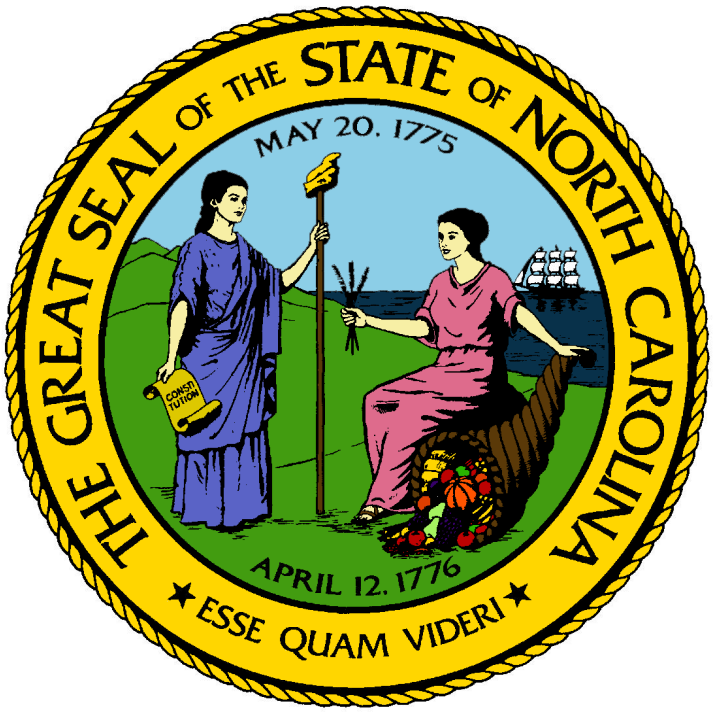
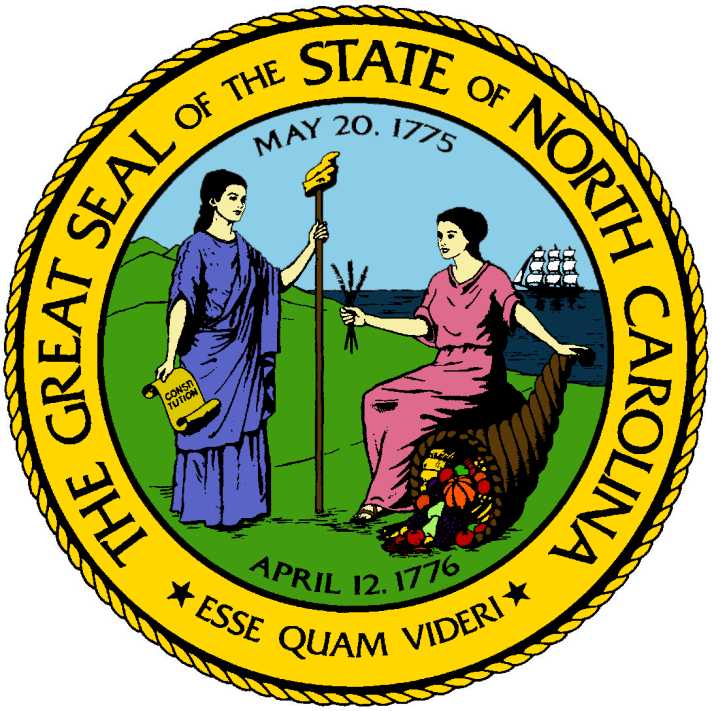
The Governor's Recommended Budget



Pat McCrory
Governor

The State of North Carolina
2013-2015

The Governor's Recommended Budget



Office of State Budget and Management
Office of the Governor
Raleigh, North Carolina

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March 2013

Questions about the State of North Carolina Governor's Recommended Budget, 2013-15 or requests for further information may be directed to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, or telephone (919) 807-4700. The document may also be downloaded from the Office of State Budget and Management's Web site at osbm.nc.gov.

This web version includes technical corrections made after the original printed document was distributed.

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Introduction

Governor's recommended budget for the state

The purpose of this document is to summarize the Governor's recommended state budget for the two fiscal years of the 2013-15 biennium. This publication includes recommendations for expenditures from the General Fund, Highway Fund, and Highway Trust Fund. Recommended expenditures for capital improvements and for reserves, debt service, and other adjustments are also included.

Governor's letter and highlights

Governor McCrory's priorities are listed in his transmittal letter, followed by a brief description of key recommendations on a "Highlights" page.

Revenue and budget summary

A summary of General Fund recommendations by department/budget code for the entire state budget appears in two tables: "Governor's Recommended General Fund Appropriation, FY 2013-14" and "Governor's Recommended General Fund Appropriation, FY 2014-15." Estimates of fund availability, an economic forecast, and demographic analysis are also included in this section.

Budget recommendations

The budget recommendations portion of this document meets the requirement of the State Budget Act to distinguish between continuation requirements (i.e., the base budget) and recommended adjustments to the base budget. Brief explanations of recommended adjustments to the budget are provided in sections that correspond to the following government functions: Education; General Government; Health and Human Services; Justice and Public Safety; Natural and Economic Resources; and Transportation.

Budget adjustments for a given department/agency appear in the appropriate section (for example, the University of North Carolina appears in the Education section, the Department of Revenue appears in the General Government section, and so forth). A department/agency presentation begins with a summary table, showing a base budget, adjustments to the base, and the total of requirements, receipts, appropriation, and positions for the department/agency. Next is an explanation of each adjustment for a given department/agency, along with a listing of the recurring and non-recurring requirements, receipts, appropriation, and positions for the proposed change.

