97 Shift Floodplain Mapping Positions to Receipts**

	(\$1,405,098)	R	(\$1,405,098)	R
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Governor's recommendation that the appropriation for the Floodplain Mapping Program be replaced with receipts collected under the terms of Section 29.7(b) of H2436 (S.L. 2008-107), which established a fee to support floodplain mapping. This recommendation will shift 20 appropriated positions in the Floodplain Mapping Program to receipt support.

-20.00

-20.00

98 Reduce Emergency Management Continuation Budget

	(\$1,843,248)	R	(\$1,843,248)	R
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Reduction in the Emergency Management continuation budget. A major portion of this reduction is associated with the amount appropriated in the division's continuation budget for miscellaneous contracts.

Governor's Crime Commission

99 Illegal Immigration Project

Funding to the Governor's Crime Commission to contract with the North Carolina Sheriffs' Association for immigration enforcement services. This funding will be used for salary replacement costs associated with officer training.

\$150,000 NR

100 Reduce State Matching Funds

Governor's recommendation that excess state funding for matches to federal grants be reduced.

(\$60,091) R (\$60,091) R

101 Reduce funding for NCVAN

10 percent decrease in funding for the North Carolina Victims Assistance Network (NCVAN).

(\$15,000) R (\$15,000) R

102 Evidence-Based Gang Grants

The Governor reports on the use of funding of up to \$5 million to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) for the Governor's Crime Commission to award evidence-based grants that focus on gang prevention, treatment, intervention, and re-entry programs. Special emphasis will be placed on consultation with the Department of Juvenile Justice and Delinquency Prevention to engage local Juvenile Crime Prevention Councils (JCPC's) in the development of gang prevention programs that address local priorities developed as a result of the JCPC's local gang threat assessments. The allocation of this funding will be made under the authority of the Governor's Crime Commission, the state administrator of the Byrne/JAG Formula Program.

103 Local Government Grants to Purchase VIPER Equip't

The Governor reports on the use of funding of up to \$5 million to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) for the Governor's Crime Commission to award grants to local governments for VIPER (Interoperable communications) equipment in order to enhance communications among public safety agencies. The allocation of this funding will be made under the authority of the Governor's Crime Commission, the state administrator of the Byrne/JAG Formula Program.

104 Governor's Statewide Gang Task Force

The Governor reports on the use of \$200,000 recurring funding from the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) for the establishment of a Statewide Gang Task Force. This task force will be established within the Governor's Crime Commission to bring key stakeholders together to develop a comprehensive plan and create legislation to ensure a well coordinated, statewide enforcement program and increase the flow of gang-related information among various law enforcement agencies, correctional institutions, and the judicial system. This item will be supported by administrative funds made available to the Governor's Crime Commission through the Byrne/JAG Formula Program.

105 Supplemental Grants for COPS Hiring & Recovery Pgm

The Governor reports on the use of funding of up to \$400,000 to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) for the Governor's Crime Commission to provide supplemental grants to incentives local governments to participate in the COPS Hiring and Recovery Program (CHRP). CHRP grants are awarded on a competitive basis and provide funding for salaries and benefits for new law enforcement positions as well as for the reemployment of officers affected by recent budget cuts. Through the supplemental grants, up to \$4,000 will be provided to support the equipment costs for every officer hired through the COPS Hiring and Recovery Program. The allocation of this funding will be made under the authority of the Governor's Crime Commission, the state administrator of the Byrne/JAG Formula Program.

National Guard

106 Eliminate Funding for Family Assistance Centers

(\$420,000) R (\$420,000) R

Eliminates state funding for three National Guard Family Assistance Centers. With the scheduled deployment of a significant portion of the NC National Guard in 2009 and 2010, there will be federal funds available for family assistance centers while the troops are deployed.

107 Transfer the National Guard Pension Fund

(\$7,007,443) R (\$7,007,443) R

Transfer of the National Guard Pension Fund (\$7,007,443) from the Department of Crime Control and Public Safety to the Department of State Treasurer. This transfer will allow the Department of the State Treasurer to manage this program as it does for most of the State's pension programs.

108 Reduce National Guard Tuition Assistance Program

(\$500,000) R

(\$500,000) R

Recommendation to reduce the National Guard Tuition Assistance program appropriation. With the scheduled deployment of a significant portion of the NC National Guard in 2009 and 2010 there will be a decrease in the number of National Guard members requesting tuition assistance through this program. In addition to the state program, there is also a federal program that provides tuition assistance to National Guard members.

State Highway Patrol - SHP

109 Training to Improve State Highway Patrol Operation

Governor's report on the use of funding of up to \$1.8 million to be made available through the American Reinvestment and Recovery Act (Byrne/JAG Formula Program) to provide leadership development training at every level of supervision within the State Highway Patrol, as recommended in a recent independent evaluation of the Patrol drew upon the best practices for statewide law enforcement. The evaluation found that many Patrol supervisors require stronger coaching, mentoring, and counseling skills to effectively supervise their direct reports and therefore, improve State Highway Patrol operations. The allocation of this funding will be made under the authority of the Governor's Crime Commission, the state administrator of the Byrne/JAG Program.

Victim Compensation Services

110 Budget Over Realized Receipts

(\$472,619) R

(\$472,619) R

Reduction in the General Fund appropriation for the Victim Compensation Program. Under budgeted receipts from the Department of Correction and American Reinvestment and Recovery Act funds will be used to offset this reduction. The program will still have enough funding to pay for all FY 2008-09 approved claims.

Total Legislative Changes

(\$13,167,309) R

(\$13,167,279) R

\$580,336 NR

Total Position Changes

10.25

6.25

Revised Budget

\$31,338,905

\$30,900,591

**GENERAL
GOVERNMENT
Section J**

Administration

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$78,170,163	\$78,362,881

Legislative Changes

1111 Office of the Secretary

1 Justice for Sterilization Victims Foundation

Funding is provided for planning efforts associated with the establishment of the Justice for Sterilization Victims Foundation. This foundation will provide justice and compensate victims who were forcibly sterilized by the State of North Carolina between 1929 and 1974.

\$250,000 NR

2 Eliminate Continuation Budget Increase

(\$1,578,280) R (\$1,578,280) R

Eliminate funding increase in continuation budget:

531311 Temp Wages	(\$100,864)
531321 Cont Empl Per IRS	(\$ 21,149)
531411 OT Pay	(\$196,843)
531421 Holiday Pay	(4,619)
531431 Shift Prem Pay	(\$ 43,642)
531441 Callbk/Stby Prem Pay	(\$ 27,896)
531631 Wrker Comp-Med Payments	(\$ 44,090)
531632 Wrker Comp-Temp Dis Paym	(\$ 20,858)
532150 Academic Services	(\$ 24,543)
532170 Admin Services	(\$104,089)
532199 Misc Contractual Svs	(\$284,817)
532210 Eng Ser-Electrical	(\$288,117)
532220 Eng Ser-Nat gas/Proprn	(\$416,753)

1123 Historically Underutilized Businesses

3 Reduction to Historically Underutilized Businesses

(\$43,473) R (\$43,473) R

Reduce appropriation to Historically Underutilized Businesses.

