

**N. C. HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE**

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

House Bill 950, Third Edition

May 30, 2012

**THIS REPORT INCLUDES ALL AMENDMENTS ADOPTED
THROUGH MAY 30, 2012.**

NORTH CAROLINA HOUSE OF REPRESENTATIVES

2012

Appropriations Committee Chairs

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Representative Jim Crawford, Chair

Representative Nelson Dollar, Chair

Representative Mitch Gillespie, Chair

Representative Linda Johnson, Chair

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| General Fund Availability | FY 2012-13 |
|---|-----------------------|
| Unappropriated Balance Remaining | 41,232,325 |
| Anticipated Overcollections from FY 2011-12 | 232,500,000 |
| Anticipated Reversions for FY 2011-12 | 205,500,000 |
| Net Supplemental Medicaid Appropriation (S.L. 2012-2; SB 797) | (154,000,000) |
| Less Earmarkings of Year End Fund Balance | |
| Savings Reserve Account | 0 |
| Repairs and Renovations Reserve Account | (62,048,960) |
| Beginning Unreserved Fund Balance | 263,183,365 |
| | |
| Revenue Based on Existing Tax Structure | 18,931,200,000 |
| | |
| Non-tax Revenue | |
| Investment Income | 21,600,000 |
| Judicial Fees | 258,700,000 |
| Disproportionate Share | 115,000,000 |
| Insurance | 73,700,000 |
| Other Non-tax Revenues | 304,400,000 |
| Highway Trust Fund Transfer | 27,600,000 |
| Highway Fund Transfer | 212,280,000 |
| Total - Non-Tax Revenues | 1,013,280,000 |
| | |
| Subtotal General Fund Availability | 20,207,663,365 |
| | |
| Adjustments to Availability: 2012 Session | |
| Education Lottery Revenue to K-12 | 41,974,141 |
| E-Commerce Reserve Cash Balance | 1,347,397 |
| Charitable Licensing Receipts | 979,752 |
| One NC Fund Cash Balance | 30,000,000 |
| Insurance Regulatory Fund | 166,613 |
| Work Opportunity Tax Credit Extension | (800,000) |
| Sales Tax Refund Application Extension for Passenger Air Carriers | (6,300,000) |
| Judicial Fees | (290,000) |
| Sale of State Assets Receipt | (20,000,000) |
| Highway Fund Transfer | 7,879,151 |
| Teaching Fellows Trust Fund Cash Balance | 543,526 |
| Information Technology Internal Service Fund Cash Balance | 4,000,000 |
| Reserve for HB 1104 (Equal Opportunity Tax Credit) | (617,379) |
| National Mortgage Settlement | 9,610,000 |
| | |
| Subtotal Adjustments to Availability: | 68,493,201 |
| | |
| Revised Total General Fund Availability | 20,276,156,566 |
| Less General Fund Appropriations | 20,276,156,566 |
| | |
| Balance Remaining | 0 |

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SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

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SUMMARY OF GENERAL FUND APPROPRIATIONS

Fiscal Year 2012-13

| | 2011 Approved Budget | Legislative Adjustments | | | FTE Changes | Revised Appropriation 2012-13 |
|---|-----------------------|-------------------------|--------------------------|---------------------|-----------------|-------------------------------|
| | | Recurring Adjustments | Nonrecurring Adjustments | Net Changes | | |
| Education | | | | | | |
| Community Colleges | 985,000,000 | 0 | 10,000,000 | 10,000,000 | 0.00 | 995,000,000 |
| Public Education | 7,444,122,100 | 18,514,297 | 229,598,163 | 248,112,460 | 0.00 | 7,692,234,560 |
| University System | 2,551,672,698 | (15,453,741) | 26,011,882 | 10,558,141 | 0.00 | 2,562,230,839 |
| Total Education | 10,980,794,798 | 3,060,556 | 265,610,045 | 268,670,601 | 0.00 | 11,249,465,399 |
| Health and Human Services | | | | | | |
| Central Management and Support | 44,577,987 | (7,652,058) | 9,159,699 | 1,507,641 | (50.00) | 46,085,628 |
| Aging and Adult Services | 37,019,667 | 0 | 1,500,000 | 1,500,000 | 0.00 | 38,519,667 |
| Blind and Deaf / Hard of Hearing Services | 8,372,886 | (168,336) | 0 | (168,336) | 0.00 | 8,204,550 |
| Child Development | 266,102,933 | 15,000,000 | (500,000) | 14,500,000 | 0.00 | 280,602,933 |
| Health Service Regulation | 16,133,031 | 0 | 1,792,559 | 1,792,559 | 0.00 | 17,925,590 |
| Medical Assistance | 2,907,276,302 | 89,237,479 | 41,033,537 | 130,271,016 | 0.00 | 3,037,547,318 |
| Mental Health, Dev. Disabilities and Sub. Abuse | 710,712,232 | 13,810,584 | (10,227,000) | 3,583,584 | 431.10 | 714,295,816 |
| NC Health Choice | 83,717,865 | (2,007,430) | 0 | (2,007,430) | 0.00 | 81,710,435 |
| Public Health | 157,538,834 | 2,196,181 | 18,574,214 | 20,770,395 | 120.50 | 178,309,229 |
| Social Services | 186,183,068 | (9,079,116) | 0 | (9,079,116) | 0.00 | 177,103,952 |
| Vocational Rehabilitation | 37,528,128 | 0 | 0 | 0 | 0.00 | 37,528,128 |
| Total Health and Human Services | 4,455,162,933 | 101,337,304 | 61,333,009 | 162,670,313 | 501.60 | 4,617,833,246 |
| Justice and Public Safety | | | | | | |
| Public Safety | 1,694,715,876 | (12,107,833) | (4,415,000) | (16,522,833) | (115.48) | 1,678,193,043 |
| Judicial Department | 435,141,107 | 1,172,655 | 0 | 1,172,655 | 33.00 | 436,313,762 |
| Judicial - Indigent Defense | 112,748,733 | 0 | 0 | 0 | 0.00 | 112,748,733 |
| Justice | 80,864,138 | (2,285,755) | (2,853,003) | (5,138,758) | (21.00) | 75,725,380 |
| Total Justice and Public Safety | 2,323,469,854 | (13,220,933) | (7,268,003) | (20,488,936) | (103.48) | 2,302,980,918 |

SUMMARY OF GENERAL FUND APPROPRIATIONS

Fiscal Year 2012-13

| | 2011 Approved Budget | Legislative Adjustments | | | FTE Changes | Revised Appropriation 2012-13 |
|--|-------------------------|--------------------------|-----------------------------|-------------------|----------------|-------------------------------------|
| | | Recurring Adjustments | Nonrecurring Adjustments | Net Changes | | |
| <u>Natural and Economic Resources</u> | | | | | | |
| Agriculture and Consumer Services | 62,198,634 | 48,184,585 | 1,391,439 | 49,576,024 | 519.06 | 111,774,658 |
| Commerce | 33,250,463 | 8,210,202 | 8,000,000 | 16,210,202 | 0.50 | 49,460,665 |
| Commerce - State Aid | 30,151,984 | 993,538 | 639,500 | 1,633,038 | 0.00 | 31,785,022 |
| Environment and Natural Resources | 148,148,105 | (45,068,945) | 200,000 | (44,868,945) | (434.82) | 103,279,160 |
| Clean Water Mgmt. Trust Fund | 11,250,000 | (11,250,000) | 11,250,000 | 0 | 0.00 | 11,250,000 |
| Labor | 15,836,887 | 0 | 0 | 0 | 0.00 | 15,836,887 |
| NC Biotechnology Center | 17,551,710 | 0 | 0 | 0 | 0.00 | 17,551,710 |
| Rural Economic Development Center | 25,376,729 | 0 | 0 | 0 | 0.00 | 25,376,729 |
| Wildlife Resources Commission | 17,221,179 | 478,821 | 0 | 478,821 | 0.00 | 17,700,000 |
| Total Natural and Economic Resources | 360,985,691 | 1,548,201 | 21,480,939 | 23,029,140 | 84.74 | 384,014,831 |
| <u>General Government</u> | | | | | | |
| Administration | 66,353,073 | (2,972,198) | 1,969,531 | (1,002,667) | (13.00) | 65,350,406 |
| Auditor | 10,676,035 | (160,141) | 0 | (160,141) | (1.00) | 10,515,894 |
| Cultural Resources | 61,697,001 | 277,603 | 225,000 | 502,603 | (7.00) | 62,199,604 |
| Cultural Resources - Roanoke Island Comm. | 1,203,491 | (330,000) | 0 | (330,000) | 0.00 | 873,491 |
| General Assembly | 50,104,208 | 4,445,081 | (2,318,945) | 2,126,136 | 31.60 | 52,230,344 |
| Governor | 4,741,157 | (84,466) | 0 | (84,466) | (1.00) | 4,656,691 |
| Housing Finance Agency | 9,673,051 | (187,879) | (4,309,998) | (4,497,877) | 0.00 | 5,175,174 |
| Insurance | 36,393,921 | 459,055 | 0 | 459,055 | 3.00 | 36,852,976 |
| Insurance - Worker's Compensation Fund | 2,623,654 | 0 | 1,876,346 | 1,876,346 | 0.00 | 4,500,000 |
| Lieutenant Governor | 695,324 | (4,166) | 0 | (4,166) | (1.00) | 691,158 |
| Office of Administrative Hearings | 4,142,258 | 60,700 | 0 | 60,700 | 0.00 | 4,202,958 |
| Revenue | 78,199,538 | (757,866) | 0 | (757,866) | (10.00) | 77,441,672 |
| Secretary of State | 10,654,563 | 816,936 | 0 | 816,936 | 9.43 | 11,471,499 |
| State Board of Elections | 5,126,603 | (76,899) | 663,936 | 587,037 | 0.00 | 5,713,640 |
| State Budget and Management (OSBM) | 5,848,663 | (288,912) | 0 | (288,912) | (4.00) | 5,559,751 |
| OSBM - Special Appropriations | 440,612 | (390,612) | 2,000,000 | 1,609,388 | 0.00 | 2,050,000 |
| State Controller | 28,368,957 | 233,015 | 1,347,397 | 1,580,412 | (1.00) | 29,949,369 |
| Treasurer - Operations | 6,621,750 | 0 | 0 | 0 | 0.00 | 6,621,750 |
| Treasurer - Fire/Rescue Retirement | 17,812,114 | 0 | 0 | 0 | 0.00 | 17,812,114 |
| Total General Government | 401,375,973 | 1,039,251 | 1,453,267 | 2,492,518 | 6.03 | 403,868,491 |

SUMMARY OF GENERAL FUND APPROPRIATIONS

Fiscal Year 2012-13

| | 2011 Approved Budget | Legislative Adjustments | | | FTE Changes | Revised Appropriation 2012-13 |
|---|-------------------------|--------------------------|-----------------------------|----------------------|----------------|-------------------------------------|
| | | Recurring Adjustments | Nonrecurring Adjustments | Net Changes | | |
| Debt Service and Statewide Reserves | | | | | | |
| Debt Service: | | | | | | |
| Interest / Redemption | 759,984,974 | (52,904,635) | 0 | (52,904,635) | | 707,080,339 |
| Federal Reimbursement | 1,616,380 | 0 | 0 | 0 | | 1,616,380 |
| Subtotal Debt Service | 761,601,354 | (52,904,635) | 0 | (52,904,635) | | 708,696,719 |
| Statewide Reserves: | | | | | | |
| Contingency and Emergency Fund | 5,000,000 | 0 | 0 | 0 | | 5,000,000 |
| Information Technology Fund | 6,158,142 | 0 | (750,000) | (750,000) | | 5,408,142 |
| Job Development Investment Grants (JDIG) | 27,400,000 | 0 | (6,500,000) | (6,500,000) | | 20,900,000 |
| State Retirement System Contributions | 336,000,000 | (62,300,000) | | (62,300,000) | | 273,700,000 |
| Judicial Retirement System Contribution | 7,800,000 | | | 0 | | 7,800,000 |
| Firemen & Rescue Squad Workers Pension Fund | 5,366,928 | | | 0 | | 5,366,928 |
| State Health Plan | 102,151,104 | | | 0 | | 102,151,104 |
| Continuation/Justification Review Reserve | 35,576,758 | | (35,576,758) | (35,576,758) | | 0 |
| Compensation and Performance Pay Reserve | 121,105,840 | (121,105,840) | | (121,105,840) | | 0 |
| Compensation Bonus Reserve | | | 79,086,788 | 79,086,788 | | 79,086,788 |
| Disability Income Plan of North Carolina | | (8,688,000) | | (8,688,000) | | (8,688,000) |
| Severance Expenditure Reserve | | | 4,000,000 | 4,000,000 | | 4,000,000 |
| Automated Fraud Detection Development | 7,000,000 | | | 0 | | 7,000,000 |
| Controller - Fraud Detection Development | 500,000 | | | 0 | | 500,000 |
| State Health Plan | | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Transitions to Community Living Fund | | 50,000,000 | | 50,000,000 | | 50,000,000 |
| Eugenics Reserve Fund | | 750,000 | 10,300,000 | 11,050,000 | | 11,050,000 |
| VIPER Reserve | | | 20,000,000 | 20,000,000 | | 20,000,000 |
| Subtotal Statewide Reserves | 654,058,772 | (140,343,840) | 70,560,030 | (69,783,810) | | 584,274,962 |
| Total Reserves and Debt Service | 1,415,660,126 | (193,248,475) | 70,560,030 | (122,688,445) | | 1,292,971,681 |
| Total General Fund for Operations | 19,937,449,375 | (99,484,096) | 413,169,287 | 313,685,191 | 488.89 | 20,251,134,566 |

SUMMARY OF GENERAL FUND APPROPRIATIONS

Fiscal Year 2012-13

| | | Legislative Adjustments | | | | Revised |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------------|--------------------|--------------------|------------------------------|
| | 2011 Approved Budget | Recurring Adjustments | Nonrecurring Adjustments | Net Changes | FTE Changes | Appropriation 2012-13 |
| <u>Capital Improvements</u> | | | | | | |
| Western Regional Lab | | | 3,000,000 | 3,000,000 | | 3,000,000 |
| State Highway Patrol Training Academy | | | 13,300,000 | 13,300,000 | | 13,300,000 |
| Water Resources Development Projects | 0 | 0 | 8,722,000 | 8,722,000 | | 8,722,000 |
| Total Capital Improvements | 0 | 0 | 25,022,000 | 25,022,000 | | 25,022,000 |
| Total General Fund Budget | 19,937,449,375 | (99,484,096) | 438,191,287 | 338,707,191 | 488.89 | 20,276,156,566 |

EDUCATION
Section F

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Public Education

| |
|---------------------|
| GENERAL FUND |
|---------------------|

| | |
|---|------------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$7,444,122,100 |

Budget Changes

A. Technical Adjustments

1 Average Daily Membership (ADM) (\$6,423,088) R
 Revises projected ADM for FY 2012-13 to reflect 2,084 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted ADM for FY 2012-13 is 1,492,793, an increase of 11,802 students over FY 2011-12.

2 Average Teacher Salary (\$85,670,329) R
 Revises budgeted funding for certified personnel salaries based on actual salary data from December 2011. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

B. Other Public School Funding Adjustments

3 LEA Adjustment Reduction \$106,391,803 R
\$226,983,163 NR
 Provides funding to restore 66.3% of the LEA Adjustment. The remaining amount in FY 2012-13 will be \$169,662,974. The State Board of Education shall distribute the remainder of this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment.

Some of this funding is appropriated from projected surplus FY 2011-12 Lottery receipts (\$25.6 million) and projected additional FY 2012-13 Lottery receipts (\$16.4 million).

4 Textbooks (\$4,364,277) R
 Reduces funding for textbooks. \$22.8 million will remain in this allotment in FY 2012-13, \$615,188 below the 2011-12 budgeted amount.

5 Education Value Added Assessment System (EVAAS)

\$105,000 R

Funds the remaining recurring costs of this student and teacher performance analytics tool, with a total of \$1.95 million in recurring EVAAS support. The nonrecurring appropriation supports two additional EVAAS functionalities: 1) enabling direct access to value-added information for teachers who teach classes with an End Of Course/End Of Grade test, and 2) creating the capability for users to export EVAAS data and merge it with other relevant analyses.

\$430,000 NR

6 Regional Military Counselors

\$315,188 R

Provides funding for five additional military counselors, two in the Onslow County schools and three in the Cumberland County schools, due to the large population of military-connected students in these districts.

C. Pass-through Funds**7 Teaching Fellows Fund**

\$3,265,000 R

Modifies the budget reduction for program services from a recurring to nonrecurring reduction. The Teaching Fellows Fund Balance may be used on a one-time basis to support the costs associated with providing scholarships to the 2012-13 class. It is the intent of the General Assembly to resume full General Fund support for this program in FY 2013-14.

(\$3,265,000) NR

8 Teacher Cadet

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

\$150,000 NR

9 PTA Parental Involvement Initiative

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

\$200,000 NR

10 Tarheel Challenge

Provides funds to further develop the National Guard Tarheel Challenge Academy site in Badin, NC. Tarheel Challenge also receives \$767,719 in recurring funding for related activities.

\$4,000,000 NR

11 Teach for America

Provides additional support for Teach for America's (TFA) efforts to recruit, place and support teachers in North Carolina. TFA also receives a recurring \$900,000 appropriation to support this work.

\$900,000 NR

12 Communities in Schools

Provides additional funding for the operations of this program.