Adjustments are categorized and arranged as Continuation, Reductions, or Expansion. Adjustments that are required by statute, such as the Average Daily Membership (ADM) adjustment for public schools, are classified as Continuation. Reductions are recommended decreases to budgets that support current operations, while expansions are new programs or expansions of existing programs.

The Transportation section summarizes recommended revenue and expenditures for the Highway Fund and the Highway Trust Fund in addition to the typical presentation of adjustments.

The Capital Improvements section and Reserves and Other Adjustments section display information in a manner similar to the presentation of adjustments as described above.

Appendix

Tables in the appendix summarize various components of the state budget, including a series of tables that show the total state budget by function, department, and source of funds for each year of the biennium.

Line item details and fund purpose statements

Line item base budget details with fund purpose statements for all budgeted budget codes and their component funds are available in a PDF file on the Web site of the Office of State Budget and Management (OSBM), osbm.nc.gov.

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

PAT MCCRORY
GOVERNOR

March 20, 2013

The North Carolina Senate
The Honorable Phil Berger, President Pro Tempore

The North Carolina House of Representatives
The Honorable Thom Tillis, Speaker

The Citizens of North Carolina

Re: Transmittal Letter for the Governor's Recommended Budget, 2013-2015 Biennium

Dear Mr. President, Mr. Speaker, Ladies and Gentlemen of the General Assembly and Fellow North Carolinians:

It is my pleasure to submit to you my recommended state budget for the 2013-2015 biennium.

It is an honor and privilege to recommend a budget that serves the people of North Carolina by providing a state government that will be efficient and modern, provides educational opportunities for our children, and needed job and professional skills for adults, which will in turn lead to economic growth and prosperity for our citizens and future generations. For too long, North Carolina's state government has been broken, relying on short term patches and fixes. The previous session of the General Assembly was able to take positive steps, without burdening North Carolina families with another major tax increase. Now it is time to not only fix and rebuild, but to start transforming North Carolina's state government to better serve all of the people, and better enable them to provide for themselves and succeed as individuals, as families, as employers and employees, and as citizens of our great state.

We must accomplish these goals with only a modest increase in state revenue of 3.6% in the first year of the biennium. The recommended budget includes a repeal of the state inheritance tax. Personal and corporate income tax reform will be revenue neutral and proposed through separate legislation. This recommended budget does not burden North Carolina families or businesses with any tax increases. I do recommend that more of the

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existing taxes and public revenue be retained in the General Fund for transparent budgeting for our highest priorities, rather than being transferred "off budget" directly to non-government organizations. Retaining these public funds will help offset a reduction in the State's beginning balance due to this year's cost overruns in Medicaid.

In order to step up services to the people with limited funds, the entire state budget must be prioritized. Major funding increases must be provided for enrollment growth in the public schools and universities, and for the rapid growth of Medicaid. At the same time, core services that provide for the public safety and health of the people must be continued. Increasing funding for these priorities means necessary decreases in other areas of state government. While it is not possible to rebuild the budget from the ground up in a few weeks, this recommended budget identifies necessary savings in order to fund our priorities.

Efficiency and Transformation in State Government

I recommend the state increase the State Repair and Renovation Fund by $300 million to begin rebuilding the state's core infrastructure. This will be the first step in implementing a 25 year infrastructure plan. More than $67 million will be placed in an Information Technology Systems Reserve, for funding and completing high priority information technology projects throughout state government.

The State Savings Reserve Account, also known as the Rainy Day Fund, is doubled from $413 million to $813 million over the biennium. In addition, the Disaster Relief Reserve Fund will receive an additional $20 million.

Over the past two decades sharp financial downturns and major natural disasters have forced the state to cut operational spending mid-year and to postpone needed investments in critical repairs to existing infrastructure as well as limiting funds for new infrastructure and technology. The increase of these aforementioned funds and reserves, in the cumulative amount of more than three-quarters of a billion dollars, will place North Carolina on a sound financial and infrastructure foundation, and avoid future fiscal crises.

The recommended budget includes $340 million for a one percent pay increase for teachers and state employees, as well as a one percent cost of living adjustment for retirees. In addition, a $72 million contribution to the Teachers' and State Employees' Retirement System is provided.

There is an additional $20 million Pay Adjustment Reserve for competitive pay increases and retention bonuses for key employees who are not receiving market wages and are in danger of being hired away. To assure overall competitive and equitable pay, there is funding for the Office of State Personnel to conduct a compensation study. This study will also include a review of the different "longevity" pay schedules throughout state government, which provides a few state employees with pay bonuses of up to 20% of their base pay. This longevity system has an overall annual cost of $147 million.

During the first ten weeks of my administration, we have begun to identify the best solutions, reforms, and improvements necessary for state government to best serve our citizens. However, more work must be done to have specific proposals ready for implementation. For this reason, my budget includes funding for a two year **NC G**overnment **E**fficiency **A**nd **R**eform project ("NC GEAR") to be conducted by the Office of State Budget and Management in coordination with the General Assembly. NC GEAR will build on past work, including the Government Performance Audit Committees, the General Assembly's Performance Evaluation Division, and the State Auditor, as well as utilize the expertise and best practices of the private sector, to make specific proposals for the transformation of government. I look forward to working with the Legislature on this, and as Governor I will take the lead and responsibility to submit to the 2014 General Assembly additional major budget proposals based on NC GEAR's work and recommendations. Upon completion of NC GEAR, I will, as appropriate, utilize Article III, Section 5 (10) of the NC Constitution to submit proposals to reorganize and transform state government for a straight up or down vote of approval by the General Assembly.