1230 Non-Public Education

4 Reduction to Non-Public Education

(\$17,833) R (\$17,833) R

Reduce appropriation to Non-Public Education.

1264 Telecommunications Office

5 Reduction to Telecommunications Office

(\$32,781) R (\$32,781) R

Reduce appropriation to Telecommunications Office.

1311 Office of State Personnel**6 Eliminate Scanning Function of Applications**

(\$36,535) R (\$36,535) R

Eliminate funding to support the scanning of all North Carolina state government job applications. This recommendation includes the elimination of one filled position.

-1.00 -1.00

1623 State Capitol Police**7 Transfer of State Capitol Police to Crime Control**

(\$3,675,861) R (\$3,675,861) R

Type I transfer of the State Capitol Police Division from the Department of Administration to the Department of Crime Control and Public Safety. Of the total positions transferred, 6.25 will be used to support the division's fiscal, policy, and administrative functions.

-89.25 -89.25

1732 Displaced Homemakers Program**8 Reduction to Displaced Homemakers Program Fund**

(\$20,096) R (\$20,096) R

Reduce appropriation to Displaced Homemakers Program Fund.

1734 Rape Crisis Program**9 Reduction to Sexual Assault/Rape Crisis Funds**

(\$195,175) R (\$195,175) R

Reduce appropriation to Sexual Assault/Rape Crisis Funds.

1741 Human Relations Commission**10 Reduction to Human Relations Commission**

(\$39,352) R (\$39,352) R

Reduce appropriation to Human Relations Commission.

1742 MLK Commission**11 Reduction to MLK Commission**

(\$3,379) R (\$3,379) R

Reduce appropriation to MLK Commission.

1761 Youth Involvement Office**12 Reduction to Youth Involvement Office**

(\$50,752) R (\$50,752) R

Reduce appropriation to Youth Involvement Office.

13 Reduction to Youth Involvement Grant Program

(\$416) R (\$416) R

Reduce appropriation to Youth Involvement Grant Program.

1771 Veterans Affairs**14 Reduce Aid to Counties**

(\$12,032) R (\$12,032) R

Reduce Aid to Counties funding.

1771 Veterans Affairs**15 Shift Three Positions to Receipt Support**

(\$114,175) R (\$114,175) R

Shift three appropriated Veterans Affairs positions to receipt support. The positions will now be supported through burial fee receipts that are collected by veterans cemeteries operated by the Department of Administration.

-3.00 -3.00

16 Reduction to Veterans Affairs

(\$364,551) R (\$364,551) R

Reduce appropriation to Veterans Affairs.

1782 Domestic Violence Center**17 Reduction to Domestic Violence Center Fund**

(\$340,405) R (\$340,405) R

Reduce appropriation to Domestic Violence Center Fund.

1861 Commission on Indian Affairs**18 Reduction to Commission on Indian Affairs**

(\$25,549) R (\$25,549) R

Reduce appropriation to Commission on Indian Affairs.

7251 State Parking System**19 Restore Funding for the State Parking System**

Restore funding for the State Parking System, which is a receipt-supported program (budget code 74103) that is currently under a legislatively required Continuation Review. Funding will be restored at the current level (\$1,667,708), which includes support for 12.75 positions.

Department-Wide**20 Eliminate Vacant Positions**

(\$976,196) R (\$976,196) R

Eliminate 20 vacant positions across the agency.

-20.00 -20.00

21 Management Flexibility Reserve

(\$563,504) R (\$563,504) R

Create Management Flexibility Reserve.

22 Reduce Temporary Wages

(\$11,842) R (\$11,842) R

Reduce temporary wages funding across the agency.

23 Reduce Various Operating Accounts

(\$839,546) R (\$839,546) R

Reduce various operating accounts across the agency.

(\$315,011) NR (\$315,011) NR

Total Legislative Changes	(\$8,941,733)	R	(\$8,941,733)	R
	(\$65,011)	NR	(\$315,011)	NR
Total Position Changes	-113.25		-113.25	
Revised Budget	\$69,163,419		\$69,106,137	

Auditor

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$14,389,111		\$14,405,383	
Legislative Changes				
1210 Field Audit				
24 Eliminate Continuation Budget Increase	(\$636,675)	R	(\$636,675)	R
Eliminate increase in the continuation budget:				
532120 Financial Audit Services (\$322,504)				
532199 Misc Contractual Svs (\$314,171)				
1210 Field Audit Division				
25 Eliminate Grants Training Unit	(\$300,797)	R	(\$300,797)	R
Eliminate the Grants Training Unit, including the elimination of five positions.	-5.00		-5.00	
Department-Wide				
26 Reduce Various Operating Accounts	(\$100,266)	NR	(\$100,266)	NR
Reduce various operating accounts across the agency.				
27 Management Flexibility Reserve	(\$126,861)	R	(\$126,861)	R
Create Management Flexibility Reserve.				
Total Legislative Changes	(\$1,064,333)	R	(\$1,064,333)	R
	(\$100,266)	NR	(\$100,266)	NR
Total Position Changes	-5.00		-5.00	
Revised Budget	\$13,224,512		\$13,240,784	

Cultural Resources

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$77,933,037	\$79,329,609

Legislative Changes

1120 Administrative Services

28 Eliminate Continuation Budget Increase (\$898,648) R (\$898,648) R

Eliminate funding increases in continuation budget both fiscal years:

531311 Temp Wages	(\$442,469)
531411 OT Pay	(\$ 55,352)
531421 Holiday Pay	(\$ 5,582)
531431 Shift Prem Pay	(\$ 7,156)
531627 Short Term Disab	(\$ 20,049)
531631 Worker Comp-Med Payments	(\$ 33,327)
532199 Misc Contractual Svs	(\$334,713)

1241 State Historic Sites

29 Reductions to State Historic Sites (\$589,968) R (\$589,968) R

Reduce the budget of each State Historic Site listed below by 6.4% each fiscal year and report the reductions to the General Assembly by September 1, 2009:

- Alamance Battleground
- Aycock Birthplace
- Historic Bath
- Bennett Place
- Bentonville Battleground
- Brunswick Town
- Charlotte Hawkins Brown Memorial
- CSS Neuse and Governor Caswell Memorial
- Duke Homestead
- Fort Dobbs
- Fort Fisher
- Historic Halifax
- Horne Creek
- House in the Horseshoe
- Historic Edenton
- North Carolina Transportation Museum
- Polk Memorial
- Reed Gold Mine
- Somerset Place
- Town Creek Indian Mound
- Vance Birthplace
- Thomas Wolfe Memorial
- Historic Stagville

1242 Tryon Palace Historic Sites and Gardens**30 Reduction to Tryon Palace Budget**

(\$183,238) R (\$183,238) R

Reduce the budget of Tryon Palace by 6.4% each fiscal year and report the reduction to the General Assembly by September 1, 2009.