\$300,000 R

D. Department of Public Instruction**13 Residential Schools**

Restores nearly all of the \$5.5 million reduction made in anticipation of the closure of one of the three Residential Schools. None of the Residential Schools shall be closed. The Department of Public Instruction is strongly encouraged to maximize the use of all three facilities to generate receipts to further defray General Fund reductions to program operations.

\$5,150,000 R

14 Governor's Schools

Provides funding for this program that supports summer enrichment activities for talented high school students.

\$200,000 NR

15 Liability Insurance for Public School Personnel

The actual cost of securing the statewide liability insurance policy in school year 2011-12 was less than the appropriation. This reduction better aligns the appropriation with projected costs.

(\$555,000) R

| | | |
|-------------------------------|------------------------|----|
| Budget Changes | \$18,514,297 | R |
| | \$229,598,163 | NR |
| Total Position Changes | | |
| Revised Total Budget | \$7,692,234,560 | |

Community Colleges

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$985,000,000

Budget Changes

- 16 Enrollment Growth Adjustments** (\$12,108,704) R
Adjusts funds for FY 2012-13 based on the estimated decline in community college enrollment.

According to the FY 2011-12 spring enrollment census, enrollment has declined by 1.1% (2,663 full-time-equivalent students or FTE) from the FY 2011-12 budgeted enrollment of 251,017 and by 2.5% (6,335 FTE) from the current budgeted enrollment for FY 2012-13.

Total requirements will be reduced by \$31,705,796. Of this reduction, \$19,597,092 is due to revised tuition and fee revenue estimates based on the new enrollment estimates.
- 17 Management Flexibility Reduction** \$4,310,863 R
Provides funding to restore 5% of the management flexibility reduction. The remaining amount in FY 2012-13 will be \$83,233,302. The State Board of Community Colleges shall distribute the remaining reduction accounting for the unique needs of each college.
- 18 Enhance Math Instruction** \$4,210,790 R
Funds college-level mathematics courses at the same level as science, engineering and technology, providing colleges funding to enhance math instruction.
- 19 Eliminate Fee Increase** \$664,509 R
Eliminates the \$5 fee increase per continuing education course that was scheduled to take effect in FY 2012-13.

| | | |
|--|----------------------|----|
| 20 Multi-campus College Funding | \$2,922,542 | R |
| <p>Provides additional funds for multi-campus colleges (MCCs). Additionally, the State Board of Community Colleges shall eliminate the categorical allotment for MCCs and instead provide an additional base allotment through the Institutional and Academic Support formula to colleges with approved MCCs. The allotment shall be based on the number of FTE served at each campus.</p> | | |
| 21 Textile Technology Center | (\$487,436) | R |
| <p>Reduces the categorical allotment to the Textile Technology Center at Gaston College. These funds will instead be appropriated under the MCC funding formula. Total funding remaining for the Textile Technology Center will be \$353,952.</p> | | |
| 22 Additional Multi-campus College | \$487,436 | R |
| <p>Provides funds for addition of the Kimbrell Campus at Gaston College to the MCC funding formula.</p> | | |
| 23 NC Back-to-Work: Investing in Our Workforce | \$10,000,000 | NR |
| <p>Provides funding for a retraining program to prepare North Carolinians facing long-term unemployment for new careers. This program will provide students with job training, employability skills, and industry-recognized, third-party credentials. Participating colleges will be jointly recommended by the Department of Commerce and the Community Colleges System Office.</p> | | |
| <hr/> | | |
| Budget Changes | \$0 | R |
| | \$10,000,000 | NR |
| Total Position Changes | | |
| Revised Total Budget | \$995,000,000 | |
| <hr/> | | |

UNC System

| |
|---------------------|
| GENERAL FUND |
|---------------------|

| | |
|---|------------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$2,551,672,698 |

Budget Changes

- | | | |
|---|----------------|----|
| <p>24 Center for Public Television</p> <p>Restores \$9 million of the \$10.6 million in funding for the Center for Public Television, which was subject to a Continuation Review in FY 2011-12.</p> | \$9,058,141 | R |
| <p>25 Faculty Recruiting and Retention Fund</p> <p>Provides funding for the Faculty Recruiting and Retention Fund, which the General Assembly created in S.L. 2006-66, Sec. 22.12A, to offer salary increases to recruit and retain faculty members. This appropriation increases the Fund's total recurring budget to \$13 million.</p> | \$3,000,000 | R |
| <p>26 UNC Hospital Subsidy</p> <p>Eliminates the State subsidy to UNC Hospitals by converting the existing FY 2012-13 \$26 million non-recurring reduction to a recurring reduction and by eliminating the remaining \$18 million in the FY 2012-13 budget for UNC Hospitals.</p> | (\$44,011,882) | R |
| <p>27 Management Flexibility Reduction</p> <p>Provides funding to restore 4.1% of the management flexibility reduction. The remaining amount in FY 2012-13 will be \$405,898,778. The University of North Carolina Board of Governors shall allocate this reduction according to the terms of S.L. 2011-145, Sec. 9.6.</p> | \$17,273,483 | R |
| <p>28 NC Need-Based Scholarship</p> <p>Increases funding for the NC Need-Based Scholarship for students attending private institutions of higher education by \$4.5 million in FY 2012-13 and \$4.8 million in future years. Total funding for the program in FY 2012-13 will be \$86,351,588.</p> | \$4,781,517 | R |
| | (\$281,517) | NR |

29 Certain Private Education Institutions Grant

Provides nonrecurring funding for scholarships authorized under G.S. 116-43.5 for FY 2011-12 program participants.

\$281,517 NR

S.L. 2011-145, Section 9.18 eliminated this program effective 7/1/12. Beginning in FY 2012-13, students formerly served under this program may be eligible for the NC Need-Based Scholarship if they meet certain financial-need criteria.

30 Resident Tuition for Nonresident Students with Full Academic Scholarships

(\$6,055,000) R

Eliminates the tuition waiver that provides resident tuition for nonresident students with full academic scholarships.

31 NC National Guard Tuition Assistance Program

\$500,000 R

Restores a portion of the funds eliminated in FY 2009-10 for the National Guard Tuition Assistance Program

 Budget Changes

(\$15,453,741) R

\$26,011,882 NR

Total Position Changes
Revised Total Budget
\$2,562,230,839

DPI - Trust Special

Budget Code: 63501

| | FY 2012-13 |
|---|---------------------|
| Beginning Unreserved Fund Balance | \$4,286,450 |
| Total Budget Approved 2011 Session | |
| Requirements | \$10,461,782 |
| Receipts | \$10,461,782 |
| Positions | 0.00 |

Legislative Changes

Requirements:

| | | |
|---|--------------------|-----------|
| Teaching Fellows Trust Fund Operations | \$0 | R |
| Restores authority for NC Public School Forum to recruit and support an incoming class of 500 Teaching Fellows in 2012-13. These additional requirements shall be funded from proceeds available in the fund balance on a one-time basis and be supported by General Fund appropriations in future years. | \$3,265,000 | NR |
| | 0.00 | |
| Teaching Fellows Trust Fund Transfer | \$0 | R |
| Transfers \$543,526 from the cash balance of the Teaching Fellows Trust Fund to the General Fund for general availability. | \$543,526 | NR |
| | 0.00 | |
| Subtotal Legislative Changes | \$0 | R |
| | \$3,808,526 | NR |
| | 0.00 | |

Receipts:

| | | |
|-------------------------------------|------------|-----------|
| Teaching Fellows Trust Fund | \$0 | R |
| | \$0 | NR |
| Subtotal Legislative Changes | \$0 | R |
| | \$0 | NR |

House Appropriations Subcommittee on Education

FY 2012-13

| | |
|-----------------------------------|----------------------|
| Revised Total Requirements | \$14,270,308 |
| Revised Total Receipts | \$10,461,782 |
| Change in Fund Balance | (\$3,808,526) |
| Total Positions | 0.00 |

| | |
|---|------------------|
| Unappropriated Balance Remaining | \$477,924 |
|---|------------------|

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**HEALTH
&
HUMAN SERVICES
Section G**

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Health and Human Services

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$4,455,162,933

Budget Changes

(1.0) Division of Child Development

1 Block Grant Funding

Replaces state Smart Start funds with federal Block Grant funds. This continues a partial replacement of funds that Office of State Budget and Management conducted during FY 2011-12 in which \$4 million of Smart Start funds were replaced by \$4 million of Block Grant funds. (\$4,000,000) NR

2 NC Pre-K Program

Increases funds for NC Pre-K program. These additional funds will fund an additional 3,000 students within the program for 10 months for FY 2012-13. These funds and the lottery funds provide a total of 143,147,360 available for the NC Pre-K program. \$15,000,000 R

3 Literacy Pilot, Development Consultants, and Rural Partnership Assistance

Provides funding for early literacy initiatives to be administered by North Carolina Partnership for Children. These initiatives include: the Reach Out and Read program, Raising a Reader, parenting programs and lending libraries. Funds shall be used to enhance technical assistance to local partnerships in the areas of grant writing and fund-raising activities. Funding shall also be used to enhance local rural partnerships' funds. \$3,500,000 NR

(2.0) Division of Medical Assistance

4 Medicaid Rebase

Provides additional funds for the Medicaid program based upon projected growth in number of people eligible for Medicaid and growth in consumption. \$168,676,461 R

5 Medicaid Liabilities

Provides funds for repayment of the FY 2009 federal overdraw and repayment to the federal government resulting from a policy change on drug rebates. \$55,033,537 NR

| | | |
|---|----------------|----|
| <p>6 DHHS Savings Through CCNC Reduces funds based upon projected savings to be achieved by Community Care North Carolina (CCNC) and its networks in the management of health care for Medicaid recipients.</p> | (\$59,241,142) | R |
| <p>7 Behavioral Health Medicaid 1915 b/c Waiver Increases the savings anticipated as a result of the state-wide expansion of the 1915 b/c waiver sites. This additional savings is based upon the schedule provided by the Division of Medical Assistance.</p> | (\$630,000) | R |
| <p>8 Fraud, Waste, and Abuse Detection and Prevention Reduces funding available in the Medicaid program in anticipation of savings through the efforts of detecting fraud and waste among Medicaid providers and recipients. There are two information technology efforts underway to combat fraud, waste, and abuse through the Division's Fraud and Abuse Management System.</p> | (\$3,807,519) | R |
| <p>9 Restructure Fee for Service Payments Revises payment structures for various services provided within the Medicaid program. These changes will result in bundling of payments for services based upon a period of time or a diagnosis instead of fee-for-service.</p> | (\$1,976,636) | R |
| <p>10 Pharmacy Improvements Creates savings through increased usage by facilities who utilize the 340B pricing program for the purchase of hemophilia drugs. In addition, the Department shall increase the use of prior authorization and lower dispensing fees to achieve savings within the Medicaid program.</p> | (\$6,671,507) | R |
| <p>11 High Tech Imaging Savings Reduces funds in anticipation of savings through better management of outpatient cardiac imaging services to avoid unnecessary utilization of these services.</p> | (\$1,656,721) | R |
| <p>12 CHIPRA Bonus Reduces Medicaid funding to budget anticipated federal Children's Health Insurance Program Reauthorization Act (CHIPRA) bonus for Health Choice enrollment growth.</p> | (\$14,000,000) | NR |

| | | |
|---|---------------|----|
| 13 CCNC Home Health Initiatives | (\$4,455,457) | R |
| Budgets savings anticipated from the implementation of a CCNC initiative that will manage home health care to ensure the provision of medically appropriate services. | | |
| 14 Non-Emergency Medical Transportation | (\$1,000,000) | R |
| Reduces state funds in anticipation of savings to be realized through improved management and oversight of Medicaid non-emergency medical transportation services. | | |
| (3.0) NC Health Choice | | |
| 15 Health Choice Costs | (\$1,919,704) | R |
| Adjusts Health Choice budget to expected expenditure level for FY 2012-13. This adjustment is based upon the projected rate of consumption and mix of services. This adjustment should not impact the open-enrollment policy for the program. There are approximately 148,000 children enrolled in Health Choice. | | |
| 16 Fee for Service Payments | (\$21,959) | R |
| Reduces Health Choice budget to reflect expected savings that will result from fee for service payments which will be converted to all-inclusive or fixed rates for selected services. | | |
| 17 Pharmacy Improvements | (\$17,936) | R |
| Reduces the Health Choice budget to reflect savings that will be achieved through the implementation of a specialty pharmacy for hemophilia drugs. | | |
| 18 CCNC Home Health Services Initiative | (\$47,831) | R |
| Budgets savings anticipated from the implementation of a CCNC initiative that will manage home health care to ensure the provision of medically appropriate services. | | |
| (4.0) Division of Health Service Regulation | | |
| 19 Nursing Home Licensure and Certification | \$1,792,559 | NR |
| Provides funds to replace lost receipts from civil fines and penalties assessed against nursing homes. Funds will be used for DHSR Nursing Home licensure staff positions. | | |

(5.0) Division of Central Management and Support

| | | |
|---|---------------|---|
| 20 Administrative Efficiencies | (\$1,000,000) | R |
| Reduces DHHS budget due to elimination of seat management funds, the elimination of positions vacant two years or more, reorganizations, and expired contracts. | | |
| 21 Budget DOA Cost Allocation Receipts | (\$544,000) | R |
| Replaces state funds due to the implication of a cost allocation plan for the Office of Property Construction and the Office of Public Affairs. | | |
| 22 DIRM Contracts | \$5,599,390 | R |
| Restores recurring State General Fund Appropriations for the Division of Information Resources Management (DIRM) for various contracts for Department-wide IT services. | | |
| 23 ITS Refunds | (\$1,047,749) | R |
| Reduces State General Fund Appropriation in anticipation of a reduction in costs for Information Technology Services (ITS). This reduction is based upon current year's charges to DHHS by ITS. | | |
| 24 Vacant Positions | (\$1,500,000) | R |
| Eliminates 50 vacant positions department-wide and, to the extent possible, minimizes the elimination of positions within the Division of State-Operated Healthcare Facilities. There are currently approximately 650 positions vacant within DHHS. | | |
| | -50.00 | |

25 Non-State Entity Pass-Through Funds

| | |
|---------------|----|
| (\$9,159,699) | R |
| \$9,159,699 | NR |

Replaces \$9,159,699 in recurring special appropriation (pass-through) funds for the following non-state entities with non-recurring funds:

North Carolina Senior Games, Inc. - \$121,481
 ARC of North Carolina - \$305,598
 ARC of North Carolina – Wilmington - \$51,048
 Autism Society of North Carolina - \$2,941,818
 The Mariposa School for Children with Autism - \$339,879
 Easter Seals UCP of North Carolina - \$76,792
 Easter Seals UCP of North Carolina and Virginia - \$1,542,647
 ABC of North Carolina Child Development Center - \$366,703
 Residential Services, Inc. - \$ 246,424
 Oxford House, Inc. - \$200,000
 Brain Injury Association of North Carolina - \$225,223
 Food Bank of Central and Eastern North Carolina, Inc. - \$333,334
 Food Bank of the Albemarle - \$333,334
 Manna Food Bank - \$333,334
 Second Harvest Food Bank of Metrolina, Inc - \$333,334
 Second Harvest Food Bank of Northwest North Carolina, Inc. - \$333,332
 Prevent Blindness NC - \$308,163
 Second Harvest Food Bank of Southeast NC \$333,332

(6.0) Division of Social Services**26 Adoption Vendor Payments**

| | |
|---------------|---|
| (\$2,025,649) | R |
|---------------|---|

Reduces funds for adoption vendor services through efficiencies gained by better program oversight by the Division of Social Services.

27 FMAP IV-E Child Welfare Services

| | |
|-------------|---|
| (\$379,116) | R |
|-------------|---|

Increases State General Funds due to changes in the Federal Medical Assistance Percentage (FMAP). The change from 65.28% to 65.51% goes into effect in October of 2012.

28 Foster Care Efficiencies

| | |
|---------------|---|
| (\$6,674,351) | R |
|---------------|---|

Reduces funds for the Foster Care Program due to a change in the case mix of foster care children in the care of the Division of Social Services.

(7.0) Division of Aging and Adult Services**29 Home and Community Care Block Grant**

Increases funding for the Home and Community Care Block Grant (HCBG). This grant funds programs designed to allow seniors to live independently in their communities. Funding will provide services for 1,100 persons.

\$1,250,000 NR

30 Project Care

Provides funding for Project Care in the Division of Aging and Adult Services to support families caring for individuals with Alzheimers.

\$250,000 NR

(8.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing**31 Budget Increased Telecommunications Receipts**

Replaces state funds for the administration of the Division of Services for the Deaf and Hard of Hearing with receipts from the Telecommunications Relay Fund.

(\$168,336) R

(10.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**32 Community Services Funding**

Continues non-recurring reduction to local management entities' (LME) community services funding for FY 2012-13. Approximately \$355 million in State general funds remain in the budget for LMEs to purchase community-based services

(\$10,000,000) NR

33 Federal Block Grant Funding

Replaces State General Fund Appropriations with federal Substance Abuse Prevention and Treatment Block Grant funds for Division of Mental Health administrative costs.

(\$227,000) NR

34 NCHSAA

Eliminates a grant-in-aid for the NC High School Athletic Association (NCHSAA).

(\$369,435) R

35 Three-way Contracts

Provides funding to increase the number of community hospital beds available to LMEs under the State-administered three-way contract from 141 to 232.