Education

Of all the areas of state government, the continued funding and transformation of education is crucial not only for our children, but also for both those already employed and those seeking employment, to have the necessary job skills, trade and professional skills, and higher education needed in a rapidly changing economy. Education will continue to be the largest part of the state budget, with annually more than $7.9 billion for the public schools, $1 billion for the Community Colleges, and $2.5 billion for the University of North Carolina. More than $11.4 billion, 56% of the State's General Fund budget, each year will go to education. It is not how much we spend, it is how well we spend it.

For the public schools, there will be more full-time teachers in the classroom next year than this year. State spending for textbooks, instructional supplies and equipment, especially for digital learning, will be increased by $179 million. Furthermore, an additional $44 million, including $3 million in funds redirected from the Lottery, will provide additional reading tablets for use by students who most need them. The recommended budget begins funding the implementation of the Excellent Public Schools Act, including $28 million for the Summer Reading Camps and Reading Plan for parents. To measure performance, $15 million in funding is provided for the utilization of the American College Testing (ACT) Assessments to gauge school achievement and career and college readiness.

The state's Community Colleges are experiencing declining enrollment after a rapid increase and peak in 2009-2011. The Community College System has and will continue to provide cost effective general education courses. The challenge is to fully fund and offer more resource intensive courses for the jobs, trades and professions, that provide a rewarding career for the graduates, and benefits employers and the community. To achieve this goal, this budget provides $32 million in additional funds for the higher cost "Tier One" degree programs as well as $28 million for technical education equipment and

infrastructure. To further support our economic recovery, Customized Industrial Training, the NC Back-to-Work program, and other job ready programs will receive continued or increased funding. The goal of my administration is to fund results. My recommended budget includes $15 million for Performance Based Funding on a competitive basis for programs that most directly and best prepare students for employment. My long term goal is to hold all our educational institutions accountable for results, rather than simply attendance, through existing performance funding models.

The recommended budget fully funds enrollment growth for the University of North Carolina, $33 million for the initial implementation of the UNC Strategic Direction Plan, and allocates $50 million from the Repair and Renovation Fund for University facilities. My recommended budget does not increase tuition for North Carolina residents but does so for non-resident students. Even with these increases, the University of North Carolina offers a quality education for out of state students at a lower rate than most similar public universities, without unduly burdening North Carolina taxpayers.

Environment and Commerce

Providing clean water and cleaning up past contamination is a priority of my administration. In this budget, $13 million in funding is recommended for the Drinking Water Revolving Fund match, Clean Water State Revolving Fund match and Clean Water Management Trust Fund. A further $7 million for the biennium is recommended to restore funding for the Non-Commercial Underground Storage Tank Program.

Efforts to assist farmers and landowners identify opportunities to increase water use efficiency, availability and storage as well as implement best management practices to conserve and protect water resources are extremely important. My budget recommends restoring $1 million in recurring funding for the Agriculture Water Resources Program targeted for this effort.

North Carolina has been successful in recruiting several blue ribbon employers to the state. However, North Carolina's unemployment rate remains consistently too high. This is not acceptable. The way North Carolina supports and promotes business and jobs needs to change. This budget recommends the reduction of state funding for non-government entities, while increasing funding that is available on a competitive basis for the Job Maintenance and Capital Development Fund, One North Carolina Small Business Program, and Main Street Solutions Fund. In addition, to benefit all North Carolina businesses, employers and employees, funding is recommended for the state to develop a strategic economic growth plan and comprehensive branding strategy.

While the recommended budget funds the Department of Commerce and economic development as presently organized, the Department will, through separate legislation, submit to the General Assembly a proposal for a fundamental reorganization and creation of a public private partnership for economic development and prosperity. The benefits of transforming into this type of structure include future savings to the State, engaging volunteer and private sector resources, hiring top talent, and establishing a strong culture

of performance, all of which will utilize business flexibility, efficiency and accountability. The bottom line is that all North Carolina, rural and urban, traditional and innovative new and modern businesses, small entrepreneurs and family businesses as well as large national enterprises will benefit.

The effort to create jobs and future prosperity requires an integrated effort between commerce and education. This budget recommends a crucial investment in the Common Follow-Up System to track the performance measures related to current and former participants in State job training and education programs.

Justice and Public Safety

The primary core purpose of government is to protect its citizens and provide them with a strong public safety system and sound justice. This budget strengthens the Department of Justice by providing increased funding and expansion of crime labs; to combat methamphetamine and prescription drug abuse; and to protect children from internet predators. To enable the Department of Justice to better focus on its law enforcement and investigative mission, I recommend the orderly transfer of attorneys and support staff that provide routine legal services from the Department of Justice to the state departments and agencies that they serve.

The Department of Public Safety will be able to save more than $54 million during the biennium by closing inefficient prison facilities that are outdated and no longer needed due to a declining prison population. These savings will in part be reinvested in the Justice Reinvestment Act, in the amount of $19.5 million for additional probation officers, plus another $7 million to expand electronic monitoring to protect the public from felons released from prison. This will also assist felons in becoming productive law abiding citizens.