1245 NC Maritime Museum**31 Reductions to NC Maritime Museums**

(\$87,235) R (\$87,235) R

Reduce the budgets of the Maritime Museums listed below by 6.4% each fiscal year and report the reductions to the General Assembly by September 1, 2009:

North Carolina Maritime Museum in Beaufort
North Carolina Maritime Museum in Southport
Graveyard of the Atlantic Museum

1330 Arts Council**32 Reduction to Grants**

(\$453,609) R (\$453,609) R

Reduce appropriations to the following grants by 6.4% each fiscal year:

536G32	Vagabond School Drama	(\$2,759)
536G48	Lost Colony	(\$14,751)
536G71	Shakespeare Festival	(\$14,751)
536990	Basic Grants	(\$247,892)
536996	Grassroots Arts	(\$173,456)

1410 State Library Services**33 Eliminate NC ECHO Program**

(\$67,941) R (\$67,941) R

Eliminate funding for the NC ECHO Program (Exploring Cultural Heritage Online), including one vacant position: # 60083816.

-0.83

-0.83

1480 Statewide Programs and Grants**34 Reduce State-Aid to Libraries**

(\$994,293) R (\$994,293) R

Reduce funding to county libraries by 6.4% each fiscal year.

1500 Museum of History**35 Reductions to History Museums**

(\$468,157) R (\$468,157) R

Reduce the budgets of the History Museums listed below by 6.4% each fiscal year and report the reductions to the General Assembly by September 1, 2009:

North Carolina Museum of History
Museum of the Albemarle
Gateway Mountain Museum (Old Fort)
Museum of the Cape Fear

Department-Wide

36 Management Flexibility Reserve (\$1,131,188) R (\$1,131,188) R
 Create Management Flexibility Reserve.

37 Reduce Various Operating Accounts (\$1,077,030) R (\$1,077,030) R
 Recurring and non-recurring funding is reduced in the same amount each fiscal year in the following accounts: (\$370,444) NR (\$370,444) NR

- 532199 Misc Contractual Svs (\$480,500)
- 5322XX Utilities (\$ 94,000)
- 5327XX Travel (\$156,000)
- 5328XX Computer/Data Proc (\$ 41,000)
- 5328XX Telephone (\$ 51,100)
- 533900 Other Materials and Supplies (\$244,674)
- 5345XX Furniture and Equipment (\$262,200)
- 5358XX Membership Dues (\$110,000)
- 5359XX Registration Fees (\$ 8,000)

38 Reduce Temporary Wages (\$320,596) R (\$320,596) R
 Reduce temporary wages across the department.

39 Eliminate Filled and Vacant Positions (\$767,901) R (\$767,901) R
 Eliminate 4.8 filled and 11.62 vacant positions across the department. The reduction to salary and benefits for the 4.8 filled positions is \$242,966. The reduction to salary and benefits for the 11.62 vacant positions is \$524,905 and includes the following: -16.42 -16.42

Vacant

Position #	Title	Budgeted Salary
60083260	Executive Asst I	(\$47,233)
60083385	Office Asst IV	(\$18,975)
60083382	Processing Asst IV	(\$26,878)
60083379	Processing Asst IV	(\$16,576)
60083367	Arch & Rec Profess	(\$22,852)
60083649	Museum Curator	(\$64,123)
60083915	Arts Pgm Admin	(\$38,790)
60083644	A&H Reg Supv	(\$44,225)
65005183	Librarian Consultant I	(\$35,585)
60083831	Library Professional	(\$41,055)
60083973	History Mus Conservator	(\$35,337)
60083569	Horticulture/Gr Tech	(\$18,288)

Total Legislative Changes	(\$7,039,804) R	(\$7,039,804) R
	(\$370,444) NR	(\$370,444) NR
Total Position Changes	-17.25	-17.25
Revised Budget	\$70,522,789	\$71,919,361

Cultural Resources - Roanoke Island Commission

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$2,095,402		\$2,095,402	
Legislative Changes				
1584 Roanoke Island Commission				
40 Reduce Various Operating Accounts	(\$134,106)	R	(\$134,106)	R
Reduce funding in various accounts across the agency.				
Total Legislative Changes	(\$134,106)	R	(\$134,106)	R
Total Position Changes				
Revised Budget	\$1,961,296		\$1,961,296	

General Assembly

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$62,347,066		\$64,056,544	
Legislative Changes				
Department-Wide				
41 Management Flexibility Reserve	(\$632,000)	R	(\$632,000)	R
Create Management Flexibility Reserve.				
42 Reduce Various Accounts	(\$1,661,726)	R	(\$1,743,916)	R
Reduce various operating accounts, delay filling vacant positions, and reduce the number of budgeted session days and interim weeks.	(\$1,141,554)	NR	(\$984,364)	NR
43 Reserves and Transfers	(\$1,250,000)	R	(\$1,325,000)	R
Reduce agency and contingency reserves.				
Total Legislative Changes	(\$3,543,726)	R	(\$3,700,916)	R
	(\$1,141,554)	NR	(\$984,364)	NR
Total Position Changes				
Revised Budget	\$57,661,786		\$59,371,264	

Governor

	GENERAL FUND	
	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$6,616,233	\$6,622,879
Legislative Changes		
1110 Administration		
44 Eliminate Continuation Budget Increase	(\$53,527) R	(\$53,527) R
Eliminate funding increase in continuation budget:		
531311 Temp Wages	(\$52,676)	
532182 Laundry Services	(\$ 601)	
532185 Waste Rem/Recy Svs Agreement	(\$ 250)	
Department-Wide		
45 Management Flexibility Reserve	(\$177,183) R	(\$177,183) R
Create Management Flexibility Reserve.		
46 Reduce Various Operating Accounts	(\$271,992) R	(\$272,457) R
Reduce funding for various operating accounts across the agency.		
Total Legislative Changes	(\$502,702) R	(\$503,167) R
Total Position Changes		
Revised Budget	\$6,113,531	\$6,119,712

Housing Finance Agency

GENERAL FUND

	<table border="1"><tr><td>FY 09-10</td></tr></table>	FY 09-10	<table border="1"><tr><td>FY 10-11</td></tr></table>	FY 10-11
FY 09-10				
FY 10-11				
Adjusted Continuation Budget	\$14,608,417	\$14,608,417		
<hr/>				
Legislative Changes				
47 NO LEGISLATIVE ACTION REPORTED				
<hr/>				
Total Legislative Changes				
Total Position Changes				
Revised Budget	\$14,608,417	\$14,608,417		

Insurance

	GENERAL FUND	
	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$33,824,822	\$33,887,006
Legislative Changes		
1400 Public Services		
48 Eliminate Continuation Budget Increase	(\$144,300) R	(\$144,300) R
Eliminate funding increase in continuation budget:		
532140 Information Tech Svs	(\$62,634)	
532170 Admin Services	(\$32,243)	
532199 Misc Contractual Svs	(\$49,423)	
Department-Wide		
49 Management Flexibility Reserve	(\$850,880) R	(\$850,880) R
Create Management Flexibility Reserve.		
50 Reduce Various Operating Accounts	(\$888,592) R	(\$888,592) R
Reduce various operating accounts across the agency.	(\$296,197) NR	(\$296,197) NR
Total Legislative Changes	(\$1,883,772) R	(\$1,883,772) R
	(\$296,197) NR	(\$296,197) NR
Total Position Changes		
Revised Budget	\$31,644,853	\$31,707,037