\$18,150,000 R

| | | |
|---|---------------|----|
| 36 Local Management Entities (LME) | (\$8,497,935) | R |
| Reduces the administrative budget for LMEs in anticipation of the savings to be achieved from the transition to managed care organizations (MCO). LME administrative funds will be provided as part of the capitation contract rather than on a per capita basis. | | |
| 37 Cherry Hospital | \$3,472,954 | R |
| Provides funding to support the increased bed capacity at the new Cherry Hospital, which is scheduled to begin operating in April 2013. | | |
| | 373.10 | |
| 38 Broughton Hospital | \$3,513,000 | R |
| Provides funding for 19 additional psychiatric care beds at Broughton Hospital. | | |
| | 58.00 | |
| 39 Drug Treatment Courts | (\$2,258,000) | R |
| Eliminates pass-through funding provided for drug treatment courts. S.L. 2011-145 eliminated funds budgeted to the Judicial Department for these courts. | | |
| 40 Mental Health Association, Inc. | (\$200,000) | R |
| Eliminates pass-through funding provided in 2008 for the Mental Health Association, Inc. This organization lost its accreditation in 2010 and no longer operates. | | |
| (11.0) Division of Public Health | | |
| 41 Tobacco Cessation and Prevention | \$5,455,956 | NR |
| Provides funding for tobacco cessation and prevention initiatives targeting children in grades K - 12. | | |
| 42 CheckMeds | \$1,695,379 | NR |
| Provides funds to continue support for the CheckMeds Program which provides counseling on the correct use of prescription drugs. | | |
| 43 Medication Assistance Program | \$1,704,033 | NR |
| Provides funds to continue support of the Medication Assistance Program which provides free prescription drugs to low-income, uninsured persons. | | |

44 Roanoke-Chowan Telehealth Network

Provides funds to continue support for the Roanoke Chowan Telehealth Network. The Network delivers remote monitoring and chronic disease care management services to persons living in a medically underserved region of the State.

\$300,000 NR

45 County Health Departments

Provides funding to county health departments to start or continue community health and wellness initiatives that promote healthy behaviors, e.g. smoking cessation, nutrition, physical activities, disease prevention, school nurse positions, etc. This funding cannot be used to supplant existing funds being used for this purpose.

\$8,471,734 NR

46 Environmental Health Section

Provides for a technical correction reflecting the Type I transfer of the Division of Environmental Health from the Department of Natural and Economic Resources to the Department of Health and Human Services, Division of Public Health. This transfer was enacted during the 2011 Legislative Session via SL 2011-145.

\$4,053,329 R

105.50

S.L. 2011-145, Sec. 13.3

47 Maternity Homes

Increases State General Fund Appropriations to replace the loss of federal funds formerly provided for maternity homes.

\$375,000 NR

48 Early Intervention

Adjusts the budget for early intervention services based upon actual expenditures.

(\$2,500,000) R

49 Services for Rape Victims

Replaces lost federal block grant funding with State General Fund Appropriations for services to rape victims.

\$197,112 NR

50 High Risk Maternity Clinic

Provides funds for the East Carolina University High Risk Maternity Clinic.

\$375,000 NR

| | | | | |
|--|---------------------|----------|------------------------|-----------|
| 51 Health Department Accreditation | | | (\$300,000) | R |
| Eliminates funding for the UNC Institute for Public Health contract to provide state-based accreditation. This contract duplicates a national program available to county health departments for this purpose. | | | | |
| 52 State Public Health Lab and Office of Chief Medical Examiner | | | \$1,155,666 | R |
| Provides funds for new positions and operating costs for the new State Public Health Laboratory and the Chief Medical Examiner's Office. | | | | |
| | | | 12.00 | |
| 53 Environmental Health Regional Office Positions | | | \$221,109 | R |
| Restores funding for transferred positions formerly located in DENR regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2011-12 transfer of the Division of Environmental Health to the Division of Public Health in the Department of Health & Human Services (DHHS), the restored salaries and benefits of positions formerly located in DENR regional offices are transferred from DENR to DHHS as follows: | | | | |
| 60034273 | Env Health Reg Spec | \$69,922 | | |
| 60034303 | Env Health Reg Spec | \$67,812 | | |
| 60034278 | Soil Scientist | \$83,375 | | |
| S.L. 2011-145, Sec. 6.69(b) | | | | |
| 54 Healthy Start Foundation | | | (\$433,923) | R |
| Eliminates pass-through funding provided to the Healthy Start Foundation. These funds are not used to provide direct services. | | | | |
| <hr/> | | | | |
| Budget Changes | | | \$101,337,304 | R |
| | | | \$61,333,009 | NR |
| Total Position Changes | | | 501.60 | |
| Revised Total Budget | | | \$4,617,833,246 | |
| <hr/> | | | | |

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**NATURAL
&
ECONOMIC
RESOURCES
Section H**

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Agriculture and Consumer Services

GENERAL FUND

| | |
|---|---------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$62,198,634 |

Budget Changes

(1.0) Technical Correction

- | | | | |
|----------|--|---------------------|----------|
| 1 | NC Forest Service | \$36,462,776 | R |
| | Provides for a technical correction showing the transfer of the NC Forest Service from the Department of Environment & Natural Resources to the Department of Agriculture & Consumer Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision. | 452.16 | |
| | | | |
| 2 | Division of Soil & Water Conservation | \$10,974,474 | R |
| | Provides for a technical correction showing the transfer of the Division of Soil & Water Conservation from the Department of Environment & Natural Resources to the Department of Agriculture & Consumer Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision. | 42.15 | |
| | | | |
| 3 | Four Central Office Positions | \$178,410 | R |
| | Provides for a technical correction showing the transfer of 4.0 central office positions from the Department of Environment & Natural Resources to the Department of Agriculture & Consumer Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision. | 4.00 | |

(2.0) Department-wide

- | | | | |
|----------|---|------------|-----------|
| 4 | Computer Equipment Funds | | |
| | Eliminates funds on a nonrecurring basis for PC/ Printer Equipment (534534). As of March 2012, the authorized budget for PC/ Printer Equipment within the Information Technology Section was approximately \$171,500. | (\$20,000) | NR |

5 Workers Compensation (\$56,692) R
 Reduces workers compensation across the Department to more closely align the budget with actual expenditures.

(2.0) Reserves & Transfers

6 Ag. Water Resources Assistance Program \$1,000,000 NR
 Provides funds for the Agricultural Water Resources Assistance program.

Administrative Services

7 Fundshift and Eliminate Position (\$44,422) R
 Eliminates position #60011493 (Stock Clerk) and fund shifts position #60011518 (Mail Clerk) from General Fund appropriation to indirect cost receipts. -1.00

8 Southern Dairy Compact Ratification Funds (\$5,000) R
 Eliminates funds for the ratification of the Southern Dairy Compact. This agreement has never been ratified, and the Department does not need these funds.

Food & Drug

9 Antifreeze Receipts (\$74,188) R
 Fund shifts the salary, benefits, and longevity of one position to over-realized antifreeze receipts. -1.00
 60011893 Chemist \$74,188

10 Drug License Fees (\$50,000) R
 Budgets \$50,000 in over-realized drug license fee receipts to cover operations.

Markets

11 Promotional Expenditures (\$100,000) NR
 Reduces funding for promotional expenses across the Markets Division. This reduction can be taken from the following line items: advertising (532860), printing (532850), and postage (532840).

12 Southeastern NC Agricultural Center and Farmers Market

Restores funding for the Southeastern NC Agricultural Center and Farmers Market for one year. This program was subject to Justification Review in FY 2011-12. A corresponding special provision directs the Department to conduct a study evaluating alternative operating models for the facility, including permanent closure, contracting out the facility, or leasing or donating the facility. This report is to be completed by the Department and submitted to the General Assembly by February 1, 2013.

\$362,230 NR
6.00

13 Multi-purpose Pavilion Operating Funds

Provides funding for the operations of the new multi-purpose pavilion at the Southeastern NC Agricultural Center in Lumberton. Funding is provided to pay for temporary wages & social security payments, service agreements, utility and energy services, building repairs, facility hardware and supplies, vehicle hardware and supplies, and advertising.

\$249,209 NR

NC Forest Service

14 Young Offenders BRIDGE Program

Transfers the portion of the Young Offenders Forest Conservation Program (aka BRIDGE) that is currently funded by the Department of Public Safety to the Department of Agriculture and Consumer Services. BRIDGE program participants are all young offenders from the Western Youth Institute and assist the NC Forest Service with firefighting and other forest management efforts.

\$318,208 R
7.00

15 Other Principal Payments

Reduces funding for other principal payments by \$100,000 for FY 2012-13.

(\$100,000) NR

16 NC Forest Service Longevity

Reduces longevity funds by \$50,000. This reduction reflects anticipated actual longevity payments for the NC Forest Service.

(\$50,000) R

Plant Industry

17 Phytosanitary Receipts

Budgets \$50,000 in over-realized phytosanitary receipts to cover operations of the Plant Protection Section of the Plant Industry Division.

(\$50,000) R

Research Stations

18 Operating Reduction (\$60,000) R
 Reduces operating support for the Research Stations Division by \$60,000. This reduction shall be taken from the following line items: Repairs - Other Computer Equipment (532332); Telephone Services (532811); Postage, Freight, & Delivery (532840); Advertising (532860); Motor Vehicle Insurance (532912); and General Office Supplies (533110).

Soil & Water Conservation

19 Rental Expenses (\$10,000) R
 Reduces the appropriation for office rental expenses (532512) by \$10,000. The Division plans to relocate staff that is currently located in the Department of Environment & Natural Resources' Asheville and Raleigh Regional Offices to office space within existing Department of Agriculture & Consumer Services buildings.

20 Restore Regional Office Positions - DACS \$651,019 R
 Restores funding for transferred positions formerly located in DENR regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2011-12 transfers of the Division of Soil & Water Conservation to the Department of Agriculture & Consumer Services (DACs), the restored salaries and benefits of positions formerly located in DENR regional offices will need to be transferred from DENR to DACs as follows:

| | | | |
|----------|--------------------|----------|----------|
| 60032345 | Engineer | \$74,775 | 1.00 FTE |
| 60032360 | Engineer | \$64,270 | 1.00 FTE |
| 60032341 | Soil Scientist | \$62,380 | 1.00 FTE |
| 60032328 | Env Prog Super III | \$79,165 | 1.00 FTE |
| 60032369 | Env Specialist | \$55,581 | 1.00 FTE |
| 60090071 | Paralegal II | \$47,567 | 0.75 FTE |
| 60032346 | Engineer | \$69,056 | 1.00 FTE |
| 60032323 | Soil Scientist | \$79,106 | 1.00 FTE |
| 60032372 | Env Specialist | \$53,060 | 1.00 FTE |
| 60032348 | Engineer | \$66,059 | 1.00 FTE |

9.75

| | | |
|-------------------------------|----------------------|-----------|
| Budget Changes | \$48,184,585 | R |
| | \$1,391,439 | NR |
| Total Position Changes | 519.06 | |
| Revised Total Budget | \$111,774,658 | |

Labor

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$15,836,887

Budget Changes

21 No Legislative Changes

Budget Changes

Total Position Changes

Revised Total Budget

\$15,836,887

Environment & Natural Resources

GENERAL FUND

| | |
|---|----------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$148,148,105 |

Budget Changes

(1.0) Technical Correction

- | | | |
|--|--------------------------------------|----------|
| <p>22 NC Forest Service</p> <p>Provides for a technical correction showing the transfer of the NC Forest Service from the Department of Environment & Natural Resources to the Department of Agriculture & Consumer Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision.</p> | <p>(\$36,462,776)</p> <p>-452.16</p> | <p>R</p> |
| <p>23 Division of Soil & Water Conservation</p> <p>Provides for a technical correction showing the transfer of the Division of Soil & Water Conservation from the Department of Environment & Natural Resources to the Department of Agriculture & Consumer Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision.</p> | <p>(\$10,974,474)</p> <p>-42.15</p> | <p>R</p> |
| <p>24 Four Central Office Positions</p> <p>Provides for a technical correction showing the transfer of 4.0 central office positions from the Department of Environment & Natural Resources to the Department of Agriculture & Consumer Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision.</p> | <p>(\$178,410)</p> <p>-4.00</p> | <p>R</p> |
| <p>25 Division of Environmental Health</p> <p>Provides for a technical correction showing the transfer of the Division of Environmental Health from the Department of Environment & Natural Resources to the Department of Health & Human Services. The Division was transferred in FY 2011-12 after certification of the budget. This item should not be certified in the FY 2012-13 budget as it will be certified through a budget revision.</p> | <p>(\$4,053,329)</p> <p>-38.05</p> | <p>R</p> |

(1.0) Reserves & Transfers**26 Clean Water State Revolving Fund**

Directs the Department to use \$5,101,400 of its loan origination fee fund to provide the 20% State match needed to draw down \$25,507,000, the maximum available federal funds for the Clean Water State Revolving Fund for FY 2012-13. The Department needs permission from the US EPA to use these funds for FY 2012-13 only.

27 Drinking Water State Revolving Fund

Directs the Department to use funds from the Drinking Water Reserve to provide the 20% State match needed to draw down the maximum available federal funds for the Drinking Water State Revolving Fund. The match amount of \$4,939,600 for Federal Fiscal Year 2011-12 will allow the State to draw down \$24,698,000 in federal funds, and the match amount of \$4,707,400 for the Federal Fiscal Year 2012-13 will allow the State to draw down \$23,537,000 in federal funds. The EPA encourages states to have their match amounts available prior to the beginning of the Federal Fiscal Year so the amount of the State grant can be encumbered in the EPA budget. The Department is currently a year in arrears obtaining these federal grants from EPA, and this will allow the Department to have its match amounts available prior to the beginning of future Federal Fiscal Years.

28 Eliminate Operating Reserve

(\$2,309,998) R

Eliminates the operating reserves for the Green Square Office Building and the Nature Research Center building for FY 2012-13. These buildings' operating expenses shall be paid by the Department of Administration beginning in FY 2012-13.

(2.0) Department-Wide**29 Rent and Leases**

(\$323,298) R

Eliminates rental and lease costs for divisions that were formerly located in leased spaces and have since moved to the Archdale Building or the Green Square Office Building.

(2.0) Administration**30 Salary Reserve Reduction**

(\$182,685) R

Reduces the administrative salary reserve for the Secretary's Office.

(2.0) Land Resources

31 State Boundary Survey Completion

Provides nonrecurring funding to complete the state boundary survey project between North Carolina and South Carolina. \$50,000 NR

32 Erosion & Sedimentation Positions

Reduces General Fund support for the salaries and benefits of 4.0 FTEs in the Land Quality Section's Erosion and Sedimentation Program. (\$227,136) R

-4.00

33 Geodetic Survey

Eliminates salary and benefits of 1.0 filled position that will be eliminated as part of the transfer of the Geodetic Survey Section to the Department of Public Safety's Emergency Management Division: (\$39,004) R

-1.00

60032388 Office Assistant III \$39,004

34 Geodetic Survey Section to Emergency Management

Transfers the Geodetic Survey Section from the Department of Environment and Natural Resources to the Department of Public Safety as a Type I transfer. Geodetic Survey will be housed in the Division of Law Enforcement, Emergency Management Section. The transfer includes the following positions: (\$727,124) R

-10.92

General Fund Supported Positions:

| | | | |
|-----------------|--|-----------|----------|
| 60032386 | Engineering/Architectural Supervisor | \$101,468 | 1.00 FTE |
| 60032387 | Office Assistant IV | \$42,230 | 1.00 FTE |
| 60032389 | Engineering/Architectural Technician | \$60,279 | 1.00 FTE |
| 60032390 | Engineering/Architectural Supervisor | \$76,433 | 1.00 FTE |
| 60032393 | Technology Support Analyst | \$58,588 | 1.00 FTE |
| 60032395 | Engineering/Architectural Technician | \$64,238 | 1.00 FTE |
| 60032396 | Engineering/Architectural Technician | \$50,648 | 1.00 FTE |
| 60032399 | Business And Technology Applic Tech | \$69,692 | 1.00 FTE |
| 60032400 | Information & Communication Specialist | \$56,769 | 1.00 FTE |
| 60032402 | Engineering/Architectural Technician | \$38,008 | 0.92 FTE |
| 60032403 | Engineering/Architectural Technician | \$44,622 | 1.00 FTE |
| Operating Costs | | \$64,149 | |

Receipt Supported Positions:

| | | | |
|----------|--------------------------------------|----------|----------|
| 60032392 | Engineer | \$65,335 | 1.00 FTE |
| 60032398 | Engineering/Architectural Technician | \$61,846 | 1.00 FTE |
| 60032401 | Engineering/Architectural Technician | \$41,014 | 1.00 FTE |
| 60032402 | Engineering/Architectural Technician | \$7,936 | 0.08 FTE |
| 60032404 | Engineering/Architectural Technician | \$43,632 | 1.00 FTE |
| 60032406 | Engineering/Architectural Technician | \$41,014 | 1.00 FTE |

(2.0) Regional Offices

35 Rent and Leases (\$3,200) R
 Shifts appropriated rent and lease costs to various receipts and grants for divisions that are located in the regional offices.