A crucial and highly leveraged investment is recommended to establish the Center for Safer Schools to provide training and technical support to educators, law enforcement agencies and parents statewide, in order to make our schools safer for our children.

The Judiciary will be better able to serve the public with funding for additional magistrates in the smaller counties, and restoration of Drug Treatment Courts to support the treatment of substance abuse. To ensure that the State pays its bills, a one-time non-recurring funding increase of $5 million is made to the Indigent Defense system. There is no request for an increase in judicial fees or court costs.

As a matter of simple justice, this budget recommends a $10 million fund for the voluntary compensation by the State to the verified victims of the State's Eugenics Program to be administered by the Department of Administration.

Transportation

A well maintained, multimodal transportation infrastructure is a key component to facilitating economic growth. My budget continues the commitment to restore and maintain the state's transportation infrastructure. The Department of Transportation will redirect savings from other programs, more than $68 million in highway fund appropriations for the biennium, to priority programs based on safety and traffic requirements.

I further recommend $360 million in funding above the base budget for the 2013-15 biennium be directed to the Maintenance Program. This directs more than 50% of Highway Fund revenues each year to maintenance activities that maintain or enhance the existing infrastructure. I am also recommending that $7.5 million be dedicated to a new Economic Development fund to be used specifically for highway improvements that promote safety and mobility initiatives with an emphasis on job creation.

One of my main priorities is providing the resources to deliver an improved level of customer service to the citizens of the state that conduct business with the Division of Motor Vehicles. Recommended enhanced customer service initiatives include adding an extra day of service (Saturdays) at 20 driver license sites in 2013-14 and expanding to a total of 30 sites in 2014-15; adding self-service kiosks; identifying and eliminating unnecessary exams; replacement of several critical DMV mainframe applications that are written in outdated programming language, costly to maintain, and not easily adaptable to change to meet current business needs; and, the addition of another dedicated Regional Commercial Driver License (CDL) testing facility.

Health and Human Services

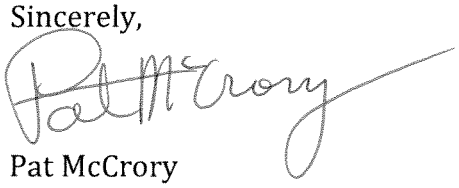
Health and Human Services is essential for the well-being of our most vulnerable citizens, but continues to place a growing burden on our limited state general fund. My budget recommends increasing state funds to the Division of Medical Assistance for Medicaid in the amount of $575 million. To lessen the impact of Medicaid over spending, I am also recommending the establishment of a Medicaid Risk Reserve in the amount of $180 million. The total state increased spending for the Medicaid and Medicaid Reserve is $755 million, in addition to the base budget of more than $3 billion. The state simply cannot sustain this rapid growth in spending. Therefore, working with the Legislature, I will propose separate legislation for fundamental Medicaid reform and to examine how the state can best respond to the federal Affordable Care Act. This is needed in order to provide cost effective affordable health care to our citizens without depleting state funds for all the other government services.

I am recommending a $52 million increase, using both General Fund dollars and lottery proceeds, to fund an expansion in NC Pre-K. This budget establishes a task force as part of NC GEAR to look for fundamental reform and consolidation of the State's multiple programs for children up to kindergarten age, and the appropriate role at the state level for

the programs within the Department of Health and Human Services and Department of Public Instruction.

In conclusion, this budget proposal allows state government to fulfill its potential for all of our citizens. Together as we make better budget decisions and get better results, North Carolinians will lead better lives. I look forward to working with you on this budget and tax reform efforts in the near future.

Sincerely,



Pat McCrory
Governor of North Carolina

HIGHLIGHTS OF THE 2013-15 BUDGET

Summary

- Presents a budget that continues North Carolina's long tradition as a national leader in fiscal management. Maintaining and enhancing reserves in excess of $600 million will allow North Carolina to continue to be one of only eight states to hold the coveted Triple A bond rating from all three major rating agencies.
    - Prudently allocates $400 million over two years for the Savings Reserve Account, bringing the total balance to $813 million (4% of general fund appropriations).
    - Provides $300 million over the biennium for the Repairs and Renovations Account, which will allow us to maintain and enhance the state's infrastructure and helps bolster employment for small to mid-sized construction companies.
    - Establishes a Medicaid Risk Reserve in the amount of $180 million over two years to assist with overall Medicaid reform, and to address any potential mid-year shortfalls in funding.
    - Adds $20 million to rebuild the Disaster Relief Reserve to provide resources and matching funds for small to medium size natural disasters.
- Authorizes no new debt.
- Budgets 9% less per capita than the budget did five years ago, while the overall state population has grown by 560,000 people during same time period (equivalent to the combined populations of Winston-Salem, Fayetteville, and Wilmington).
- Budget grows responsibly, consistent with inflation expectations of 1.5% and below the overall economic growth anticipated in fiscal year 2013-14.
- Provides a cost of living salary increase of 1% to Teachers and State Employees as well as retirees. Also provides funds for a salary adjustment reserve to provide for competitive pay increases and retention bonuses for key employees who are not receiving market wages.