**Insurance - Volunteer Safety Workers'
Compensation Fund**

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$4,500,000		\$4,500,000
Legislative Changes			
Reserves and Transfers			
51 Reduce Volunteer Safety Workers' Compensation Fund			
Reduce the Volunteer Safety Workers' Compensation Fund on a non-recurring basis.	(\$2,500,000)	NR	(\$2,500,000) NR
Total Legislative Changes	(\$2,500,000)	NR	(\$2,500,000) NR
Total Position Changes			
Revised Budget	\$2,000,000		\$2,000,000

Lieutenant Governor

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$966,706		\$966,706	
Legislative Changes				
1110 Administration				
52 Eliminate Continuation Budget Increase	(\$5,673)	R	(\$5,673)	R
Eliminate funding increase in continuation budget:				
531321 Contr Empl Per IRS	(\$4,843)			
531461 EPA&SPA Longevity Pay	(\$ 830)			
Department-Wide				
53 Reduce Various Operating Accounts	(\$12,023)	R	(\$12,023)	R
Reduce various operating accounts in the following line items:				
	(\$16,831)	NR	(\$16,831)	NR
532400 PC Printer Support	(\$14,490)			
532400 LAN Support	(\$ 2,341)			
532700 Travel	(\$ 2,500)			
532800 Comm & Data Processing	(\$ 3,523)			
533100 General Supp & Exp	(\$ 6,000)			
Total Legislative Changes	(\$17,696)	R	(\$17,696)	R
	(\$16,831)	NR	(\$16,831)	NR
Total Position Changes				
Revised Budget	\$932,179		\$932,179	

Office of Administrative Hearings

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$4,266,407		\$4,279,242	
Legislative Changes				
Department-Wide				
54 Management Flexibility Reserve	(\$214,263)	R	(\$214,263)	R
Create Management Flexibility Reserve.				
55 Reduce Various Operating Accounts	(\$84,689)	R	(\$84,689)	R
Reduce various operating accounts in the following line items:				
532700 Travel (\$5,500)				
532500 Lease Expense (\$23,300)				
532800 Telephone (\$4,000)				
534500 PC/Printer and Other Equipment (\$5,000)				
534700 Software Purchases (\$8,000)				
532800 Data Processing & Desktop Support Services (\$7,300)				
532199 Maintenance Agreements & Contracts (\$7,000)				
533100 Misc. Materials & Supplies (\$24,589)				
Total Legislative Changes	(\$298,952)	R	(\$298,952)	R
Total Position Changes				
Revised Budget	\$3,967,455		\$3,980,290	

Revenue

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$91,347,503		\$91,440,473

Legislative Changes

1600 Administration

56 Eliminate Continuation Budget Increase (\$1,236,436) R (\$1,236,436) R

Eliminate funding increase in continuation budget:

531211 Salaries	(\$424,122)
531411 OT Pay	(\$ 30,435)
531431 Shift Prem Pay	(\$ 3,763)
531631 Wrker Comp-Med Payments	(\$ 6,845)
532110 Legal Services	(\$ 13,153)
532140 Information Tech Svs	(\$660,972)
532170 Contractual Svs	(\$ 28,795)
532184 Janitorial Svs Agreement	(\$ 7,302)
532185 Waste Rem Agreement	(\$ 659)
532191 Payments-Empl on Loan	(\$ 9,957)
532199 Misc Contractual Svs	(\$ 50,433)

1629 Property Tax Division

57 Conversion of Property Tax Division to Receipt Support (\$1,461,744) R (\$1,461,744) R

Convert the Property Tax Division from appropriation to receipt support. GS 105-501 allows the department to recover certain costs from local sales and use tax collections. -17.00 -17.00

1660 Examination & Collection

58 Eliminate \$300 Per Month Stipend for Interstate Auditors (\$132,030) R (\$132,030) R

Eliminate the \$300 per month stipend for 37 interstate auditors.

1664 Guest Worker Program

59 Adjust Appropriation for Guest Worker Program (\$375,000) R (\$375,000) R

Adjust the appropriation for the Guest Worker Program to better reflect actual expenditure needs. This program provides information to non-English speaking people regarding their obligation to file taxes and how to obtain assistance in filing taxes.

Department-Wide

60 Reduce Various Operating Accounts (\$589,493) R (\$589,493) R

Reduce various operating accounts across the department.

Senate Subcommittee on General Government

FY 09-10

FY 10-11

Department-Wide

61 Eliminate 14 Vacant Positions

Eliminate 14 vacant positions across the department.

(\$767,020) R

(\$767,020) R

-14.00

-14.00

62 Management Flexibility Reserve

Create Management Flexibility Reserve.

(\$1,865,184) R

(\$1,865,184) R

Total Legislative Changes

(\$6,426,907) R

(\$6,426,907) R

Total Position Changes

-31.00

-31.00

Revised Budget

\$84,920,596

\$85,013,566

Secretary of State

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$11,854,656		\$11,928,530	
Legislative Changes				
1220 Certification & Filing				
63 Eliminate Continuation Budget Increase	(\$153,812)	R	(\$153,812)	R
Eliminate funding increase in continuation budget:				
531411 OT Pay	(\$ 8,957)			
531631 Wrker Comp-Med Payments	(\$ 10,297)			
532170 Admin Services	(\$ 79,235)			
532199 Misc Contractual Svs	(\$ 55,323)			
1220 Certification & Filing Division				
64 Eliminate Vacant Positions	(\$74,482)	R	(\$74,482)	R
Eliminate \$74,482 for salaries and benefits of two vacant positions:				
	-2.00		-2.00	
Position #	Title	Budgeted Salary		
60008713	Processing Asst V	\$27,544		
60008750	Processing Asst V	\$29,601		
Department-Wide				
65 Management Flexibility Reserve	(\$272,188)	R	(\$272,188)	R
Create Management Flexibility Reserve.				
66 LAN Support Services	\$10,281	R	\$10,281	R
Restore reductions to LAN support services.				
Total Legislative Changes	(\$490,201)	R	(\$490,201)	R
Total Position Changes	-2.00		-2.00	
Revised Budget	\$11,364,455		\$11,438,329	

State Board of Elections

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$6,627,101		\$6,630,894	
Legislative Changes				
1300 Voter Reg & Voting Systems				
67 Eliminate Continuation Budget Increase	(\$11,667)	R	(\$11,667)	R
Eliminate funding increase in continuation budget:				
532170 Admin Services (\$11,667)				
Department-Wide				
68 Reduce Various Operating Accounts	(\$180,528)	R	(\$180,528)	R
Reduce the budgets for various operating accounts.	(\$40,007)	NR	(\$40,007)	NR
69 Management Flexibility Reserve	(\$211,077)	R	(\$211,077)	R
Create Management Flexibility Reserve.				
Reserves and Transfers				
70 Reduce Voter-Owned Elections Fund Balance				
Reduce Voter-Owned Elections Fund balance.	(\$1,500,000)	NR		
Total Legislative Changes	(\$403,272)	R	(\$403,272)	R
	(\$1,540,007)	NR	(\$40,007)	NR
Total Position Changes				
Revised Budget	\$4,683,822		\$6,187,615	