36 Restore Regional Offices \$12,624,378 R
 Restores funding for the regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2011-12 transfers of the Division of Soil & Water Conservation to the Department of Agriculture & Consumer Services (DACS) and the Division of Environmental Health to the Division of Public Health in the Department of Health & Human Services (DHHS), the restored salaries and benefits of positions formerly located in DENR regional offices will need to be transferred from DENR to those Departments as follows:

| | | |
|--|-----------|----------|
| Division of Public Health (DHHS) | \$221,109 | 3.00 FTE |
| Division of Soil & Water Conservation (DACS) | \$651,019 | 9.75 FTE |

134.96

37 Restore Regional Office Positions - DHHS (\$221,109) R
 Restores funding for transferred positions formerly located in DENR regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2011-12 transfer of the Division of Environmental Health to the Division of Public Health in the Department of Health & Human Services (DHHS), the restored salaries and benefits of positions formerly located in DENR regional offices will need to be transferred from DENR to DHHS as follows:

-3.00

| | | | |
|----------|---------------------|----------|----------|
| 60034273 | Env Health Reg Spec | \$69,922 | 1.00 FTE |
| 60034303 | Env Health Reg Spec | \$67,812 | 1.00 FTE |
| 60034278 | Soil Scientist | \$83,375 | 1.00 FTE |

38 Restore Regional Office Positions - DACS (\$651,019) R

Restores funding for transferred positions formerly located in DENR regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2011-12 transfers of the Division of Soil & Water Conservation to the Department of Agriculture & Consumer Services (DACs), the restored salaries and benefits of positions formerly located in DENR regional offices will need to be transferred from DENR to DACs as follows:

| | | | |
|----------|--------------------|----------|----------|
| 60032345 | Engineer | \$74,775 | 1.00 FTE |
| 60032360 | Engineer | \$64,270 | 1.00 FTE |
| 60032341 | Soil Scientist | \$62,380 | 1.00 FTE |
| 60032328 | Env Prog Super III | \$79,165 | 1.00 FTE |
| 60032369 | Env Specialist | \$55,581 | 1.00 FTE |
| 60090071 | Paralegal II | \$47,567 | 0.75 FTE |
| 60032346 | Engineer | \$69,056 | 1.00 FTE |
| 60032323 | Soil Scientist | \$79,106 | 1.00 FTE |
| 60032372 | Env Specialist | \$53,060 | 1.00 FTE |
| 60032348 | Engineer | \$66,059 | 1.00 FTE |

-9.75

39 Restore Regional Office Positions - DPS (\$132,480) R

Restores funding for transferred positions formerly located in DENR regional offices. This funding was made non-recurring in FY 2011-12 pending a Justification Review. Due to the FY 2012-13 transfer of the Division of Land Resources' Geodetic Survey Section to the Emergency Management Section of the Division of Law Enforcement in the Department of Public Safety (DPS), the restored salaries and benefits of positions formerly located in DENR regional offices will need to be transferred from DENR to DPS as follows:

| | | | |
|----------|--------------------------------------|----------|----------|
| 60032391 | Engineering/Architectural Supervisor | \$75,333 | 1.00 FTE |
| 60032397 | Engineering/Architectural Technician | \$57,147 | 1.00 FTE |

-2.00

40 Regional Office Reduction (\$350,000) R

Reduces \$350,000 across DENR's seven regional offices. DENR may choose to implement this reduction at each regional office by reducing positions, operating costs, or a combination in any DENR divisions that are housed in regional offices.

(2.0) Waste Management

41 Shift Positions to Receipts (\$85,130) R

Shifts the salary and benefits of a total of 0.75 FTEs to receipt support:

| | | | |
|----------|------------------------------------|----------|----------|
| 60034552 | Div. Dir./Envir. Prog. Manager III | \$69,738 | 0.50 FTE |
| 60034686 | Accounting Technician | \$15,392 | 0.25 FTE |

-0.75

(2.0) Water Quality

- 42 Shift Positions to Receipts** (\$102,610) R
 Shifts the salary and benefits of 2.0 FTEs to receipt support:
-2.00
- 60035209 Hydrogeological Drilling Technician II \$49,219 1.00 FTE
- 60035210 Hydrogeological Drilling Technician II \$53,391 1.00 FTE

(2.0) Water Resources

- 43 Operating Funds** (\$50,000) R
 Reduces operating funds for board compensation and travel costs for the Bi-State River Basin Commission. This reduction will not impact DENR's ability to support the Commission.

(3.0) Marine Fisheries

- 44 Fishery Resource Grant Program** (\$50,000) R
 Reduces recurring funding for the Fishery Resource Grant Program by \$50,000, leaving \$50,000 recurring, and provides \$50,000 in nonrecurring funds. \$50,000 NR
- 45 Oyster Sanctuary Funds** \$100,000 NR
 Provides nonrecurring funding for the Oyster Sanctuary Program.

(3.0) Museum of Natural Sciences

- 46 Temporary Wages** (\$100,000) R
 Reduces the General Fund appropriation for temporary wages (531311) for the Museum of Natural Sciences. The Museum has used lapsed salaries to nearly double the authorized budget for temporary wages in FY 2011-12 and is encouraged to continue to use unexpended funds for temporary wages as needed.
- 47 Academic Services** (\$100,000) R
 Reduces the General Fund appropriation for Academic Services (532150) for the Museum. Since FY 2008-09, the Museum has not expended more than \$66,000 from this line item, with average spending since FY 2008-09 of approximately \$43,000. With the addition of the Nature Research Center, the line item will be budgeted at nearly \$200,000 before this reduction.

(3.0) North Carolina Zoo

48 Zoo Privatization

(\$369,541) R

Reduces the General Fund appropriations for the NC Zoo by \$369,541 due to the privatization of Zoo operations. This reduction is contingent upon the adoption of recommended legislation from the House Select Committee on Public-Private Partnerships. According to the proposed legislation, privatization would occur January 1, 2013, and the State would provide \$10 million to the new Zoo operator annually, requiring a \$5 million transfer in FY 2012-13. The FY 2012-13 certified budget for the NC Zoo is \$10.7 million. Assuming this legislation is adopted, this reduction does not alter State support for the NC Zoo during the remaining time that the Department of Environment & Natural Resources operates it. If the legislation is not adopted, the Department will manage this reduction within the NC Zoo's operating budget.

| | | |
|-------------------------------|-----------------------|-----------|
| Budget Changes | (\$45,068,945) | R |
| | \$200,000 | NR |
| Total Position Changes | -434.82 | |
| Revised Total Budget | \$103,279,160 | |

DENR-Clean Water Management Trust Fund

| |
|--------------|
| GENERAL FUND |
|--------------|

| | | |
|------------------------------------|-----------------|--|
| Total Budget Approved 2011 Session | FY 12-13 | |
| | \$11,250,000 | |

| | | |
|--|----------------|----|
| Budget Changes | | |
| Department-wide | | |
| 49 Operating Funds | (\$11,250,000) | R |
| Eliminates recurring funding for the Clean Water Management Trust Fund and replaces it with nonrecurring funding for FY 2012-13. | \$11,250,000 | NR |

| | | |
|-------------------------------|----------------|----|
| Budget Changes | (\$11,250,000) | R |
| | \$11,250,000 | NR |
| Total Position Changes | | |
| Revised Total Budget | \$11,250,000 | |

Wildlife Resources Commission

GENERAL FUND

| | |
|------------------------------------|-----------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$17,221,179 |

Budget Changes

Conservation Education

| | | |
|-------------------------------|-----------|---|
| 50 Continuation Review | \$478,821 | R |
|-------------------------------|-----------|---|

Restores \$478,821 in General Fund appropriation for the Conservation Education program. This appropriation is a \$300,000 reduction in General Fund support for the program. The Wildlife Resources Commission may use other sources of revenue to continue providing wildlife and conservation education.

| | | |
|-----------------------|------------------|----------|
| Budget Changes | \$478,821 | R |
|-----------------------|------------------|----------|

Total Position Changes

| | |
|-----------------------------|---------------------|
| Revised Total Budget | \$17,700,000 |
|-----------------------------|---------------------|

Commerce

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|----------|
| FY 12-13 |
|----------|

\$33,250,463

Budget Changes

Commerce Finance Center

51 Job Maintenance and Capital Development Fund (JMAC)

Provides \$7.5M nonrecurring for JMAC. \$6 million shall be allocated to fulfill existing agreements with Bridgestone/Firestone and Goodyear. \$1.5 million shall be allocated to fulfill year 2 of a pending agreement with Domtar.

\$7,500,000 NR

52 NC Broadband Rigor in Mapping (BRIM) Project

Replaces \$200,000 in General Fund appropriation with funds from a cash balance that existed when the e-NC Authority was abolished. \$175,730 will remain in General Fund appropriations for this purpose. The NC BRIM project is expected to be completed in October 2014.

(\$200,000) R

53 One North Carolina Fund

Provides \$9 million recurring for the One North Carolina Fund. A corresponding special provision converts the Fund to one that is funded on a cash-flow basis. The Fund currently has a cash balance of over \$60 million. Thirty million dollars will remain in the Fund, and \$30 million will be transferred to the General Fund.

\$9,000,000 R

Community Assistance

54 Assistant Secretary Position

Eliminates the Assistant Secretary Position (60077156) and associated salary and benefits. Employees in this division will now report to the Assistant Secretary for Energy, which will be retitled to be the Assistant Secretary for Energy and Community Assistance.

(\$129,228) R

-1.00

Energy

55 Pass-through Funding to Universities (\$389,410) R
 Reduces pass-through funding to the same level as FY 2011-12 for the Energy Centers at North Carolina A&T State University, North Carolina State University, and Appalachian State University.

The Solar Center at North Carolina State University shall receive \$500,000 recurring; the Appalachian Energy Center at Appalachian State University and the Center for Energy Research and Technology at North Carolina A&T State University shall each receive \$100,000.

Industrial Commission

56 Over-realized Receipts (\$200,000) R
 Directs the Commission to budget additional receipts.

International Trade

57 Travel and Trade Show Funds (\$50,000) R
 Reduces the budget for travel and trade show expenses. A corresponding special provision limits the use of travel funds to Department of Commerce employees only.

Office of Science and Technology

58 Continuation Review \$215,599 R
 Restores funding eliminated due to the Continuation Review of this program in FY 2011-12. 2.00

Policy, Research, and Strategic Planning

59 Position Fund Shift (\$36,759) R
 Shifts 0.5 of a position to employment security receipts. -0.50

Tourism, Film, and Sports Development**60 Marketing Funds**

Provides additional one-time funds to market the State as a tourist destination. Total available funds will be nearly \$9 million for FY 2012-13.

\$500,000 NR

Budget Changes

\$8,210,202 R

\$8,000,000 NR

Total Position Changes

0.50

Revised Total Budget

\$49,460,665

Commerce - State Aid

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|--------------|
| FY 12-13 |
| \$30,151,984 |

Budget Changes

- | | | |
|--|-------------|----|
| 61 Ag in the Classroom | (\$331) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$21,746 recurring | | |
| | | |
| 62 Community Development Initiative | (\$234,137) | R |
| Reduces the pass-through appropriation by 5%, leaving \$3,746,192 recurring - the same amount as was appropriated in FY 2011-12. | | |
| | | |
| 63 Councils of Governments (COGs) | (\$5,148) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$339,039 recurring. | | |
| | | |
| 64 Defense and Security Technology Accelerator | (\$700,000) | NR |
| Eliminates the pass-through appropriation. | | |
| | | |
| 65 FFA Foundation | (\$563) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$36,968 recurring | | |
| | | |
| 66 Grassroots Science Museums | (\$43,498) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$2,856,387 recurring. A corresponding special provision lays out the allocation to each museum. | | |
| | | |
| 67 High Point Furniture Market | (\$10,283) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$675,224 recurring. | | |

| | | |
|---|-------------|----|
| 68 Indian Economic Development Initiative | (\$1,350) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$88,650 recurring | | |
| | | |
| 69 Institute of Minority Economic Development | (\$32,097) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$2,107,696 recurring. | | |
| | | |
| 70 Land Loss Prevention Project | (\$9,020) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$592,326 recurring. | | |
| | | |
| 71 Partnership for the Sounds | (\$6,140) | R |
| Reduces the pass-through appropriation by 1.5%, leaving \$403,186 recurring. | | |
| | | |
| 72 Regional Economic Development Commissions | \$1,336,105 | R |
| Provides additional funding to the Regional Economic Development Commissions, in addition to the \$2.25 million recurring already appropriated. Of the funds appropriated in this act to the Piedmont Triad Partnership for the 2012-13 fiscal year, the sum of \$56,000 nonrecurring shall instead be appropriated to the Montgomery County Economic Development Commission for the 2012-13 fiscal year. | | |
| | \$1,339,500 | NR |

| | | |
|-------------------------------|---------------------|-----------|
| Budget Changes | \$993,538 | R |
| | \$639,500 | NR |
| Total Position Changes | | |
| Revised Total Budget | \$31,785,022 | |

N.C. Biotechnology Center

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$17,551,710

Budget Changes

73 No Legislative Changes

Budget Changes

Total Position Changes

Revised Total Budget

\$17,551,710

Rural Economic Development Center

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$25,376,729

Budget Changes

74 No Legislative Changes

Budget Changes

Total Position Changes

Revised Total Budget

\$25,376,729

DACS - Livestock Acquisition

Budget Code: 23700

| | |
|---|--------------------|
| | FY 2012-13 |
| Beginning Unreserved Fund Balance | \$4,498,899 |
| Total Budget Approved 2011 Session | |
| Requirements | \$1,184,615 |
| Receipts | \$677,920 |
| Positions | 0.00 |

Legislative Changes

Requirements:

| | | | |
|---|--------------------|----------|-----------|
| Tennessee Valley Authority Settlement Funds | \$0 | R | |
| Provides funds from the Tennessee Valley Authority settlement to be expended in compliance with subsection h, section 128 of the Consent Decree. Subsection h allows for funds to be used by the agricultural and forestry sectors to use and produce renewable energy and carbon sequestration. The settlement agreement provides \$11.2 million to North Carolina; the State expects to receive these funds over the next five years. | \$2,240,000 | | NR |
| | 0.00 | | |
| Subtotal Legislative Changes | \$0 | R | |
| | \$2,240,000 | | NR |
| | 0.00 | | |

Receipts:

| | | | |
|---|--------------------|----------|-----------|
| Tennessee Valley Authority Settlement Funds | \$0 | R | |
| Provides funds from the Tennessee Valley Authority settlement to be expended in compliance with subsection h, section 128 of the Consent Decree. Subsection h allows for funds to be used by the agricultural and forestry sectors to use and produce renewable energy and carbon sequestration. The settlement agreement provides \$11.2 million to North Carolina; the State expects to receive these funds over the next five years. | \$2,240,000 | | NR |
| Subtotal Legislative Changes | \$0 | R | |
| | \$2,240,000 | | NR |

| | |
|-----------------------------------|--------------------|
| Revised Total Requirements | \$3,424,615 |
| Revised Total Receipts | \$2,917,920 |
| Change in Fund Balance | (\$506,695) |
| Total Positions | 0.00 |

| | |
|---|--------------------|
| Unappropriated Balance Remaining | \$3,992,204 |
|---|--------------------|

Commerce Special GF

Budget Code: 24609

| | FY 2012-13 |
|---|---------------------|
| Beginning Unreserved Fund Balance | \$77,403,582 |
| Total Budget Approved 2011 Session | |
| Requirements | \$28,711,556 |
| Receipts | \$28,476,737 |
| Positions | 0.00 |

Legislative Changes

Requirements:

| | | | |
|---|---------------------|----------|-----------|
| One NC Fund - Economic Development Projects | \$0 | R | |
| Provides \$20 million in one-time money for various economic development projects. \$500,000 shall be appropriated to Johnson and Wales, and \$500,000 shall be appropriated to RTI. \$4.5 million shall be appropriated to the Rural Center for the Small Business Loan Participation Program. | \$20,000,000 | | NR |
| | 0.00 | | |
| One NC Fund - General Fund Transfer | \$0 | R | |
| Transfers \$30 million to the General Fund for general availability. | \$30,000,000 | | NR |
| | 0.00 | | |
| Subtotal Legislative Changes | \$0 | R | |
| | \$50,000,000 | | NR |
| | 0.00 | | |

Receipts:

| | | | |
|-------------------------------------|------------|----------|-----------|
| One North Carolina Fund | \$0 | R | |
| | \$0 | | NR |
| Subtotal Legislative Changes | \$0 | R | |
| | \$0 | | NR |

House Appropriations Subcommittee on Natural and Economic Resources

FY 2012-13

| | |
|-----------------------------------|-----------------------|
| Revised Total Requirements | \$78,711,556 |
| Revised Total Receipts | \$28,476,737 |
| Change in Fund Balance | (\$50,234,819) |
| Total Positions | 0.00 |

| | |
|---|---------------------|
| Unappropriated Balance Remaining | \$27,168,763 |
|---|---------------------|

DENR - Commercial LUST Cleanup

Budget Code: 64305

| | FY 2012-13 |
|---|---------------------|
| Beginning Unreserved Fund Balance | \$91,104,286 |
| Total Budget Approved 2011 Session | |
| Requirements | \$35,790,105 |
| Receipts | \$32,994,218 |
| Positions | 0.00 |

Legislative Changes

Requirements:

| | | | |
|--|--------------------|--|----|
| Restore Motor Fuel Inspection Tax Transfer | \$2,711,898 | | R |
| Restores the transfer from the Motor Fuel Inspection Tax to the Noncommercial Leaking Underground Storage Tank (LUST) Fund eliminated in S.L. 2011-145 and transfers additional nonrecurring funds that were eliminated in FY 2011-12. | \$2,171,898 | | NR |
| | 0.00 | | |
| Subtotal Legislative Changes | \$2,711,898 | | R |
| | \$2,171,898 | | NR |
| | 0.00 | | |