Efficiency

- On average, most state agencies and departments face 1% to 3% reductions.
- Un-appropriated funds in the amount of $139 million will remain unspent for Fiscal Year 2013-14.
- Invests $77 million over two years to the Information Technology Reserve to provide enhancements for high priority and critical statewide information technology infrastructure and security deficiencies.
- Includes funding for the two year NC Government Efficiency And Reform project (NC GEAR) to assist with the continued transformation of state government by identifying applicable best practices of the private sector and continuing to reorganize and create a more efficient state government with a focus on customer service for the people.
- Saves over $54 million over the biennium by closing outdated and inefficient correctional facilities due to a declining prison population. Redirects $20 million of these savings to fund additional probation/parole officers based on recommendations of the Justice Reinvestment Act.
- Provides funds to support the Division of Motor Vehicles (DMV) customer improvement initiative. Will enhance customer service at 30 DMV offices to allow them to add an extra day of service on Saturdays.

Economy

- No new taxes proposed in this budget.

- Repeals the State Estate Tax – Saves taxpayers $109 million over the biennium.
- Includes over $14 million in funds for the Job Maintenance and Capital Development (JMAC) program, which is designed to encourage businesses to retain high paying quality jobs and large-scale capital investments in the state.
- Provides $2.7 million for each year of the biennium for the Department of Commerce to develop a comprehensive economic development branding strategy to promote the State of North Carolina.
- Sets aside $76.2 million over two years in the Job Development Investment Grant (JDIG) to fulfill obligations made to companies who qualified for economic incentive grants that have and continue to grow jobs and invest capital in North Carolina.
- Resumes funds for the One North Carolina Small Business Program to assist small business obtain and leverage competitive federal funding.
- Recapitalizes the Main Street Solutions Fund to assist small business growth in small towns and cities throughout North Carolina.

Education

- Through increased enrollment funds, over 1,800 more teachers will be hired throughout North Carolina over the next two years.
- Digital learning opportunities will be enhanced to address 3rd grade reading achievement or other targeted high priority instructional needs.
- Provides $28 million in 2014-15 to continue the implementation of the Excellent Public Schools Act. Funds will be used for summer reading camps and reading plans for parents.
- Allows for $7.5 million to continue diagnostics implementation in grades 8-12 to identify students in need of assistance to ensure they graduate career and college ready.
- Allocates $52.4 million over two years to permanently fund services to 5,000 at-risk four year olds served through NC PreK.
- Provides $63 million over two years to fund the University of North Carolina's Strategic Directions Plan, which will prepare students, in a timely manner, for workforce demands in various high-growth sectors.
- Allocates $50 million of the Repairs and Renovations Account for university facilities.
- Increases funding by $28 million over the biennium for technical education equipment and infrastructure for the Community College system.
- Provides $16.8 million for higher-cost and higher employer driven demand community college curriculum programs.

Other Major Highlights

- Compensates citizens who are verified victims of the state's former Eugenics Board program, which involuntarily sterilized North Carolinians. Provides $10 million in funds for compensation.
- Fully funds the state's Medicaid program by adding $575 million over the course of the biennium to support growth in the number of North Carolinians being served through Medicaid.
- Invests in Mental Health, identifying over $13 million over two years to implement services and supports to meet the needs of individuals with serious mental health illnesses.
- Provides $13 million in funds to address various clean water initiatives with the Department of Environment and Natural Resources.
- Allocates $7 million in recurring funds to assist homeowners clean-up petroleum contamination through the Noncommercial Leaking Underground Storage Tank Fund program.