State Budget & Management

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$7,144,221		\$7,147,928	
Legislative Changes				
1310 State Budget and Management				
71 Eliminate Continuation Budget Increase	(\$350)	R	(\$350)	R
Eliminate funding increase in continuation budget:				
532120 Financial/Audit Svs (\$350)				
Department-Wide				
72 Eliminate Vacant Position.	(\$32,831)	R	(\$32,831)	R
Eliminate salary (\$24,764) and benefits (\$8,067) of one vacant position - # 60014796, Building & Environmental Technician.	-1.00		-1.00	
73 Management Flexibility Reserve	(\$214,954)	R	(\$214,954)	R
Create Management Flexibility Reserve.				
74 Reduce Various Operating Accounts	(\$235,071)	R	(\$235,330)	R
Reduce funding for various operating accounts across the agency.				
75 Eliminate Reserve for Rules Impact Review	(\$100,000)	R	(\$100,000)	R
Eliminate funding for the Reserve for the Rules Impact Review.				
Total Legislative Changes	(\$583,206)	R	(\$583,465)	R
Total Position Changes	-1.00		-1.00	
Revised Budget	\$6,561,015		\$6,564,463	

State Budget and Management - Special

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$4,280,000		\$4,280,000	
Legislative Changes				
Grants to Non-Government Agencies				
76 Reduce Pass-Through Funding	(\$7,000)	R	(\$7,000)	R
Reduce grant funding to NC Humanities Council by 7% each fiscal year.				
Reserves and Transfers				
77 Military Morale and Welfare Fund	\$750,000	NR		
Appropriate funding to sustain historical grants to military installations to provide community service and quality-of-life programs for military members and families.				
Total Legislative Changes	(\$7,000)	R	(\$7,000)	R
	\$750,000	NR		
Total Position Changes				
Revised Budget	\$5,023,000		\$4,273,000	

State Controller

GENERAL FUND

	FY 09-10		FY 10-11
Adjusted Continuation Budget	\$24,536,602		\$24,568,908

Legislative Changes

1000 Department-Wide

78 Management Flexibility Reserve (\$521,217) R (\$521,217) R
 Create Management Flexibility Reserve.

79 Reduce Various Operating Accounts (\$724,502) R (\$724,502) R
 Reduce the same amount of recurring and non-recurring expenses in various IT accounts each fiscal year and eliminate funding for ITS support:
 (\$55,965) NR (\$55,965) NR

Recurring

532821 eRoom Reduction in Licenses (400 to 200) (\$130,224)
 532811 Disconnect vacant telephone lines (\$ 20,232)
 532821 Discontinue SQA - OSC Dedicated (\$246,528)
 532140 Eliminate ITS Support (\$327,518)

Non-recurring

Various Accounts (\$ 55,965)

80 Fund-shift Positions to Receipt Support (\$91,488) R (\$91,488) R
 Transfer two positions - an Accountant (1 FTE) and a Senior State Management Analyst (.25 FTE) - that support the NC FLEX Benefits Program from appropriation to receipt support generated by the program:
 -1.25 -1.25

531211 Salaries (\$74,525)
 531511 Social Security (\$ 5,701)
 531521 Retirement (\$ 6,066)
 531561 Medical Insurance (\$ 5,196)

81 Eliminate Internship Program (\$119,052) R (\$119,052) R
 Eliminate funding for OSC's Internship Program with the reduction of 6 positions at .75 FTE for a total of 4.5 FTE that had salaries of \$18,432 each and benefits of \$8,460:
 -4.50 -4.50

Position # Title
 60087170 Integration Intern
 60087172 Communications Intern (P/T)
 60087173 PMO Intern (P/T)
 60087219 Technical Infrastructure Intern

531351 Student Temp Wages (\$110,592)
 531511 Social Security (\$ 8,460)

1000 Department-Wide

82 Eliminate Continuation Budget Increase

(\$13,223) R (\$13,223) R

Eliminate funding increase in continuation budget:

531627 St Disability Pmt (\$3,470)
 532120 Financial/Audit Svs (\$9,753)

83 Eliminate Vacant Positions

(\$250,005) R (\$250,005) R

Eliminate salaries (\$197,962) and benefits (\$52,043) of five vacant positions:

-5.00 -5.00

Position #	Title	Budgeted Salary
60087168	Financial Spec	(\$54,540)
60014113	Admin Support Spec	(\$26,444)
60037611	Admin Assistant I	(\$34,842)
60091145	Admin Officer III	(\$43,157)
60092193	Admin Support Spec	(\$38,979)

84 Operational Support for HR/Payroll System (BEACON)

\$600,000 R \$1,200,000 R

Funding is appropriated to stabilize the BEACON payroll system. Funding will support recurring expenses for software maintenance, the telephone application system (Shared Service Center), ticket-tracking, system hosting, disaster recovery, and data storage costs. The appropriation also includes funding for ten new positions that are needed to reduce dependence on the 13 remaining contractors.

5.00 10.00

	FY 2009-10	FY 2010-11
531211 Salaries	\$ 276,779	\$ 677,356
531511 Social Sec	\$ 21,173	\$ 51,818
531521 Retirement	\$ 22,530	\$ 55,137
531561 Medical Ins	\$ 17,319	\$ 41,556
532XXX Purchased Svs	\$ 262,199	\$ 374,123

Total Legislative Changes	(\$1,119,487)	R	(\$519,487)	R
	(\$55,965)	NR	(\$55,965)	NR
Total Position Changes	-5.75		-0.75	
Revised Budget	\$23,361,150		\$23,993,456	

Treasurer

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$11,150,002	\$11,163,790

Legislative Changes

1210 Investment Management

85 Eliminate Vacant Positions	(\$105,963)	R	(\$105,963)	R
Eliminate salary (\$87,923) and benefits (\$18,040) of one vacant position - # 60009068, Investments Director.	-1.00		-1.00	

1310 Local Government Operations

86 Eliminate Continuation Budget Increase	(\$299,960)	R	(\$299,960)	R
Eliminate funding increase in continuation budget:				
531321 Contr Empl Per IRS	(\$ 86,438)			
531631 Worker Comp-Med Payments	(\$ 31,376)			
532110 Legal services	(\$ 71,765)			
532199 Misc Contractual Svs	(\$110,381)			

1410 Retirement Systems Division

87 Transfer the National Guard Pension Fund	\$7,007,443	R	\$7,007,443	R
Transfer the National Guard Pension Fund from the Department of Crime Control and Public Safety to the Department of State Treasurer. This transfer will allow the Department of State Treasurer to manage this program as it does most of the State's pension programs.				