Receipts:

| | | | |
|--|--------------------|--|----|
| Restore Motor Fuel Inspection Tax Transfer | \$2,711,898 | | R |
| Restores the transfer from the Motor Fuel Inspection Tax to the Noncommercial Leaking Underground Storage Tank (LUST) Fund eliminated in S.L. 2011-145 and transfers additional nonrecurring funds that were eliminated in FY 2011-12. | \$2,171,898 | | NR |
| Subtotal Legislative Changes | \$2,711,898 | | R |
| | \$2,171,898 | | NR |

| | |
|-----------------------------------|----------------------|
| Revised Total Requirements | \$40,673,901 |
| Revised Total Receipts | \$37,878,014 |
| Change in Fund Balance | (\$2,795,887) |
| Total Positions | 0.00 |

| | |
|---|---------------------|
| Unappropriated Balance Remaining | \$88,308,399 |
|---|---------------------|

DENR Water Pollution Revolving Loan

Budget Code: 64311

| | FY 2012-13 |
|---|----------------------|
| Beginning Unreserved Fund Balance | \$251,442,946 |
| Total Budget Approved 2011 Session | |
| Requirements | \$64,304,756 |
| Receipts | \$64,304,756 |
| Positions | 0.00 |

Legislative Changes

Requirements:

| | | |
|--|--------------------|-----------|
| Clean Water State Revolving Fund | \$0 | R |
| Directs the Department to use \$5,101,400 of its loan origination fee fund to provide the 20% State match needed to draw down \$25,507,000, the maximum available federal funds for the Clean Water State Revolving Fund for FY 2012-13. | \$5,101,400 | NR |
| | 0.00 | |
| Subtotal Legislative Changes | \$0 | R |
| | \$5,101,400 | NR |
| | 0.00 | |

Receipts:

| | | |
|--|--------------------|-----------|
| Clean Water State Revolving Fund | \$0 | R |
| Directs the Department to use \$5,101,400 of its loan origination fee fund to provide the 20% State match needed to draw down \$25,507,000, the maximum available federal funds for the Clean Water State Revolving Fund for FY 2012-13. | \$5,101,400 | NR |
| Subtotal Legislative Changes | \$0 | R |
| | \$5,101,400 | NR |

House Appropriations Subcommittee on Natural and Economic Resources

FY 2012-13

| | |
|-----------------------------------|---------------------|
| Revised Total Requirements | \$69,406,156 |
| Revised Total Receipts | \$69,406,156 |
| Change in Fund Balance | \$0 |
| Total Positions | 0.00 |

| | |
|---|----------------------|
| Unappropriated Balance Remaining | \$251,442,946 |
|---|----------------------|

DENR Drinking Water SRF

Budget Code: 64320

| | FY 2012-13 |
|---|---------------------|
| Beginning Unreserved Fund Balance | \$66,581,987 |
| Total Budget Approved 2011 Session | |
| Requirements | \$52,236,713 |
| Receipts | \$51,066,125 |
| Positions | 0.00 |

Legislative Changes

Requirements:

Drinking Water State Revolving Fund

Directs the Department to use funds from the Drinking Water Reserve to provide the 20% State match needed to draw down the maximum available federal funds for the Drinking Water State Revolving Fund. The match amount of \$4,939,600 for Federal Fiscal Year 2011-12 will allow the State to draw down \$24,698,000 in federal funds, and the match amount of \$4,707,400 for the Federal Fiscal Year 2012-13 will allow the State to draw down \$23,537,000 in federal funds.

| | | |
|--|-------------|----|
| | \$0 | R |
| | \$9,647,000 | NR |
| | 0.00 | |

Subtotal Legislative Changes

| | | |
|--|--------------------|----|
| | \$0 | R |
| | \$9,647,000 | NR |
| | 0.00 | |

Receipts:

Drinking Water State Revolving Fund

Directs the Department to use funds from the Drinking Water Reserve to provide the 20% State match needed to draw down the maximum available federal funds for the Drinking Water State Revolving Fund. The match amount of \$4,939,600 for Federal Fiscal Year 2011-12 will allow the State to draw down \$24,698,000 in federal funds, and the match amount of \$4,707,400 for the Federal Fiscal Year 2012-13 will allow the State to draw down \$23,537,000 in federal funds.

| | | |
|--|-------------|----|
| | \$0 | R |
| | \$9,647,000 | NR |

Subtotal Legislative Changes

| | | |
|--|--------------------|----|
| | \$0 | R |
| | \$9,647,000 | NR |

| | |
|-----------------------------------|----------------------|
| Revised Total Requirements | \$61,883,713 |
| Revised Total Receipts | \$60,713,125 |
| Change in Fund Balance | (\$1,170,588) |
| Total Positions | 0.00 |

| | |
|---|---------------------|
| Unappropriated Balance Remaining | \$65,411,399 |
|---|---------------------|

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JUSTICE
&
PUBLIC SAFETY
Section I

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Public Safety

GENERAL FUND

| | |
|---|------------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$1,694,715,876 |

Budget Changes

A. Department-wide

- | | | | |
|----------|--|---------------|---|
| 1 | Vacant Positions | (\$3,802,017) | R |
| | Eliminates vacant positions throughout the Department. | | |
| | | -82.40 | |
| | | | |
| 2 | Non-Personal Services | (\$7,609,031) | R |
| | Reduces the budget for non-personal services throughout the Department. No reductions shall be taken to community programs (including multi-purpose group homes, residential treatment provider contracts, and grants to Juvenile Crime Prevention Councils) in the Division of Juvenile Justice. No reductions shall be taken to the Treatment for Effective Community Supervision program in the Division of Adult Correction. | | |

B. Adult Correction

- | | | | |
|----------|--|---------------|---|
| 3 | Inmate Medical Costs | (\$2,000,000) | R |
| | Shifts medical costs for Medicaid eligible inmates. The Division of Adult Correction will pay the State share of Medicaid for eligible qualified inmates who receive inpatient services at a hospital and are away from the prison housing unit for 24 hours or longer. | | |
| | | | |
| 4 | Interstate Compact Receipts | (\$74,845) | R |
| | Increases the transfer of receipts from the Interstate Compact Fund. The application fee of \$250 resulted in an increase in receipts generated. | | |
| | | | |
| 5 | Inmate Bedding | (\$100,000) | R |
| | Reduces the budget for inmate bedding. The Division of Adult Correction is in the process of replacing cotton mattresses with vinyl mattresses eliminating the need for mattress covers. | | |
| | | | |
| 6 | BRIDGE Program | (\$318,208) | R |
| | Transfers the portion of the Young Offenders Forest Conservation Program (BRIDGE) that is currently funded by the Department of Public Safety to the Department of Agriculture and Consumer Services. BRIDGE program participants are all young offenders from the Western Youth Institute and assist the NC Forest Service with firefighting and other forest management efforts. | -7.00 | |

7 Treatment for Effective Community Supervision

Transfers \$5 million from the Statewide Misdemeanant Confinement Fund (Special Fund code 24500-2225), to the Division of Adult Correction (General Fund budget code 14500-1433) for the Treatment for Effective Community Supervision program. This program provides treatment services to probationers in the community.

(\$5,000,000) NR

8 Parole Commission

Expands the Parole Commission staff to meet the increased caseloads resulting from the Justice Reinvestment Act. The Parole Commission will be responsible for reviewing an additional 14,000 post release supervision cases annually. Effective July 1, 2012, provides funding to establish one additional full-time Parole Commissioner, to convert a part-time Parole Commissioner to full time, and to create two new Parole Case Analyst positions. Effective November 1, 2012, creates one new Parole Case Analyst position. Effective January 1, 2013, provides funding to convert a part-time Parole Commissioner to full time.

\$350,495 R

5.00

C. Juvenile Justice

9 Edgecombe Youth Development Center

Closes Edgecombe Youth Development Center (YDC) and eliminates 57 full-time equivalent (FTE) positions, effective January 1, 2013. The Department is authorized to transfer five youth counselor associate positions to Chatham YDC and five youth counselor associate positions to Lenoir YDC to increase the operating capacities at those facilities from 28 beds each to 32 beds each.

(\$1,707,982) R

-57.00

D. Law Enforcement

10 VIPER Operations and Maintenance

Provides additional funding for the operation and maintenance of the Voice Interoperability Plan for Emergency Responders (VIPER).

\$2,294,151 R

\$585,000 NR

13.00

11 Geodetic Survey Section Transfer

\$727,124 R

Transfers the Geodetic Survey Section from the Department of Environment and Natural Resources to the Department of Public Safety as a Type I transfer. Geodetic Survey will be housed in the Division of Law Enforcement, Emergency Management Section. The transfer includes \$64,149 in operating funds and the following positions:

10.92

General Fund Supported Positions:

| Position | Title | Total Position Cost | FTE |
|----------|--|---------------------|------|
| 60032386 | Engineering/Architectural Supervisor | \$101,468 | 1.00 |
| 60032387 | Office Assistant IV | \$ 42,230 | 1.00 |
| 60032389 | Engineering/Architectural Technician | \$ 60,279 | 1.00 |
| 60032390 | Engineering/Architectural Supervisor | \$ 76,433 | 1.00 |
| 60032393 | Technology Support Analyst | \$ 58,588 | 1.00 |
| 60032395 | Engineering/Architectural Technician | \$ 64,238 | 1.00 |
| 60032396 | Engineering/Architectural Technician | \$ 50,648 | 1.00 |
| 60032399 | Business And Technology Applic. Tech | \$ 69,692 | 1.00 |
| 60032400 | Information & Communication Specialist | \$ 56,769 | 1.00 |
| 60032402 | Engineering/Architectural Technician | \$ 38,008 | 0.92 |
| 60032403 | Engineering/Architectural Technician | \$ 44,622 | 1.00 |

Receipt Supported Positions:

| | | | |
|----------|--------------------------------------|-----------|------|
| 60032392 | Engineer | \$ 65,335 | 1.00 |
| 60032398 | Engineering/Architectural Technician | \$ 61,846 | 1.00 |
| 60032401 | Engineering/Architectural Technician | \$ 41,014 | 1.00 |
| 60032402 | Engineering/Architectural Technician | \$ 7,936 | 0.08 |
| 60032404 | Engineering/Architectural Technician | \$ 43,632 | 1.00 |
| 60032406 | Engineering/Architectural Technician | \$ 41,014 | 1.00 |

12 Geodetic Survey Section Transfer

\$132,480 R

Transfers additional Geodetic Survey positions to the Emergency Management Section of the Division of Law Enforcement in the Department of Public Safety (DPS). These positions had been included in a Justification Review of DENR's Regional Offices. The following positions are transferred:

2.00

| Position | Title | Total Position Cost | FTE |
|----------|--------------------------------------|---------------------|------|
| 60032391 | Engineering/Architectural Supervisor | \$75,333 | 1.00 |
| 60032397 | Engineering/Architectural Technician | \$57,147 | 1.00 |

| | | |
|-------------------------------|------------------------|-----------|
| Budget Changes | (\$12,107,833) | R |
| | (\$4,415,000) | NR |
| Total Position Changes | -115.48 | |
| Revised Total Budget | \$1,678,193,043 | |

Justice

GENERAL FUND

Total Budget Approved 2011 Session

| |
|---------------------|
| FY 12-13 |
| \$80,864,138 |

Budget Changes

A. Department-wide

| | | |
|---|-------------|---|
| 13 Vacant Position Reduction | (\$779,476) | R |
| Eliminates vacant positions throughout the Department. No vacant positions at NC State Crime Laboratory facilities shall be eliminated. | -12.00 | |

14 Western Regional Lab Capital Funds

| | | |
|--|---------------|----|
| Transfers funds from the DOJ budget to the capital section of the budget for the construction of a new crime lab building on the Training Academy's Edneyville Campus. Currently, the Western Regional Laboratory is housed in leased space. A toxicology section is needed at the lab, but the leased facility does not have space for that expansion. The new facility on the Edneyville Campus will house existing lab functions plus space for the new toxicology section. Operational funds that are reduced on a non-recurring basis for this item can be replaced by receipts, including the \$2.87 million award for the State Bureau of Investigation from the Mortgage Settlement Agreement. | (\$3,000,000) | NR |
|--|---------------|----|

B. Legal Services

| | | |
|---|---------------|---|
| 15 Consumer Protection | (\$1,757,780) | R |
| Transfers the Consumer Protection Section to receipt support. Currently, half of this section is supported by receipts from settlement agreements. This reduction transfers the remaining consumer protection section to receipt support. | -17.00 | |

| | | |
|--|-------------|---|
| 16 Managed Care Section Transfer to DOI | (\$292,441) | R |
| Transfers the Managed Care Unit within the Legal Services Division to the Department of Insurance (DOI), Health Insurance Ombudsman Services unit for efficiency through consolidation of duplicative functions. Appropriations for the Managed Care Unit in DOJ have been reimbursed by the Insurance Regulatory Fund, and appropriations for this function will continue to be reimbursed by the Insurance Regulatory Fund. Transferred positions include two Consumer Protection Specialists (60010426 and 60010427), an Administrative Secretary II (60010429) and a Consumer Protection Specialist funded with federal receipts (60010477). The vacant Special Deputy Attorney General position in the Unit (60010425) is eliminated. | -4.00 | |

C. Law Enforcement**17 Triad Regional Lab - DNA Positions**

\$543,942 R

Provides funds to add a DNA section to the Triad Regional Lab, effective January 1, 2013. Currently, all DNA submissions are handled by the Raleigh Lab. Approximately 20 percent of all DNA submissions received are from counties served by the Triad Lab.

\$146,997 NR
12.00**Budget Changes****(\$2,285,755) R****(\$2,853,003) NR****Total Position Changes**

-21.00

Revised Total Budget**\$75,725,380**

Judicial - Indigent Defense

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$112,748,733

Budget Changes

18 No legislative changes.

Budget Changes

Total Position Changes

Revised Total Budget

\$112,748,733

Judicial

| |
|--------------|
| GENERAL FUND |
|--------------|

| | |
|---|----------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$435,141,107 |

Budget Changes

- | | | |
|--|---------------|---|
| 19 Vacant Position Reduction Eliminates vacant positions throughout the Department. | (\$1,437,038) | R |
| | -11.00 | |
| 20 Conference of District Attorneys Reduces the pass-through appropriation to the Conference of District Attorneys by 10%, leaving \$391,333. | (\$43,000) | R |
| 21 Conference of Clerks Reduces the pass-through appropriation to the Conference of Clerks by 10%, leaving \$117,260. | (\$13,000) | R |
| 22 Administration of Mortgage Settlement Funds Reduces the pass-through appropriation to the Conference of District Attorneys by \$200,000. The Conference of District Attorneys has been awarded \$6.69 million in the Mortgage Settlement Agreement. These funds are to be used for grants and training for prosecutorial offices throughout the State. A portion of the funds can be used for administration at the Conference. | (\$200,000) | R |
| 23 Family Courts Restores the recurring appropriation for the Family Court Program. | \$2,865,693 | R |
| | 44.00 | |

| | | |
|-------------------------------|----------------------|----------|
| Budget Changes | \$1,172,655 | R |
| Total Position Changes | | 33.00 |
| Revised Total Budget | \$436,313,762 | |

Correction - Special

Budget Code: 24500

| | FY 2012-13 |
|---|---------------------|
| Beginning Unreserved Fund Balance | \$13,922,110 |
| Total Budget Approved 2011 Session | |
| Requirements | \$0 |
| Receipts | \$0 |
| Positions | 0.00 |

Legislative Changes

Requirements:

| | | |
|--|--------------------|-----------|
| Statewide Misdemeanant Confinement Fund | \$0 | R |
| Transfers \$5 million nonrecurring to the Division of Adult Correction for the Treatment of Effective Community Supervision program. | \$5,000,000 | NR |
| | 0.00 | |
| Subtotal Legislative Changes | \$0 | R |
| | \$5,000,000 | NR |
| | 0.00 | |

Receipts:

| | | |
|--|------------|-----------|
| Statewide Misdemeanant Confinement Fund | \$0 | R |
| | \$0 | NR |
| Subtotal Legislative Changes | \$0 | R |
| | \$0 | NR |

| | |
|-----------------------------------|----------------------|
| Revised Total Requirements | \$5,000,000 |
| Revised Total Receipts | \$0 |
| Change in Fund Balance | (\$5,000,000) |
| Total Positions | 0.00 |

| | |
|---|--------------------|
| Unappropriated Balance Remaining | \$8,922,110 |
|---|--------------------|

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**GENERAL
GOVERNMENT
Section J**

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Administration

| |
|---------------------|
| GENERAL FUND |
|---------------------|

Total Budget Approved 2011 Session

| |
|---------------------|
| FY 12-13 |
| \$66,353,073 |

Budget Changes

1111 - Office of the Secretary

| | | |
|---|-------------|---|
| 1 Eliminate Funding in Secretary's Budget | (\$608,000) | R |
| Eliminates funding in budget code 53-2200 (Utility Related Accounts). | | |

1121 - Fiscal Management

| | | |
|---------------------------------|------------|---|
| 2 Reduce Temporary Wages | (\$28,587) | R |
| Reduces temporary wages by 50%. | | |

1123 - Historically Underutilized Business

| | | |
|---|------------|---|
| 3 Eliminate Two Positions | (\$99,794) | R |
| Eliminates two filled positions in the Office of Historically Underutilized Business: | | |
| | -2.00 | |
| Social/Clinical Research Specialist: 60014901 | | |
| Office Assistant IV: 60014894 | | |

1230 - Non-Public Education

| | | |
|--|------------|---|
| 4 Eliminate Administrative Support Position | (\$38,871) | R |
| Eliminates one filled Office Assistant IV position and benefits: | | |
| | -1.00 | |
| Office Assistant IV: 60014875 | | |

1421 - Facilities Management

- 5 Green Square and Nature Research Center Building Reserve** \$323,298 **R**
 Provides the necessary funds to operate the Nature Research Center and Green Square Office Building. \$1,986,700 **NR**

- 6 Reduce Natural Gas/Propane Appropriation** (\$1,792,100) **R**
 Reduces appropriation for natural gas and propane to more closely reflect the three year average.