Recommended Total Budget for the 2013 - 15 Biennium

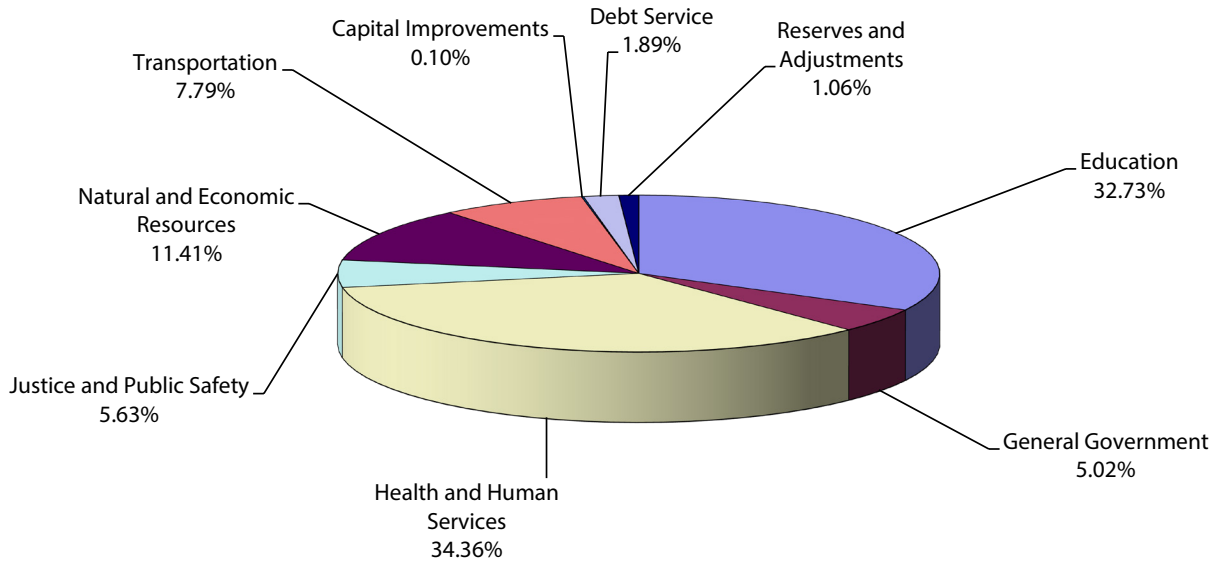
Table 1

Total North Carolina Budget, 2013-14

	Recommended	%
Education	16,231,834,883	32.73%
General Government	2,488,193,416	5.02%
Health and Human Services	17,040,621,050	34.36%
Justice and Public Safety	2,791,139,017	5.63%
Natural and Economic Resources	5,660,484,160	11.41%
Transportation	3,865,409,578	7.79%
Capital Improvements	50,122,622	0.10%
Debt Service	936,055,286	1.89%
Reserves and Adjustments	527,075,178	1.06%
Total	**49,590,935,190**	**100.0%**

Figure 1

Total North Carolina Budget 2013-14



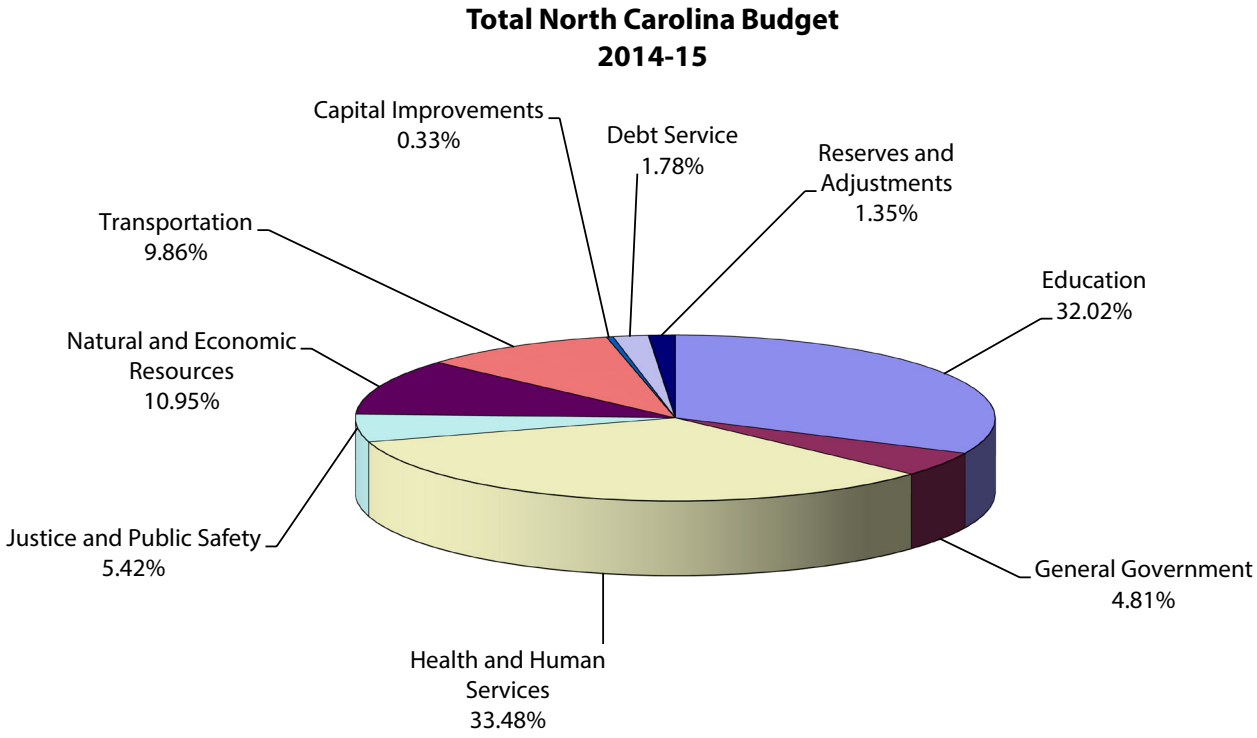
Recommended Total Budget for the 2013 - 15 Biennium

Table 2

Total North Carolina Budget, 2014-15

	Recommended	%
Education	16,497,917,827	32.02%
General Government	2,475,598,250	4.81%
Health and Human Services	17,245,997,160	33.48%
Justice and Public Safety	2,790,372,635	5.42%
Natural and Economic Resources	5,643,313,483	10.95%
Transportation	5,081,726,858	9.86%
Capital Improvements	169,937,700	0.33%
Debt Service	917,824,494	1.78%
Reserves and Adjustments	693,233,382	1.35%
Total	**51,515,921,789**	**100.0%**