88 Maintenance Costs for ORBIT System

To properly complete the transition of ORBIT receipts for both recurring and non-recurring expenditures are authorized for maintenance of software and hardware which includes an annual recurring expense of \$378,652. The non-recurring portion of funding will decrease each year as the amount of support required by the vendor will phase out by FY 2015-16. Funding is allocated for each fiscal year as indicated below:

	FY 2009-10	FY 2010-11
Recurring	\$378,652	\$378,652
Non-recurring	\$575,025	\$383,250

Department-Wide

89 Management Flexibility Reserve	(\$2,368)	R	(\$2,368)	R
Create Management Flexibility Reserve.				

Senate Subcommittee on General Government

FY 09-10

FY 10-11

Department-Wide

90 Reduce Various Operating Accounts

Reduce funding for various operating accounts across the agency.

(\$308,376) R

(\$308,376) R

(\$119,053) NR

(\$119,053) NR

91 Eliminate Vacant Position

Eliminate salary and benefits for a vacant position.

(\$49,601) R

(\$49,601) R

-1.00

-1.00

Total Legislative Changes

\$6,241,175 R

\$6,241,175 R

(\$119,053) NR

(\$119,053) NR

Total Position Changes

-2.00

-2.00

Revised Budget

\$17,272,124

\$17,285,912

Treasurer - Retirement for Fire and Rescue

GENERAL FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$10,804,671	\$10,804,671

Legislative Changes

92 NO LEGISLATIVE ACTION REPORTED

Total Legislative Changes

Total Position Changes

Revised Budget	\$10,804,671	\$10,804,671
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TRANSPORTATION

Section K

Highway Fund

HIGHWAY FUND

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$1,798,936,717	\$1,798,493,030

Legislative Changes

Administration

1 Update Printing Operations

\$636,000 R

Funds are provided to consolidate print operations located at the Transportation Building and the Division of Motor Vehicles. A single printing services contract will be used, incorporating mainframe and network printing services for both locations.

2 Combined Registration & Tax Collection System - Database and Implementation

Funding from receipts is provided to continue the implementation of HB 1779. Receipts will fund the development of the Statewide database, which will calculate vehicle property taxes, and to implement the outstanding components required to complete the System.

Receipts (nonrecurring)

Database: FY 2009-10 - \$1,174,232; FY 2010-11 - \$1,043,460
 Implementation: FY 2009-10 - \$4,128,573; FY 2010-11 - \$7,798,424

Aviation Division

3 Aviation Funds

	(\$1,128,445) R	(\$1,125,523) R
	(\$871,555) NR	(\$874,477) NR

Funds for Aviation Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for the Aviation Division is \$17,349,592 in FY 2009-10 and \$17,291,543 in FY 2010-11.

Construction

4 Public Service and Access Road Funds

	(\$140,000) R	(\$140,000) R
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Funds for public service and access road construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for public service and access roads is \$1,860,000 in both years of the biennium.

5 Small Construction Funds

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

Funds for small construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for small construction is \$14,000,000 in both years of the biennium.

6 Contingency Funds

(\$1,050,000) R (\$1,050,000) R

Funds for contingency construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for contingency construction is \$13,950,000 in both years of the biennium.

7 Secondary Road Improvement Funds Reprogrammed to Maintenance

(\$84,481,404) NR

Notwithstanding G.S.136-44.2A, FY 2009-10 funding for the secondary roads improvement program from the Highway Fund is reprogrammed to Statewide maintenance programs (See Item 14, page K3) to prevent further deterioration of the State highway system due to reduced transportation revenues and maintenance expenditures.

8 Spot Safety Program

\$9,100,000 R \$9,100,000 R

Based on the Continuation Review, funding is changed from non-recurring to recurring.

Department-Wide

9 Administration Cuts - Receipts

Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles supported by Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

Receipts are reduced \$3,814,114 in FY 2009-10 and \$2,736,189 in FY 2010-11. Eleven vacant positions are eliminated in FY 2009-10 and an additional vacant position is eliminated in FY 2010-11.

FY 09-10

FY 10-11

10 Administration Cuts

Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles are reduced for the biennium. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Twenty-two vacant positions are eliminated in FY 2009-10.

(\$7,181,194)	R	(\$6,788,533)	R
(\$4,528,043)	NR	(\$4,524,423)	NR
-22.00		-22.00	

The total budget for DOT - General Administration is \$80,810,522 in FY 2009-10 and \$81,897,273 in FY 2010-11. The total budget for DOT - Highway Division Administration is \$32,938,983 in FY 2009-10 and \$32,993,177 in FY 2010-11. The total DMV budget is \$101,732,813 in FY 2009-10 and \$101,747,629 in FY 2010-11.

Division of Motor Vehicles

11 National Motor Vehicle Title Compliance

Funds are provided to comply with new federal legislation that requires states to report additional motor vehicle title information from all salvage and junk yards in the State.

\$264,359	R	\$264,359	R
\$96,460	NR		
4.00		4.00	

Funds are provided for 4 License and Theft Inspector positions (\$38,612 each).

Ferry Division

12 Implement Coast Guard Requirements for Manning of Vessels

US Public Law 109-241, Section 301, passed in 2006, expanded the definition of a ferry to include State-operated passenger ferries. As a result, State ferry operations are required to operate under the US Coast Guard regulations (46 USC). In order to comply with these new federal requirements, funds are provided for additional field ferry vessel personnel and rescue boats.

\$3,116,267	R	\$3,116,267	R
\$400,000	NR		
79.00		79.00	

Positions include 20 Ferry Oiler positions (\$33,445 each), 27 Ferry Member II positions (\$32,232 each), 27 Ferry Crew Member I positions (\$28,265 each), and 5 Marine Pipefitter and Welder positions (\$42,121 each).

The 79 positions cost \$2,512,924 in salaries and \$603,343 in benefits.

Nine rescue boats are funded at \$400,000 in FY 2009-10.

13 Ferry Funds

Funds for the Ferry Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

(\$2,155,497)	R	(\$2,155,497)	R
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The total budget for the Ferry Division is \$30,126,209 in FY 2009-10 and \$29,726,209 in FY 2010-11.

Maintenance**14 Maintenance Funds**

Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2010-11.

\$12,808,444 NR

The total budget for maintenance is \$909,957,588 in FY 2009-10. Changes include:

	Adj (NR)	Total
Primary System	\$2,951,041	\$206,701,413
Secondary System	\$4,209,372	\$294,839,472
Contract Resurfacing	\$3,919,356	\$274,525,663
System Preservation	\$1,122,003	\$ 78,589,071
General Maintenance Reserve	\$ 606,672	\$ 55,301,969

15 Maintenance Funds

Reduces funds for maintenance of the State's highway infrastructure to align overall expenditures for the Highway Fund with projected revenues for FY 2010-11.