1741 - Human Relations Commission

- 7 Eliminate Position at Human Relations Commission** (\$53,976) **R**
 Eliminates vacant Human Relations Specialist I position and benefits:
-1.00
 Human Relations Specialist I: 60014493

1761 - Youth Involvement

- 8 Eliminate Two Positions** (\$102,961) **R**
 Eliminates two filled positions at Youth Involvement. The remaining positions will manage the State Government Internship Program and Youth Council. -2.00

 Program Assistant IV: 60014502
 Administrative Secretary III: 60014506

2401 - E-Commerce Reserve

- 9 Reduce E-Commerce Reserve to Fund Cash Management Module**
 Reduces the E-Commerce Reserve at the Department of Administration by \$1,347,397 in order to fund the General Fund-supported portion of the Banking System Upgrade at the Office of the State Controller.

Department-wide

- 10 Eliminate Vacant Positions** (\$474,305) **R**
 Eliminates up to seven vacant positions within the Department. -7.00

Office of State Personnel

11 Reduce Various Operating Expenses (\$96,902) R
 Reduces appropriations for the following:
 532170 Administrative Services; 532199 Misc. Contractual Services;
 5327XX Travel; 533110 General Supplies and 5345XX Equipment.

State Ethics Commission

12 Reduce non-personnel line items (\$17,169) NR
 Reduces the budget for Other Information Technology Services.

| | | |
|-------------------------------|----------------------|-----------|
| Budget Changes | (\$2,972,198) | R |
| | \$1,969,531 | NR |
| Total Position Changes | -13.00 | |
| Revised Total Budget | \$65,350,406 | |

Auditor

| |
|---------------------|
| GENERAL FUND |
|---------------------|

Total Budget Approved 2011 Session

| |
|---------------------|
| FY 12-13 |
| \$10,676,035 |

Budget Changes

| | | |
|--|------------|---|
| 13 Eliminate Vacant Position | (\$65,748) | R |
| Eliminates a vacant Personnel Technician II position, #60008888. | | |
| | -1.00 | |

Financial Audit

| | | |
|---|------------|---|
| 14 Reduce Various Operating Line Items | (\$94,393) | R |
| Reduces Other Information Technology Services (\$20,000), Misc. Contractual Services (\$30,000), General Office Supplies (\$15,000), Travel (\$19,393) and Computer Data Processing (\$10,000). | | |

| | | |
|-----------------------|--------------------|----------|
| Budget Changes | (\$160,141) | R |
|-----------------------|--------------------|----------|

| | | |
|------------------------|-------|--|
| Total Position Changes | -1.00 | |
|------------------------|-------|--|

| | | |
|-----------------------------|---------------------|--|
| Revised Total Budget | \$10,515,894 | |
|-----------------------------|---------------------|--|

Cultural Resources

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|--------------|
| FY 12-13 |
| \$61,697,001 |

Budget Changes

Department-Wide

| | | |
|--|-------------|---|
| 15 Reduce Positions | (\$239,854) | R |
| Directs the Department to identify four positions for elimination. | | |
| | -4.00 | |

Museum of Art

| | | |
|---|------------|---|
| 16 Southeastern Center for Contemporary Art (SECCA) | (\$38,144) | R |
| Reduces appropriations by 10%. SECCA may reduce FTEs or increase receipts to accomplish this reduction. | | |

| | | |
|---|-----------|---|
| 17 Restore Operating Reduction | \$210,074 | R |
| Restores the reduction to the Museum of Art's operating budget for FY 2012-13 directed in the 2011 Conference Report. | | |

Museum of History

| |
|--|
| 18 Allow Flexibility in Identifying Vacant Positions |
| Restores three of the four positions eliminated in FY 2012-13 in the 2011 Conference Report. Directs the Department to eliminate instead three positions in the Museum of History, as identified by the Department. Directs the Department to continue to eliminate position #60083995, identified in the 2011 Conference Report, as it is currently vacant. |

State Arts Council

| | | |
|--|-------------|---|
| 19 Consolidate Functions and Reorganize Staff | (\$105,040) | R |
| Eliminates 2 vacant positions in the Arts Council, and directs the Department to reorganize the Arts Council staff to consolidate functions. The two vacant positions are #60080937 and #60083928. | | |
| | -2.00 | |

20 Reduce Arts Grants (\$2,640) R
 Reduces the appropriation for Basic Arts Grants, leaving \$3,289,680. Total General Fund appropriations for Basic Arts Grants and Grassroots Arts will total \$5,593,388, a reduction of 0.05%.

State Capitol

21 Consolidate Staff Functions (\$46,793) R
 Eliminates the Executive Mansion Tour Coordinator position, consolidating this function with the State Capitol Tour Coordinator position and the Interpretation & Research Specialist position. -1.00

State Historic Sites

22 Partially Restore Transportation Museum Appropriation \$300,000 R
 Appropriates \$300,000 to the Transportation Museum to offset an anticipated shortage in receipts. S.L. 2011-145 directed the Transportation Museum to shift to 100% receipt-support in FY 2012-13, with a reduction in appropriations of \$1,152,515.

Tryon Palace

23 Tryon Palace Operating Funds \$200,000 R
 Partially restores the \$1.3 million reduction to Tryon Palace budget in the 2011 Conference Report. \$225,000 NR

| | | |
|-------------------------------|---------------------|-----------|
| Budget Changes | \$277,603 | R |
| | \$225,000 | NR |
| Total Position Changes | -7.00 | |
| Revised Total Budget | \$62,199,604 | |

Cultural Resources - Roanoke Island Commission

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$1,203,491

Budget Changes

| | | |
|--|---------------|---|
| 24 Lease of Gift Shop Space | (\$30,000) | R |
| Directs the Roanoke Island Commission to charge market rate for rental of gift shop space at Roanoke Island Festival Park to the Friends of Elizabeth II, Inc. Receipts of \$30,000 annually are budgeted based on estimates of the value of the rental space from audited annual financial reports of the Friends of Elizabeth II, Inc. | | |
| 25 Budget Anticipated Receipts | (\$300,000) | R |
| Budgets receipts based on investment income earnings. Roanoke Island Commission is directed to request from the Friends of Elizabeth II, Inc. funds equivalent to 80% of the total investment income earned at the end of the calendar year on the State funds provided to the Friends in prior years and invested on behalf of the Roanoke Island Commission's mission. | | |
| 1584 | | |
| 26 Restore Reduction to Operating Fund Code | \$1,203,491 | R |
| Clarifies that the reduction of \$1.2 million (50%) in the 2011 Conference Report is to be achieved by reductions in Fund 1584 (RIC Operating Fund) and Fund 1586 (RIC Performing Arts Fund). | | |
| All RIC Fund Codes | | |
| 27 Apply Reduction to Multiple Fund Codes | (\$1,203,491) | R |
| Clarifies that the reduction of \$1.2 million (50%) in the 2011 Conference Report is to be achieved by reductions in Fund 1584 (RIC Operating Fund) and Fund 1586 (RIC Performing Arts Fund). | | |

| | | |
|-------------------------------|--------------------|----------|
| Budget Changes | (\$330,000) | R |
| Total Position Changes | | |
| Revised Total Budget | \$873,491 | |

General Assembly

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13

\$50,104,208

Budget Changes

Administration

28 National Conference of State Legislatures Dues

Eliminates appropriation for NCSL dues on a one-time basis, as FY 2012-13 payment was paid in FY 2011-12.

(\$204,390) NR

29 Reduce Appropriation for Parking Spaces

Reduces the appropriation based on actual appropriations net of reimbursements, and budgets receipts in anticipation of parking fees from temporary staff during interim.

(\$42,000) R

Building & Maintenance

30 Building & Maintenance Continuation Review

Restores recurring funding for the Building & Maintenance Division, which was subject to Continuation Review for FY 2011-12.

\$2,572,506 R

31.60

Department-wide

31 Reduce Operating Expenses

Reduces appropriations based on actual expenditures:

(\$130,980) R

| | |
|------------------------------------|------------|
| 532811 Telephone Services | (\$13,850) |
| 532840 Postage, Freight & Delivery | (\$54,000) |
| 532840 Print, Bind, Duplicate | (\$ 7,100) |
| 533110 General Office Supplies | (\$44,708) |
| 534511 Furniture - Office | (\$ 5,922) |
| 534534 PC/Printer Equipment | (\$ 5,400) |

House

| | | |
|--|------------|---|
| 32 Reduce Travel & Subsistence | (\$37,000) | R |
| Reduces appropriations for page and public member travel and subsistence based on actual expenditures. | | |

Information Systems Division

| | | |
|--|---------------|----|
| 33 Clarify Funding Mechanism | \$2,114,555 | R |
| Clarifies language in Item #61 of the 2011 Conference Report. Continues the elimination of appropriations for ISD non-personnel costs for FY 2012-13 by budgeting receipts from the Carryforward Reserve on a nonrecurring basis. Restores operating account requirements and offsets those requirements with Carryforward Reserve receipts. | | |
| | (\$2,114,555) | NR |

Senate

| | | |
|--|------------|---|
| 34 Reduce Travel & Subsistence | (\$32,000) | R |
| Reduces appropriations for page and public member travel and subsistence based on actual expenditures. | | |

| | | |
|-------------------------------|----------------------|-----------|
| Budget Changes | \$4,445,081 | R |
| | (\$2,318,945) | NR |
| Total Position Changes | 31.60 | |
| Revised Total Budget | \$52,230,344 | |

Governor

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|----------|
| FY 12-13 |
|----------|

\$4,741,157

Budget Changes

Administration & Policy

| | | |
|---|------------|-------|
| 35 Eliminate Vacant Position | (\$84,466) | R |
| Eliminates one vacant position, #60008485 Teacher Advisor, vacant more than 150 days. | | -1.00 |

| | | |
|-----------------------|-------------------|----------|
| Budget Changes | (\$84,466) | R |
|-----------------------|-------------------|----------|

| | |
|------------------------|-------|
| Total Position Changes | -1.00 |
|------------------------|-------|

| | |
|-----------------------------|--------------------|
| Revised Total Budget | \$4,656,691 |
|-----------------------------|--------------------|

Housing Finance Agency

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|-------------|
| FY 12-13 |
| \$9,673,051 |

Budget Changes

1100 - Home Protection Pilot

36 Eliminate Funding for Home Protection Pilot (\$187,879) R
 Eliminates funding for the Home Protection Pilot Program. Funding is unnecessary due to the Housing Finance Agency's participation in the Hardest Hit Program.

1100 - Housing Trust Fund

37 Utilization of Housing Settlement Funds to Fund the Housing Trust Fund (\$4,309,998) NR
 Reduces the General Fund appropriation to the Housing Trust Fund by \$4,309,998 NR. Funds from the Mortgage Settlement Agreement to the Housing Finance Agency may be redirected or deposited into the Housing Trust Fund to offset FY 2012-13 non-recurring reductions to the fund. Nothing in this item is intended to, or shall be construed to, conflict with the mandatory requirements of the Mortgage Settlement Agreement.

| | |
|-----------------------|-------------------------|
| Budget Changes | (\$187,879) R |
| | (\$4,309,998) NR |

Total Position Changes

Revised Total Budget **\$5,175,174**

Insurance

| |
|---------------------|
| GENERAL FUND |
|---------------------|

Total Budget Approved 2011 Session

| |
|---------------------|
| FY 12-13 |
| \$36,393,921 |

Budget Changes

38 Consolidate Health Insurance Ombudsman Programs \$159,055 R

Transfers the Managed Care Unit within the Consumer Protection Division of the Department of Justice (DOJ) to the Department of Insurance, Health Insurance Ombudsman Services unit for efficiency through consolidation of duplicative functions. Appropriations for the Managed Care Unit in DOJ were reimbursed by the Insurance Regulatory Fund, and appropriations for this function will continue to be reimbursed by the Insurance Regulatory Fund. Transferred positions include two Consumer Protection Specialists (#60010426 & #60010427), an Administrative Secretary II (#60010429) and a Consumer Protection Specialist funded with federal receipts (#60010477). The vacant Special Deputy Attorney General position in the Unit (#60010425) is eliminated.

3.00

Net reduction in appropriations reimbursed by the Insurance Regulatory Fund: (\$133,387) Recurring

Consumer Protection Fund

39 Increase Consumer Protection Fund Appropriation \$300,000 R

Increases the appropriation for the Consumer Protection Fund to \$628,227, based on prior year actual expenditures. Appropriations will be reimbursed by the Insurance Regulatory Fund.

Budget Changes **\$459,055** **R**

Total Position Changes 3.00

Revised Total Budget **\$36,852,976**

Insurance - Volunteer Safety Workers' Compensation Fund

GENERAL FUND

| | |
|------------------------------------|--------------------|
| Total Budget Approved 2011 Session | FY 12-13 |
| | \$2,623,654 |

Budget Changes

40 Voluntary Safety Workers' Compensation Funding

Restores the reduction to the Volunteer Safety Workers' Compensation Fund. The 2011 Conference Report reduced appropriations to this Fund for 2012-13 by \$1,876,346 on a recurring basis. This item restores that reduction on a nonrecurring basis. The Department is directed in a special provision to review the status of the Fund.

\$1,876,346 NR

Budget Changes

\$1,876,346 NR

Total Position Changes

Revised Total Budget

\$4,500,000

Lieutenant Governor

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$695,324

Budget Changes

| | | |
|--|------------|---|
| 41 Partially Restore Management Flexibility Reserve | \$86,398 | R |
| Maintains the management flexibility reserve at (\$105,000) for FY 2012-13, equal to FY 2011-12. | | |
| 42 Eliminate Vacant Position | (\$90,564) | R |
| Eliminates vacant Deputy Chief of Staff position (#60008614). | | |
| | -1.00 | |

Budget Changes (\$4,166) R

Total Position Changes -1.00

Revised Total Budget \$691,158

Office of Administrative Hearings

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|----------|
| FY 12-13 |
|----------|

\$4,142,258

Budget Changes

1100 - Administration

43 Realign Budget to Match Current Expenditures

\$60,700 R

Adjusts various line items to match current expenditures:

- 531651 - Compensation for Board Members - \$12,600
- 532512 - Rent of Buildings - \$27,230
- 532821 - Computer/Data Processing Svc - \$1,456
- 532840 - Postage - \$20,614

Budget Changes

\$60,700 R

Total Position Changes

Revised Total Budget

\$4,202,958

Revenue

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|--------------|
| FY 12-13 |
| \$78,199,538 |

Budget Changes

1710 - Fuel Tax Compliance

44 Eliminate Vacant Positions

Eliminates ten (10) vacant positions for a total personnel savings to the Highway Fund of \$488,366. Other costs to support these personnel, such as travel, per diem, and supplies are reduced by \$32,000.

The positions eliminated include eight (8) Motor Fuel Auditors and two (2) Law Enforcement Agents. The position numbers supported by the Highway Fund are 60083149, 60083173, 60083153, 60083182, 60083177, 60083178, 60083201, and 60083205. Two positions supported with federal funds are 65007466 and 65007490.

Department-Wide

45 Eliminate Vacant Positions

Eliminates up to ten vacant positions within the Department.

(\$757,866) R

-10.00

Budget Changes

(\$757,866) R

Total Position Changes

-10.00

Revised Total Budget

\$77,441,672

Secretary of State

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$10,654,563

Budget Changes

1600 - Charitable Fund Raising

46 Move Charitable Fund Raising to General Fund Support \$816,936 R
Moves the Charitable Fund Raising Division at the Secretary of State to
General Fund support. Receipts that are collected by the Division and
associated administration will be credited to the General Fund, which
include over-realized receipts of \$162,816. 9.43

Budget Changes \$816,936 R

Total Position Changes 9.43

Revised Total Budget \$11,471,499

State Board of Elections

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|-------------|
| FY 12-13 |
| \$5,126,603 |

Budget Changes

47 Maintenance of Effort

Appropriates funds to meet federal Help America Vote Act (HAVA) Title II Maintenance of Effort requirements, which will enable the State Board of Elections to access and expend the remaining \$4 million in federal HAVA Title II Funds.

\$663,936 NR

Administration

48 Reduce Various Operating Line Items

Reduces appropriations for operating line items based on actual expenditures.

(\$25,000) R

Campaign Reporting

49 Reduce Various Operating Line Items

Reduces appropriations for operating line items based on actual expenditures.