Figure 2



Recommended General Fund Budget for the 2013 - 15 Biennium

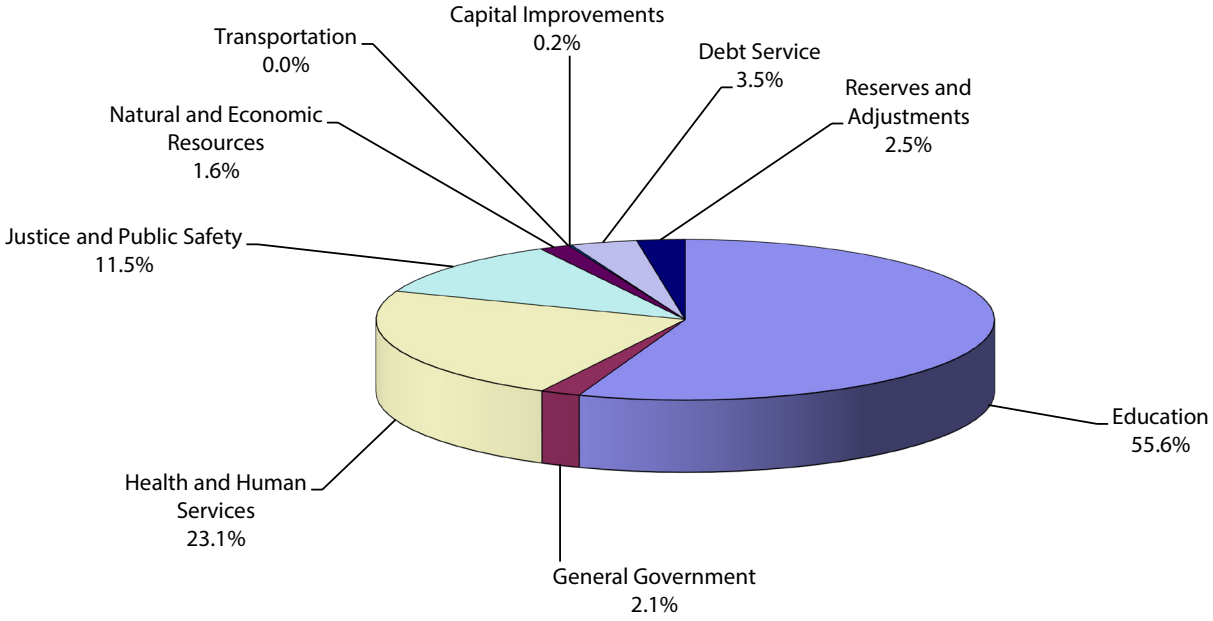
Table 3

General Fund Budget, 2013-14

	Recommended	%
Education	11,447,216,421	55.6%
General Government	430,330,602	2.1%
Health and Human Services	4,758,925,668	23.1%
Justice and Public Safety	2,363,610,052	11.5%
Natural and Economic Resources	332,333,565	1.6%
Transportation	0	0.0%
Capital Improvements	32,067,122	0.2%
Debt Service	718,109,996	3.5%
Reserves and Adjustments	519,075,178	2.5%
Total	**20,601,668,604**	**100.0%**

Figure 3

Recommended General Fund Budget 2013-14



Recommended General Fund Budget for the 2013 - 15 Biennium

Table 4

General Fund Budget, 2014-15

	Recommended	%
Education	11,712,137,938	54.9%
General Government	417,735,436	2.0%
Health and Human Services	4,964,296,445	23.3%
Justice and Public Safety	2,360,833,617	11.1%
Natural and Economic Resources	317,402,888	1.5%
Transportation	0	0.0%
Capital Improvements	150,000,000	0.7%
Debt Service	718,904,360	3.4%
Reserves and Adjustments	693,233,382	3.2%
Total	**21,334,544,066**	**100.0%**