(\$57,139,505) R
(\$48,349,424) NR

The total budget for maintenance is \$791,660,215 in FY 2010-11. Changes include:

	Adj (R)	Adj (NR)	Total
Primary System	\$-13,053,866	\$-12,760,379	\$180,887,168
Secondary System	\$-19,223,529	\$-12,440,729	\$263,175,214
Contract Resurfacing	\$-17,801,562	\$-12,480,686	\$244,243,415
System Preservation	\$ -4,086,001	\$-10,667,630	\$ 63,835,440
Gen. Maintenance Res	\$ -2,974,547	\$ 0	\$ 39,518,978

OSHA**16 Workplace Safety and Health Funds**

Reduces funds for OSHA to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

(\$52,208) R
(\$17,403) NR (\$52,208) R
(\$17,403) NR

The total transfer to OSHA is \$355,389 in both years of the biennium.

Public Transportation Division**17 Public Transportation Funds**

Funds for public transportation programs are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

(\$16,366,078) R
(\$8,582,189) NR (\$16,426,078) R
(\$8,486,189) NR

The total budget for the Public Transportation Division is \$71,595,962 in FY 2009-10 and \$71,631,962 in FY 2010-11.

Reserves**18 Salary Adjustment Fund**

Recurring funds available for salary adjustments are eliminated for the 2009-11 biennium.

(\$3,922,758) R (\$3,922,758) R

Senate Subcommittee on Transportation

FY 09-10

FY 10-11

19 Retirement System Contribution

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

Employer contributions to the retirement system are increased to maintain the System's actuarially sound status.

State Highway Patrol

20 SHP - Establish Management Flexibility Reserve

(\$5,608,242) R (\$5,608,242) R

Establishes a management flexibility reserve to provide the State Highway Patrol with the flexibility to manage additional reductions totaling \$5,608,242.

21 SHP - Operating Cuts

(\$2,253,000) R (\$2,253,000) R
 (\$1,500,000) NR (\$1,450,000) NR

Funding for various operating accounts are reduced across the agency.

22 SHP - Freeze Step Increase for Troopers

(\$1,674,280) NR (\$3,373,932) NR

The step increase for the salaries of Troopers are frozen for both years of the biennium.

23 SHP - Eliminate Continuation Budget Increases

(\$2,832,607) R (\$2,647,712) R

Eliminates additions included in the Continuation Budget.

	FY2009-10	FY2010-11
531321 Contractual Staff	\$77,825	\$77,825
531411 Overtime	\$400,000	\$400,000
531421 Holiday Pay	\$140,000	\$140,000
531431 Shift Premium	\$470,000	\$470,000
531572 Unemployment Comp	\$ 20,000	\$ 20,000
531631 Workers Comp Med	\$726,000	\$541,105
531632 Workers Comp Disab	\$222,468	\$222,468
532170 Admin Services	\$150,000	\$150,000
532199 Misc Contract Serv	\$626,314	\$626,314

Statutory Adjustments

24 Aid to Municipalities

\$2,589,860 R \$2,986,368 R

Adjusts funding for aid to municipalities based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1.

The total budget for aid to municipalities is \$87,071,264 in FY 2009-10 and \$86,200,551 in FY 2010-11.

25 Leaking Underground Storage Tank Fund

\$590,000 R \$810,000 R

Adjusts budget for the Leaking Underground Storage Tank Fund based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

The total transfer to this trust fund is \$2,500,123 in FY 2009-10 and \$2,550,553 in FY 2010-11.

26 Secondary Road Improvement Program Funds

\$2,986,368 R

Adjusts funding in FY 2010-11 for secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

The total budget for the secondary road improvement program is \$86,200,551 in FY 2010-11.

Transfers**27 State Health Plan**

\$5,992,476 R \$12,502,192 R

Provides additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway fund for the biennium as appropriated in Senate Bill 287 (Third Edition). These appropriations correspond to an annual 8.6% premium increase in non-contributory premium rates for the fiscal year beginning July 1, 2009, and an additional annual premium increase of 8.6% for the fiscal year beginning July 1, 2010.

28 Department of Health and Human Services

(\$49,680) R (\$49,680) R

Funds for the Chemical Test Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is \$660,039.

Total Legislative Changes

(\$27,086,747) R (\$72,957,182) R

(\$88,349,970) NR (\$67,075,848) NR

Total Position Changes

61.00 61.00

Revised Budget

\$1,683,500,000 \$1,658,460,000

Highway Trust Fund

HIGHWAY TRUST FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$1,014,750,000		\$1,057,460,000	
Legislative Changes				
Highway Trust Fund				
29 Transfer to General Fund			(\$367,350)	R
Reduces transfer to General Fund in FY 2010-11 to \$2,561,829 in accordance with G.S. 105-187.9(b)2.				
30 Urban Loops	(\$37,512,354)	R	(\$41,238,334)	R
Reduces funds for the Urban Loops to \$110,759,502 for FY 2009-10 consistent with new revenue estimates and statutory formula.				
31 Administration	(\$7,510,080)	R	(\$8,278,560)	R
Reduces funds for administration to \$41,092,320 in FY 2009-10 consistent with new revenue estimates and statutory formula.				
32 Aid to Municipalities	(\$9,733,745)	R	(\$10,700,565)	R
Reduces funds for Aid to Municipalities to \$39,893,942 for FY 2009-10 consistent with new revenue estimates and statutory formula.				
33 Intrastate System	(\$92,770,076)	R	(\$101,984,625)	R
Reduces funds for the Intrastate System to \$352,674,316 for FY 2009-10 consistent with new revenue estimates and statutory formula.				
34 Secondary Road Construction	(\$9,733,745)	R	(\$10,700,566)	R
Reduces funds for the Secondary Road construction program to \$57,777,091 for FY 2009-10 consistent with new revenue estimates and statutory formula.				
Total Legislative Changes	(\$157,260,000)	R	(\$173,270,000)	R
Total Position Changes				
Revised Budget	\$857,490,000		\$884,190,000	

Turnpike Authority

TURNPIKE AUTHORITY

	FY 09-10	FY 10-11
Adjusted Continuation Budget	\$0	\$0

Legislative Changes

Turnpike Authority

35 Administration - Receipts

Salary and operating funds available for administration of the Turnpike Authority supported from the Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for this receipt account with projected revenues for the 2009-11 biennium.

Receipts (Recurring):
2009-10: (\$569,925)
2010-11: (\$413,826)

Total Legislative Changes

Total Position Changes

Revised Budget	\$0	\$0
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**RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L**

Statewide Reserves

GENERAL FUND

	FY 09-10		FY 10-11	
Adjusted Continuation Budget	\$223,721,416		\$96,721,416	

Legislative Changes

A. Employee Benefits

1 Teachers and School Based Administrators Salary Increases	\$56,765,776	R	\$56,765,776	R
Provide funds to support salary increases for teachers, instructional support, principals and assistant principals in local Public Schools and State agency based Public Schools.	\$8,674,720	NR		

Teachers and Instructional Support - Funds are provided to support an experienced based step increase for teachers and instructional support personnel averaging 1.80%. Teachers and Instructional support at the top of the experience based salary schedule will receive a 1.8% one-time lump sum bonus.