(\$51,899) R

Budget Changes

(\$76,899) R

\$663,936 NR

Total Position Changes

Revised Total Budget

\$5,713,640

State Budget & Management

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$5,848,663

Budget Changes

50 Eliminate Vacant Positions (\$288,912) R

Eliminates four positions vacant for more than 240 days:

-4.00

| Position # | Title | Salary |
|------------|---------------------------------|----------|
| 60008548 | Applications Analyst | \$66,788 |
| 60008574 | Accounting Technician | \$37,728 |
| 60008594 | State Budget Management Analyst | \$66,935 |
| 60089831 | Program Administrator | \$75,246 |

Budget Changes (\$288,912) R

Total Position Changes -4.00

Revised Total Budget \$5,559,751

State Budget and Management - Special

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|-----------|
| FY 12-13 |
| \$440,612 |

Budget Changes

| | | |
|--|-------------|----|
| 51 Align Budget With 2011 Reductions | (\$390,612) | R |
| Adjusts the total transferred to the Department of Insurance for the Fire Protection Grant Fund to account for the 10% reduction directed in the 2011 Conference Report. | | |
| 52 NC Symphony Challenge Grant | \$2,000,000 | NR |
| Provides a Challenge Grant for the North Carolina Symphony of \$2 million, for which the Symphony will raise \$9 million in non-State revenue. | | |

| | | |
|-------------------------------|--------------------|----|
| Budget Changes | (\$390,612) | R |
| | \$2,000,000 | NR |
| Total Position Changes | | |
| Revised Total Budget | \$2,050,000 | |

State Controller

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$28,368,957

Budget Changes

53 HR/Payroll Operational Support \$453,383 R
 Funds maintenance agreements for the BEACON system.

54 Cash Management Module \$1,347,397 NR
 Funds the Office of the State Controller's portion of the upgrade of the State's Cash Management System. This is a joint project between the Department of the State Treasurer and the Office of the State Controller.

BEACON HR Payroll

55 Eliminate Vacant Position. (\$111,365) R
 Eliminates position vacant more than 240 days: #60087179 Personnel Supervisor II. -1.00

Department-Wide

56 Reduce Various Operating Line Items (\$109,003) R
 Reduces appropriations for the following based on actual expenditures:
 532xxx Purchased Services: (\$107,547)
 533xxx Supplies: (\$687)
 534xxx Property, Plant & Equipment: (\$769)

| | | |
|-------------------------------|---------------------|-----------|
| Budget Changes | \$233,015 | R |
| | \$1,347,397 | NR |
| Total Position Changes | -1.00 | |
| Revised Total Budget | \$29,949,369 | |

Treasurer

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|-------------|
| FY 12-13 |
| \$6,621,750 |

Budget Changes

1310 - Local Government Operations

57 Audit, Integrated Debt, And Fiscal Management System

Funds the acquisition of an electronic audit management system and the development and implementation of a debt management system. The Department received authorization for the first phase of the project in FY 2011-12 regarding a document management system. This is the second phase of the project. Funding for the project is from fees assessed by the Department on debt issuances which were previously approved by the General Assembly. Total cost for the system in FY 2012-13 is \$1,082,219 with \$200,419 recurring and \$881,800 non-recurring.

1510 - Financial Operations Division

58 Banking System Upgrade

Funds the Department of State Treasurer's portion of the upgrade of the State's Cash Management System that is utilized by the State's Pension Fund. This is a joint project between the Department of the State Treasurer and the Office of the State Controller. The portions not related to the State's Pension Fund shall be funded by an appropriation to the Office of the State Controller. The total amount authorized to be used by the Department of the State Treasurer is \$2,052,000 in FY 2012-13.

Budget Changes

Total Position Changes

Revised Total Budget

\$6,621,750

Treasurer - Retirement for Fire and Rescue

| |
|--------------|
| GENERAL FUND |
|--------------|

Total Budget Approved 2011 Session

| |
|--------------|
| FY 12-13 |
| \$17,812,114 |

Budget Changes

59 No Changes

Budget Changes

Total Position Changes

Revised Total Budget

\$17,812,114

TRANSPORTATION

Section K

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Highway Fund

HIGHWAY FUND

Total Budget Approved 2011 Session

FY 12-13
\$2,134,160,000

Budget Changes

Administration

1 Information Technology \$2,020,000 R
Appropriates additional funds to support telecommunication (\$750,000) and data processing costs (\$930,000), as well as lease requirements (\$340,000).

2 Information Technology - Combined Registration and Tax Collection System
Budgets receipts from the Combined Motor Vehicle and Registration Account to support development and implementation costs for the Combined Motor Vehicle Registration and Property Tax Collection System. Receipts budgeted for FY 2012-13 total \$2,267,963 recurring and \$12,290,309 non-recurring.

3 Fiscal - Combined Registration and Tax Collection System
Authorizes six (6) receipt-supported positions to oversee the collection of registration fees and property taxes in advance of the July 1, 2013 implementation date for the Combined Motor Vehicle Registration and Property Tax Collection System. Pre-implementation functions include initiation of system projects and changes which affect revenue capture and reporting from the: State Registration and Titling System (STARS), Vehicle Property Tax System (VPT), State Automated Driver's License System (SADLS), Fuel Tax Compliance System (FuelTacs), SAP, the Division of Motor Vehicles (DMV) Bad Debt System, and other DMV subsystems.

Budgeted receipts for FY 2012-13 total \$370,038 recurring and \$121,806 non-recurring, per transfers from the Combined Motor Vehicle and Registration Account.

Effective dates for the authorized positions are shown below:

| Grade | Position Title | Effective Date |
|------------|-----------------------|----------------|
| Banded - J | Accounting Manager | 07/01/2012 |
| Banded - A | Accountant | 08/01/2012 |
| Banded - C | Accountant | 09/01/2012 |
| Banded - J | Accounting Technician | 09/01/2012 |
| Banded - C | Accountant | 12/01/2012 |
| Banded - J | Accounting Technician | 12/01/2012 |

Construction

4 Secondary Roads

(\$39,431,107) R

Reduces funding to the secondary system construction program to meet new revenue target. The total budget is \$14,049,075 in FY 2012-13.

Department-wide

5 Personnel Reduction

(\$588,561) R

Eliminates 70 vacant positions throughout the Department, including: nine (9) positions funded with Highway Funds; 12 receipt-supported Highway Trust Fund positions totaling \$661,669; and 49 field positions totaling \$3,439,178. The total includes salary, benefits, and an employee cost multiplier of 2.31%. FTE reductions are as follows:

-9.00

- Asset Management:

- 2 vacant HF: 60027653 Engineering Director
60027656 Technical Trainer
- 1 vacant HTF: 60025833 Office Asst IV
- 17 vacant field: 60025007 Welder II
60025059 Upholsterer
60025045 Vehicle/Equipment Repair Technician
60024015 Processing Assistant III
60024033 Long Distance Truck Driver
60025010 Vehicle/Equipment Repair Technician
60027279 Engineering Technician
60027370 Engineering Technician
60027274 Engineering Technician
60027373 Engineering Technician
60027597 Engineering Assistant
60027043 Engineering Technician
60027508 Engineering Technician
60023940 Engineering Technician
60023960 Engineering Technician
60019889 Engineering Technician
60025946 Engineer

-Pre-Construction:

- 5 vacant HTF: 60025668 Executive Assistant I
60026897 Lead Worker III
60026821 Processing Assistant IV
60026841 Technology Support Technician
60026953 Right of Way Technician
- 16 vacant field: 60027207 Right of Way Agent II
60025565 Engineer
60025513 Engineer
60025449 Engineer
60025622 Engineer
60029380 Environmental Specialist
60029375 Engineer
60025781 Engineer
60025714 Engineer
60025700 Engineering Technician
60026894 Right of Way Appraiser I
60026933 Right of Way Agent I
60026766 Right of Way Agent I
60026886 Right of Way Appraiser I
60026921 Right of Way Agent I
60026802 Right of Way Agent I

- Information Technology:
 - 1 vacant HF: 60015188 Business & Technology Analyst
 - 9 vacant field: 65015737 Business & Technology Specialist
 - 65015933 SAP Team Leader
 - 65015934 SAP Team Leader
 - 60015124 Business & Technology Analyst
 - 60027587 Engineering Technician
 - 65013549 Networking Specialist
 - 65013573 Technology Support Technician
 - 65013574 Technology Support Technician
 - 65013583 Technology Support Technician

- Technical Services:
 - 1 vacant HTF: 60027097 Processing Asst IV
 - 4 vacant field: 60025201 Engineering Technician
 - 60025388 Engineering Technician
 - 60025265 Office Assistant III
 - 60029550 Management Engineer I

- Fiscal Management:
 - 1 vacant HF: 60015370 Processing Asst IV
 - 2 vacant HTF: 60015334 Accountant
 - 60015349 Accounting Technician

- Purchasing:
 - 2 vacant HF: 60015403 Departmental Purchasing Agent I
 - 60015404 Processing Asst IV
 - 1 vacant HTF: 60015385 Processing Assistant III

- Human Resources:
 - 3 vacant HF: 60027540 Personnel Technician III
 - 60015027 Personnel Analyst II
 - 60015026 Personnel Analyst II

- BOWD/CR:
 - 1 vacant field: 60027571 Mb/Wb Development Specialist

- General Services:
 - 1 vacant HTF: 60015545 Maintenance Mechanic III

- Traffic/Mobility:
 - 2 vacant field: 60027504 Engineer
 - 60027532 Engineer

- Program/Development:
 - 1 vacant HTF: 60015147 Engineering Manager

Division of Motor Vehicles**6 Adjust Driver License Credit/Debit Costs**

Reduces funds budgeted for credit/debit card transaction costs based on the revised implementation timeline for the Next Generation Secure Driver License System (NGSDLS) and a rate reduction for Information Technology Services (ITS) common payment services. Phased implementation of the NGSDLS is targeted for January 2013.

(\$792,641) NR

7 Bulk Data Fee Receipts

Adjusts net appropriations per projected FY 2012-13 bulk data fee receipts.

\$4,000,000 R

8 Internal Consolidation

Consolidates the Division of Motor Vehicles (DMV) fiscal, human resources, information technology, facility management, and associated functions assigned to the "DOT PAM/PD DMV II Operations" and "DOT PAM/PD DMV II Operations Budget" organizational units among respective central administrative units of the Department of Transportation.

(\$717,149) R

-13.00

The following positions are eliminated effective July 31, 2012, per this restructuring:

| Position Number | Position Title |
|-----------------|----------------|
|-----------------|----------------|

| | |
|----------|---------------------------------|
| 60029792 | Administrative Assistant |
| 60029795 | Technology Support Analyst |
| 60029798 | Safety Officer II |
| 60029799 | Business Officer |
| 60030094 | Administrative Officer III |
| 60029837 | Departmental Purchasing Agent I |
| 60029839 | Accountant |
| 60030103 | Processing Assistant IV |
| 60030155 | Processing Assistant V |
| 60030157 | Processing Assistant V |
| 60030165 | Administrative Assistant I |
| 60030168 | Departmental Purchasing Agent I |
| 60030596 | Accountant |
| 60030925 | Departmental Purchasing Agent I |
| 60088760 | Accountant |

To supplement centralized fiscal, human resources, information technology, facility management, and associated administrative functions in support of the Division of Motor Vehicles, two (2) full-time, permanent positions are created within the Division of Motor Vehicles Office of the Commissioner effective July 1, 2012.

Respective classifications and funding are:

| Grade | Position Title | Position Cost |
|------------|------------------|---------------|
| Banded - A | Business Officer | \$104,434 |
| Banded - J | Business Officer | \$79,754 |

Net recurring savings per this restructuring total \$717,149 for FY 2012-13. Annualized savings, beginning in FY 2013-14, total \$799,089.

An additional \$303,675 is appropriated, per item 25, on a non-recurring basis for estimated severance payments incurred during FY 2012-13.

9 Driver License Program Continuation Review

\$47,713,947 R

Restores recurring funds held in reserve for the Driver License Program per continuation review.

10 DMV - Combined Registration and Tax System

Authorizes 43 receipt-supported positions, of which 22 are time-limited, within the Vehicle Services Section to implement and administer the Combined Motor Vehicle Registration and Property Tax Collection System. This authorization includes: four (4) Staff Development Specialist I positions to conduct training in advance of system implementation; four (4) Administrative Assistant II positions to assist license plate agencies by recording and resolving system problems; two (2) Title Examiner Supervisor I positions to supervise call center employees; four (4) Information Processing Technicians to support transaction volumes at the Raleigh and Charlotte offices; 25 Information Processing Technicians to resolve customer service requests; and, four (4) Processing Assistant IV positions to accommodate increases in mailings and internet renewals. Time-limited positions shall terminate no later than June 30, 2014.

Budgeted receipts for FY 2012-13 total \$1,407,763 recurring and \$1,802,955 non-recurring. Non-recurring costs include equipment acquisitions to implement credit/debit payments at license plate agencies and State offices. These costs are offset by corresponding transfers from the Combined Motor Vehicle and Registration Account.

Effective dates for the authorized positions are shown below:

| Grade | Position Title | Effective Date | FTE |
|-------|--|----------------|-------|
| 67 | Staff Development Specialist I | 07/01/2012 | 1.00 |
| 67 | Staff Development Specialist I - TL | 07/01/2012 | 3.00 |
| 65 | Administrative Assistant II | 10/01/2012 | 2.00 |
| 65 | Administrative Assistant II - TL | 10/01/2012 | 2.00 |
| 64 | Title Examiner Supervisor I | 10/01/2012 | 2.00 |
| 63 | Information Processing Technician | 10/01/2012 | 14.00 |
| 63 | Information Processing Technician - TL | 10/01/2012 | 15.00 |
| 59 | Processing Assistant IV | 04/01/2013 | 2.00 |
| 59 | Processing Assistant IV - TL | 04/01/2013 | 2.00 |

Intermodal

- 11 Aviation Division - State Aid to Airports** (\$3,909,618) R
 Repeals the continuing appropriation authority (G.S. 136-16.4) for the State Aid to Airports Program, maintaining funding at the FY 2011-12 level.
- 12 Public Transportation Division - Grant Programs** (\$2,588,327) R
 Increases the recurring reduction across Public Transportation Division grant programs from 6% to 9%. International Trade Show Transportation grants are exempt from this reduction.
- 13 Rail Division - Operating Reduction** (\$500,000) R
 Reduces funding for the Streamline Freight Operations (\$250,000) and Rail Capital and Safety (\$250,000) subprograms.
- 14 Rail Division - Personnel Reduction**
 Eliminates one (1) vacant, receipt-supported field position (60015656 Engineering Technician) totaling \$74,900 in estimated operating savings.
- 15 Ferry Division - Toll Revenue** \$2,500,000 NR
 Appropriates non-recurring funds to offset receipts budgeted for FY 2012-13 per a one-year delay of the implementation of toll adjustments directed by S.L. 2011-145, Sec. 31.30.
- 16 Ferry Division - Dredge Replacement Project** (\$3,000,000) NR
 Adjusts funding for the dredge build project per the engineer's estimate of total project cost.
- 17 Ferry Division - Personnel Reduction**
 Eliminates nineteen (19) vacant, receipt-supported field positions totaling \$787,294 in estimated operating savings. The total includes salary, benefits, and an employee cost multiplier of 2.31%. FTE reductions are as follows:

Position Position Title
 Number

- 60018911 Office Assistant III
- 60018566 Processing Assistant III
- 60018501 Ferry Crew Member I
- 60018533 Security Guard
- 60018538 Security Guard
- 60018611 Security Guard
- 60018617 Security Guard
- 65009109 Security Guard
- 65009108 Security Guard
- 60089130 Ferry Crew Member I
- 60018643 Security Guard
- 60018667 Security Guard
- 60018729 Security Guard
- 65009103 Security Guard
- 60018490 Dredge Deckhand
- 60018796 Ferry Master
- 60018883 Maintenance Mechanic IV
- 60018872 Processing Assistant IV
- 60018864 Processing Assistant III

Maintenance

- 18 Primary System** (\$47,312,081) R
 Reduces funding to the primary system maintenance program to meet new revenue target. The total budget is \$134,658,717 in FY 2012-13.

- 19 Secondary System** (\$20,625,636) R
 Reduces funding to the secondary system maintenance program to meet new revenue target. The total budget is \$243,886,188 in FY 2012-13.

- 20 System Preservation** (\$2,261,898) R
 Eliminates a base budget adjustment from the Motor Fuel Inspection Tax. Funds are transferred to the Non-Commercial Leaking Underground Storage Tank Fund, per item 34.

- 21 System Preservation** \$3,136,496 R
 Increases system preservation by \$3,136,496, including \$520,014 from cuts made to the Department of Revenue's Taxpayer Collection Division for motor fuel enforcement and auditing. The total budget is \$235,858,601 in FY 2012-13.

Reserves

| | | |
|---|---------------|----|
| 22 Compensation Adjustment and Performance Pay Reserve Eliminates the reserve in FY 2012-13. | (\$4,906,715) | R |
| 23 Highway Fund Employee Bonus Reserve Provides funding in the amount of \$2,290,233 nonrecurring for a one-time \$250 bonus for permanent employees whose salaries are supported by Highway Fund appropriations. | \$2,290,233 | NR |
| 24 Disability Income Plan of North Carolina Reduces the State's contribution to the Disability Income Plan from .52% of payroll to .44% of payroll (a .08% reduction) as a result of the December 31, 2010 actuarial valuation. | (\$255,000) | R |
| 25 Severance Expenditure Reserve Increases funding for severance salary continuation payments and health benefit coverage under the State Health Plan for employees reduced-in-force. | \$303,675 | NR |
| 26 State Retirement System Contributions Decreases the State's contribution to the Teachers' and State Employees' Retirement System for 2012-13. | (\$2,000,000) | R |
| 27 State Retirement System Contributions - State Highway Patrol Transfer Adjusts the budgeted retirement contribution to the Teachers' and State Employees' Retirement System for 2012-13 per the transfer of the State Highway Patrol to the General Fund. | (\$4,000,000) | R |
| 28 State Health Plan - State Highway Patrol Transfer Adjusts funding for the State Health Plan per the transfer of the State Highway Patrol to the General Fund. | (\$1,000,000) | R |
| 29 Global TransPark Reduces operating assistance to the Global TransPark by \$152,000. FY 2012-13 appropriations total \$1.0 million. | (\$152,000) | R |

- 30 Reserve for Continuation Review** (\$47,713,947) R
Eliminates the internal reserve for the Driver License Program per restoration of funding.