Principals and Assistant Principals - Funds are provided to support an experience based step-increase for school board administrators averaging 1.59%. School based administrators who are at the top of the experience based salary schedule will receive a 2.0% one-time lump sum bonus.

2 Salary Adjustment Fund	(\$4,500,000)	R	(\$4,500,000)	R
Eliminate funding in the continuation budget for the Salary Adjustment Fund.				

3 State Retirement System Contributions	\$21,000,000	R	\$21,000,000	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System for the 2009-11 biennium as recommended by the System's actuary.				

4 Judicial Retirement System Contributions	\$1,300,000	R	\$1,300,000	R
Increases the State's contribution to the Consolidated Judicial Retirement System for the 2009-11 biennium as recommended by the System's actuary.				

5 State Health Plan	\$128,410,208	R	\$267,904,114	R
Provides additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the General fund for the biennium as appropriated in Senate Bill 287 (Third Edition). These appropriations correspond to an annual 8.6% premium increase in non-contributory premium rates for the fiscal year beginning July 1, 2009, and an additional annual premium increase of 8.6% for the fiscal year beginning July 1, 2010.				

B. Other Reserves**6 Federal Economic Recovery Management and Accountability**

Provides funding for the Office of Economic Recovery Management and Accountability to maximize the use of federal economic recovery funds, report on the uses of these funds, and measure progress of the recovery effort.

\$1,000,000	NR	\$1,000,000	NR
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7 Budget E-Procurement Receipts

Budgets projected over-realized receipts from the E-Procurement transaction fee in the second year of the biennium, consistent with the Governor's recommendations.

(\$10,000,000)	R
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8 Administrative Support Reduction

Reduces funding for administrative support to a 10:1 ratio, consistent with recommendations from the Governor.

(\$3,000,000)	R	(\$4,000,000)	R
-75.00		-100.00	

9 Job Development Incentive Grants Reserve

Reduces budget to requirements based on projected payment schedule.

(\$8,400,000)	NR
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10 Biomedical Research Imaging Center (BRIC)

Eliminates continuation budget appropriations for the construction of BRIC. Construction of BRIC will be funded with "Two-thirds" general obligation bonds.

(\$172,000,000)	NR	(\$45,000,000)	NR
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11 Reserve for the Biomedical Research Imaging Center (BRIC)

Establishes a reserve of funds for BRIC that can be spent only if the Council of State fails to issue bonds authorized for the construction of BRIC.

\$74,000,000	NR	\$100,000,000	NR
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B. Statewide Reserves**12 Reduction to Information Technology Initiative Reserve**

Reduces funding to IT Initiatives Reserve to the amount appropriated for the IT Fund for State fiscal years 2009-2010 and 2010-2011.

(\$5,459,431)	NR	(\$5,459,431)	NR
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C. Debt Service**13 Adjust Debt Service Payments**

Modifies budgeted debt service payments to correspond to projected payment schedule.

(\$7,500,000)	NR	\$7,307,323	R
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Total Legislative Changes	\$199,975,984	R	\$335,777,213	R
	(\$109,684,711)	NR	\$50,540,569	NR
Total Position Changes	-75.00		-100.00	
Revised Budget	\$314,012,689		\$483,039,198	

CAPITAL
Section M

Capital

GENERAL FUND

FY 09-10

FY 10-11

B. Department of Environment and Natural Resources

1 Water Resources Development Projects

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

\$17,600,000 NR

C. General Obligation Bonds

2 UNC Chapel Hill - Biomedical Research Imaging Center (BRIC)

Authorizes the issuance of general obligation bonds under Article V, Section 3(1) of the NC Constitution for construction of the Biomedical Research Imaging Center (BRIC). The facility will house research on the use of imaging to detect, diagnose, and treat cancer. The facility will also house lab and drug research space. BRIC will facilitate the collaboration of cross disciplinary researchers. The facility will contribute to the UNC Tomorrow committee's goal of improving health and wellness. The building size will be no more than 343,000 square feet. The total project cost is \$260 million.

The General Assembly appropriated \$8 million in FY 2007-08. In FY 08-09, the General Assembly appropriated \$35 million for planning, site development, and material prepurchase, of which only \$12.5 million was allocated. The remaining \$22.5 million sequestered by the Governor to manage budget shortfall. The total debt authorized is \$240 million.

A special provision revises the statutory appropriation for BRIC in G.S. 116-29.5. This statute would now appropriate \$74 million to a reserve for expenditure on constructing BRIC, if the Council of State does not authorize the issuance of debt for the project. In the event that the Council of State authorizes the issuance of an amount less than \$74 million, then the unauthorized balance would be offset by this BRIC Reserve.

The provision further revises G.S. 116-29.5 to appropriate \$100 million in FY 2010-11, \$50 million in FY 2012-13, and \$16 million in FY 2013-14 towards the project.

Total Appropriation to Capital

\$17,600,000 NR

**INFORMATION
TECHNOLOGY
SERVICES
Section N**

Information Technology Services

SPECIAL FUND

	FY 2009-10		FY 2010-11
Recommended Budget Adjustments	\$0		\$0

Legislative Changes

IT Operations

1 Administration	\$0	R	\$0	R
Eliminates appropriated funding to support the Office of the State Chief Information Officer and requires the Office to include required funding in agency rates.				
2 Business Infrastructure	\$423,196	R	\$423,196	R
Provides funding to support Statewide business infrastructure requirements.				
3 Enterprise Security and Risk Management Office	\$1,497,298	R	\$1,497,298	R
Provides funding to support the operation of the Enterprise Security and Risk Management Office.				
4 Asset Management	\$2,063,691	R	\$2,063,691	R
Provides funding to allow the State to account for and manage information technology assets.				
5 Enterprise Program Management Office	\$1,700,286	R	\$1,700,286	R
Provides funding for the Enterprise Program Management Office.				
6 Architecture and Engineering	\$957,136	R	\$957,136	R
Provides funding for Statewide architecture and engineering requirements.				
7 Geographic Information System	\$650,000	R	\$650,000	R
Transfers the Center for Geographic Information and Analysis to the Office of the State Chief Information Officer and funds seven positions.				
	7.00		7.00	
8 Enterprise Licenses	\$600,000	R	\$600,000	R
Provides funding for Statewide software licenses that benefit multiple agencies.				

IT Projects

9 Email Initiatives	\$686,749	R	\$686,749	R
Provides funding to support Statewide email requirements.				
10 State Web Page	\$65,176	R	\$65,176	R
Provides funding for the State website.				

Senate Subcommittee on Information Technology	FY 2009-10		FY 2010-11	
11 Enterprise Identity Management Provides the State with technology to support identity management, authentication, and authorization of users.	\$1,416,831	R	\$1,416,831	R
12 Information Technology Consolidation Provides funding to continue the Information Technology Consolidation program.	\$2,661,041	R	\$2,661,041	R
Total Legislative Changes	\$12,721,404	R	\$12,721,404	R
Total Position Changes	7.00		7.00	
Total Budget Adjustments	\$12,721,404		\$12,721,404	