Revenue Availability

- 31 Inspection Program Account Balance**
Notwithstanding G.S. 20-183.7(d) to appropriate \$10.0 million from the Inspection Program Account balance. Highway Fund availability is adjusted accordingly.

- 32 Civil Penalty Collections**
Reduces estimated Highway Fund revenue by \$22.0 million to reflect a change in accounting procedure. Rather than recording civil penalty proceeds as revenue, the clear proceeds of all civil penalties, civil forfeitures, and civil fines collected by the Department of Transportation for transfer to the Civil Penalty and Forfeiture Fund shall be recorded as receipts and budgeted in a receipt-supported fund center for transfer to the Civil Penalty and Forfeiture Fund.

Statutory Adjustments

- 33 Aid to Municipalities** (\$912,604) R
Reduces funds for State Aid to Municipalities for FY 2012-13, consistent with new revenue estimates and G.S. 136-41.1.

Transfers

- 34 Non-Commercial Leaking Underground Storage Tank Transfer** \$2,711,898 R
Restores the transfer from the Motor Fuel Inspection Tax to the Noncommercial Leaking Underground Storage Tank (LUST) Fund eliminated in S.L. 2011-145 and transfers additional nonrecurring funds that were eliminated in FY 2011-12. \$2,171,898 NR
- 35 General Fund Transfer** \$5,000,000 R
Appropriates \$5.0 million from the Highway Fund to General Fund availability per estimated retirement system (\$4.0 million) and State Health Plan (\$1.0 million) contributions on behalf of the State Highway Patrol. Highway Fund internal reserves are reduced by equivalent amounts.

36 Department of Revenue - Taxpayer Collections (Motor Fuels) (\$520,014) R
 Eliminates ten (10) vacant positions for a total personnel savings of \$488,014. Other costs to support these personnel, such as travel, per diem, and supplies are reduced by \$32,000. The savings transferred to System Preservation total \$520,014.

The positions eliminated include eight (8) Motor Fuel Auditors and two (2) Law Enforcement Agents. The position numbers supported by the Highway Fund are 60083149, 60083173, 60083153, 60083182, 60083177, 60083178, 60083201, and 60083205. Two positions supported with federal funds are 65007466 and 65007490.

37 Motor Carrier Safety Assistance Program (MCSAP) \$330,000 R
 Increases funding to match anticipated federal MCSAP basic and incentive grants administered by the Department of Public Safety, State Highway Patrol.

38 General Fund Transfer \$2,294,151 R
 \$585,000 NR
 Increases the transfer to General Fund availability to support operations and maintenance costs for the Voice Interoperability Plan for Emergency Responders (VIPER) system administered by the Department of Public Safety, State Highway Patrol.

39 Civil Penalty and Forfeiture Fund (\$22,000,000) R
 Eliminates the appropriated reserve (84210-0889) historically used to budget civil penalty collections and transfer funds to the Civil Penalty and Forfeiture Fund. Civil penalties are instead budgeted as receipts to better account for the annual fluctuation in collections, and to establish consistency in statewide accounting procedures. Estimated Highway Fund revenue is reduced accordingly.

Per FY 2012-13 projections, an estimated \$29.88 million will be transferred to the Civil Penalty and Forfeiture Fund.

| | | |
|-------------------------------|------------------------|-----------|
| Budget Changes | (\$134,188,165) | R |
| | \$4,058,165 | NR |
| Total Position Changes | -22.00 | |
| Revised Total Budget | \$2,004,030,000 | |

Highway Trust Fund

| |
|-----------------------|
| HIGHWAY TRUST FUND |
|-----------------------|

Total Budget Approved 2011 Session

| |
|----------|
| FY 12-13 |
|----------|

\$1,086,910,000

Budget Changes

Administration

40 Statutory Adjustment to Program Administration (\$1,516,320) R
 Decreases funds for Program Administration for FY 2012-13 consistent with new revenue estimates and G.S. 136-176(b). The total budget is \$45,590,880 in FY 2012-13.

Aid to Municipalities

41 Statutory Adjustment to Aid to Municipalities Allocation (\$979,789) R
 Decreases funds for State Aid to Municipalities for FY 2012-13, consistent with new revenue estimates and G.S. 136-176(b)(3). The total budget is \$53,063,643 in FY 2012-13.

Construction

42 Urban Loops (\$3,775,957) R
 Reduces funds for Urban Loops by 25.05% of the total amount needed to balance the Highway Trust Fund in accordance to the formula in G.S. 136-176(b)(2). The total budget is \$209,182,029 in FY 2012-13.

43 Intrastate System (\$9,338,145) R
 Reduces funds for the Intrastate System by 61.95% of the total amount needed to balance the Highway Trust Fund in accordance to the formula in G.S. 136-176(b)(1). The total budget is \$478,164,889 in FY 2012-13.

44 Secondary Roads (\$979,789) R
 Reduces funds for Secondary Roads by 6.5% of the total amount needed to balance the Highway Trust Fund in accordance to the formula in G.S. 136-176(b)(4). The total budget is \$48,341,155 in FY 2012-13.

Mobility Fund

45 DOT Prioritization Reserve (\$45,000,000) R
Eliminates the DOT Prioritization Reserve.

46 Mobility Fund \$45,000,000 R
Transfers funds in the DOT Prioritization Reserve to the Mobility Fund.

Turnpike Authority

47 Mid-Currituck Bridge Project
Reallocates \$15,000,000 of unencumbered gap funds appropriated in FY 2011-12 to the Mid-Currituck Bridge project.

Budget Changes (\$16,590,000) R

Total Position Changes

Revised Total Budget \$1,070,320,000

Turnpike Authority

TURNPIKE AUTHORITY

Total Budget Approved 2011 Session

FY 12-13
\$3,642,571

Budget Changes

Turnpike Authority Administration

48 Reduces Operating Funds

(\$336,193) R

Eliminates three (3) vacant receipt-supported positions totaling \$336,193.
The total includes salary, benefits, and an employee cost multiplier of 2.31%.

- 60088764 Engineering Manager
- 65004640 Technology Support Specialist
- 65007229 Business Officer

Budget Changes

(\$336,193) R

Total Position Changes

Revised Total Budget

\$3,306,378

**RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L**

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Statewide Reserves

GENERAL FUND

FY 12-13

Total Budget Approved 2011 Session

\$1,415,660,126

Budget Changes

A. Employee Benefits

- | | | |
|---|------------------------|-----------|
| <p>1 Compensation and Performance Pay Reserve Eliminates the reserve in FY 2012-13.</p> | <p>(\$121,105,840)</p> | <p>R</p> |
| <p>2 Compensation Bonus Reserve Provides funding for a one-time \$250 bonus for permanent teachers and state-funded employees.</p> | <p>\$79,086,788</p> | <p>NR</p> |
| <p>3 Highway Fund Compensation Bonus Reserve Provides funding in the amount of \$2,290,233 nonrecurring for a one-time \$250 bonus for permanent employees whose salaries are supported by Highway Fund appropriations.</p> | | |
| <p>4 Severance Expenditure Reserve Provides funding for severance salary continuation payments and health benefit coverage under the State Health Plan for NC Zoo employees reduced-in-force.</p> | <p>\$4,000,000</p> | <p>NR</p> |
| <p>5 State Retirement System Contributions Reduces the State's contribution to the Teachers' and State Employees' Retirement System from 8.33% of payroll to 7.69% of payroll (a .64% reduction) as a result of the December 31, 2010 actuarial valuation.</p> | <p>(\$62,300,000)</p> | <p>R</p> |
| <p>6 Disability Income Plan of North Carolina Reduces the State's contribution to the Disability Income Plan from .52% of payroll to .44% of payroll (a .08% reduction) as a result of the December 31, 2010 actuarial valuation.</p> | <p>(\$8,688,000)</p> | <p>R</p> |
| <p>7 State Health Plan Transfers funding from the Highway Fund to the General Fund to pay State Health Plan premium contributions for the State Highway Patrol.</p> | <p>\$1,000,000</p> | <p>R</p> |

B. Other Reserves

- | | | |
|---|----------------------|-----------|
| <p>8 Job Development Investment Grant Reserves Reduces the funding for Job Development Investment Grants to the amount needed to meet projected needs for FY 2012-13 grant payments.</p> | <p>(\$6,500,000)</p> | <p>NR</p> |
| <p>9 Information Technology Fund Continues reduction in IT consolidation funding taken by the Office of State Budget and Management in FY 2011-12.</p> | <p>(\$750,000)</p> | <p>NR</p> |
| <p>10 Continuation/Justification Review Reserve</p> | | |

| | | |
|--|------------------------|-----------|
| Eliminates reserve due to the distribution of funds to agencies with programs under review. | (\$35,576,758) | NR |
| 11 Eugenics Reserve Fund | \$750,000 | R |
| Provides funding to compensate victims of State sterilization programs from 1933 to 1974 and to administer this compensation program. Use of these funds is dependent upon passage of House Bill 947. | \$10,300,000 | NR |
| 12 VIPER Reserve | | |
| Authorizes the State Highway Patrol to use up to \$20 million in FY 2012-13 for the Voice Interoperability Plan for Emergency Response (VIPER) system. Funds may be used for construction of the remaining 23 towers and for migrating existing and new sites to P25 technology. When completed over the next three years, VIPER will have 239 towers throughout the State that will provide over 125,000 State and local first responders and other government officials with access to secure communications on the same frequency in the event of an emergency. It is the intent that the remaining \$34.6 million needed for the project will be funded in the 2013-15 biennium. | \$20,000,000 | NR |
| 13 Transitions to Community Living Fund | \$50,000,000 | R |
| Provides funding to reform the State's system of long-term care. | | |
| C. Debt Service | | |
| 14 Adjust Debt Service Payments | | |
| Adjusts debt service appropriations based on updated cash flow requirements. | (\$52,904,635) | NR |
| <hr/> | | |
| Budget Changes | (\$140,343,840) | R |
| | \$17,655,395 | NR |
| Total Position Changes | | |
| Revised Total Budget | \$1,292,971,681 | |
| <hr/> | | |

State Health Plan (Administration)

Budget Code: 28410

| | FY 2012-13 | |
|--|----------------------|----|
| Beginning Unreserved Fund Balance | \$40,005 | |
| Total Budget Approved 2011 Session | | |
| Requirements | \$183,604,143 | |
| Receipts | \$183,604,143 | |
| Positions | 42.00 | |
| Legislative Changes | | |
| Requirements: | | |
| Other Administrative Cost | \$328,332 | R |
| Creates three new staff positions to administer a Medicare Part D Employer Group Waiver Plan (EGWP) that will reduce the State Health Plan's cost of drug coverage. | \$10,200 | NR |
| | 3.00 | |
| Pharmacy Benefits Management Contract | \$5,444,717 | R |
| Increases the budgeted amount for the Pharmacy Benefit Management Contract to cover fees to administer a Medicare Part D Employer Group Waiver Plan (EGWP) that will reduce the State Health Plan's cost of drug coverage. | \$0 | NR |
| | 0.00 | |
| Subtotal Legislative Changes | \$5,773,049 | R |
| | \$10,200 | NR |
| | 3.00 | |
| Receipts: | | |
| Increase Transfers from Trust Funds | \$5,773,049 | R |
| Increases the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs related to Medicare Part D Employer Group Waiver Plan (EGWP). | \$10,200 | NR |
| Subtotal Legislative Changes | \$5,773,049 | R |
| | \$10,200 | NR |

House Appropriations

FY 2012-13

| | |
|-----------------------------------|----------------------|
| Revised Total Requirements | \$189,387,392 |
| Revised Total Receipts | \$189,387,392 |
| Change in Fund Balance | \$0 |
| Total Positions | 45.00 |

| | |
|---|-----------------|
| Unappropriated Balance Remaining | \$40,005 |
|---|-----------------|

CAPITAL
Section M

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Capital

| |
|---------------------|
| GENERAL FUND |
|---------------------|

Department of Environment and Natural Resources

1 Water Resources Development Projects

Provides funds for the State's share of Water Resources Development Projects. Funds will provide a State match for \$87.9 million in federal funds. The projects are listed in Section 28.2. \$8,722,000 NR

Department of Justice

2 Western Regional Lab Capital Funds

Reflects the transfer of funds from the DOJ budget for the construction of a new crime lab building on the Training Academy's Edneyville Campus. The Western Regional Laboratory is currently housed in leased space. The new facility will house existing lab functions plus space for a new toxicology section. \$3,000,000 NR

Department of Public Safety

3 State Highway Patrol Training Facility - Cadet Dormitory Replacement

Provides \$13.3 million in funds for an armory, cadet dormitory and related site and infrastructure work at the Highway Patrol Training Academy in Raleigh, NC. The dormitory will house approximately 82 cadets in 23 dorm rooms in a 18,000 square foot facility. The armory will be approximately 6,100 square feet. Planning for Phase 1 of the Training Facility was funded in FY 2010-11. \$13,300,000 NR

Total Appropriation to Capital

\$25,022,000 NR

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**INFORMATION
TECHNOLOGY
SERVICES
Section N**

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Information Technology Fund

Budget Code: 24667

| | FY 2012-13 |
|--|--------------------|
| Beginning Unreserved Fund Balance | \$794,928 |
| Recommended Budget | |
| Requirements | \$6,183,142 |
| Receipts | \$6,158,142 |
| Positions | 31.00 |

Legislative Changes

Requirements:

| | | | |
|---|--------------------|--|----|
| Information Technology Consolidation Reduction | \$0 | | R |
| Reduces IT Consolidation by \$250,000 and transfer that amount to the General Fund to reflect previous year OSBM reduction to the IT Fund. | (\$250,000) | | NR |
| | 0.00 | | |
| Provide Architecture and Engineering Strategists | \$270,000 | | R |
| Increases Architecture and Engineering funding to provide a Computer Strategist and a Network Strategist to build roadmaps and assessments to support Office of Information Technology Services systems and services deployments. Transfers two positions from the Information Technology Internal Service Fund to support this effort. | \$0 | | NR |
| | 2.00 | | |
| Subtotal Legislative Changes | \$270,000 | | R |
| | (\$250,000) | | NR |
| | 2.00 | | |

Receipts:

| | | | |
|---|----------|--|----|
| Information Technology Fund Interest | \$25,000 | | R |
| Accounts for the interest generated by the Information Technology Fund. | \$0 | | NR |

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| | | |
|--|--------------------|----|
| Transfer to General Fund | \$0 | R |
| Transfers portion of carryforward balance to the General Fund. | (\$750,000) | NR |
| Subtotal Legislative Changes | \$25,000 | R |
| | (\$750,000) | NR |
| <hr/> | | |
| Revised Total Requirements | \$6,203,142 | |
| Revised Total Receipts | \$5,433,142 | |
| | (\$770,000) | |
| Change in Fund Balance | | |
| Total Positions | 33.00 | |
| <hr/> | | |
| Ending Unreserved Fund Balance | \$24,928 | |

Information Technology Internal Service Fund

Budget Code: 74660

| | FY 2012-13 |
|--|----------------------|
| Beginning Unreserved Fund Balance | \$34,643,121 |
| Recommended Budget | |
| Requirements | \$185,420,834 |
| Receipts | \$185,420,834 |
| Positions | 531.00 |

Legislative Changes

Requirements:

| | | |
|---|-----------------------|-----------|
| Reduction to IT Internal Service Fund | \$0 | R |
| Requires the Office of the State Chief Information Officer and the Office of Information Technology Services to reduce requirements for the Information Technology Internal Service Fund to reflect position cuts scheduled for July 1, 2012; elimination of lease costs; elimination of appropriation for lighting (\$780,000); and refunds to agencies during SFY 2011-2012. Positions cut include: 60087660, 65010103, 60087301, 60087342, 65000716, 60087484, 60087378, 60087439, 60087526, 65000533, 60089793, 60087677, 60087592, 60087668, 65000051, 60087657, 60087672, 60087643, 60093435, 60087699, 60087637, 60087701, 60089800, 65000708. | (\$20,000,000) | NR |
| | -24.00 | |
| Reduction for Transfer of Positions to IT Fund | (\$270,000) | R |
| Reduces the IT Internal Service Fund Budget to reflect the transfer of two positions to the IT Fund to support Architecture and Engineering strategist requirements. | \$0 | NR |
| | -2.00 | |
| Subtotal Legislative Changes | (\$270,000) | R |
| | (\$20,000,000) | NR |
| | -26.00 | |

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Receipts for Internal Service Fund

\$0 R

Reduces receipts for IT Internal Service Fund to reflect requirements.

(\$20,000,000) NR

Transfer to General Fund

\$0 R

Transfers portion of carryforward in excess of 60-day balance to the General Fund.

(\$4,000,000) NR

Subtotal Legislative Changes

\$0 R

(\$24,000,000) NR

Revised Total Requirements

\$165,150,834

Revised Total Receipts

\$161,420,834

(\$3,730,000)

Change in Fund Balance

505.00

Total Positions

Ending Unreserved Fund Balance

\$30,913,121