Figure 4

Recommended General Fund Budget 2014-15

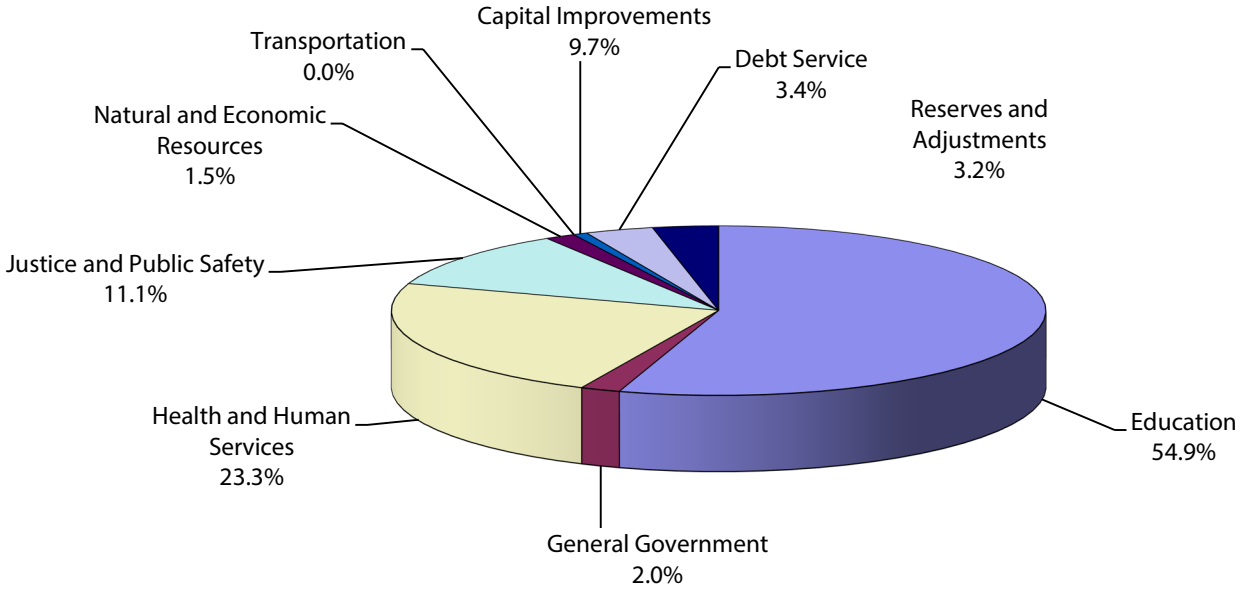


Table 5

Governor's Budget Recommendations for FY 2013-15: General Fund Balance Sheet

Brief Description	FY 2013-14	FY 2014-15
Availability		
Credit Balance:		
Unappropriated Balance	213,432,878	130,825,236
Anticipated Overcollections from FY 2012-13	102,600,000	0
Anticipated Reversions from FY 2012-13	125,000,000	0
Medicaid Funding Required for FY 2012-13	(123,100,000)	0
Transfer to Savings Reserve Account	(200,000,000)	(130,825,236)
Transfer to Repair and Renovations Account	(117,932,878)	0
Subtotal Credit Balance	0	0
Revenue Based on Existing Tax Structure	20,567,000,000	21,513,600,000
Revenue Changes:		
Repeal Estate Tax	(52,000,000)	(57,000,000)
Other Funds and Transfers	142,493,840	135,304,087
Repeal Transfer to Public School Building Capital Fund	75,000,000	75,000,000
Subtotal Revenue Changes	165,493,840	153,304,087
Total Availability	**20,732,493,840**	**21,666,904,087**
Recommended Appropriations		
FY 2012-13 Authorized Budget	20,161,042,925	20,161,042,925
Major Adjustments:		
Public Schools Enrollment (includes Average Salary Adjustment and State Aid)	119,689,869	246,325,011
Higher Education Enrollment (includes Community College State Aid)	30,443,148	57,156,772
Medicaid Rebase	185,000,000	390,000,000
Other Base Budget Adjustments	(60,123,886)	(25,476,653)
Subtotal Adjustments	275,009,131	668,005,130
Fiscal Responsibility:		
Transfer to Savings Reserve Account	0	69,174,764
Transfer to Repair and Renovations Account	32,067,122	150,000,000
Medicaid Risk Reserve	90,000,000	90,000,000
Other Reserves	59,000,000	64,000,000
Subtotal Fiscal Responsibility	181,067,122	373,174,764
Salaries and Benefits:		
Contribution to TSERS and Consolidated Judicial Retirement System	36,100,000	36,100,000
1% Pay Increase for All Teachers and State Employees	135,700,000	135,700,000
State Health Plan	45,000,000	136,200,000
1% Cost of Living Adjustment for Retirees	35,000,000	35,000,000
Subtotal Salaries and Benefits	251,800,000	343,000,000
Net Agency Changes	(267,250,574)	(210,678,753)
Total Recommended General Fund Appropriations	**20,601,668,604**	**21,334,544,066**
General Fund Balance	**130,825,236**	**332,360,021**

Summary of General Fund Continuation, Reductions, and Expansion, 2013-14

	2011-12 Actual	2012-13 Authorized	Base Budget Adjustments	Recommended Base Budget	Reductions	Expansion	Total Appropriation
Education							
Public Schools	7,579,686,402	7,844,603,612	140,321,145	7,984,924,757	(159,269,940)	74,114,109	7,899,768,926
Community Colleges	1,002,081,615	1,040,421,605	(2,991,130)	1,037,430,475	(49,416,589)	38,789,333	1,026,803,219
University System	2,532,936,311	2,663,562,435	45,989,372	2,709,551,807	(208,507,531)	19,600,000	2,520,644,276
Total Education	**11,114,704,328**	**11,548,587,652**	**183,319,387**	**11,731,907,039**	**(417,194,060)**	**132,503,442**	**11,447,216,421**
Health and Human Services							
Central Management and Support	54,771,774	51,237,988	2,790,366	54,028,354	(672,617)	5,538,308	58,894,045
Aging and Adult Services	43,867,854	94,264,677	(39,821,481)	54,443,196	(855)	500,000	54,942,341
Child Development and Early Education	261,687,029	262,754,083	(3,500,000)	259,254,083	(3,562,314)	9,131,559	264,823,328
Public Health	174,628,613	166,503,679	(9,719,177)	156,784,502	(16,000,000)	2,052,000	142,836,502
Social Services	185,200,809	176,601,099	(5,971,195)	170,629,904	(1,672,818)	7,920,836	176,877,922
Medical Assistance - Medicaid	3,057,376,970	3,102,444,193	(32,867,383)	3,069,576,810	(99,325,154)	241,828,664	3,212,080,320
Medical Assistance - Health Choice	77,855,203	80,131,026	-	80,131,026	(16,225,263)	6,176,522	70,082,285
Services for the Blind and Deaf and Hard of Hearing	7,174,928	8,178,618	-	8,178,618	-	-	8,178,618
Mental Health/DD/SAS	669,003,343	703,648,211	3,149,536	706,797,747	(15,644,509)	23,020,934	714,174,172
Health Services Regulation	15,946,188	17,723,614	(961,622)	16,761,992	-	-	16,761,992
Vocational Rehabilitation	36,485,812	37,216,215	2,067,928	39,284,143	(10,000)	-	39,274,143
Total Health and Human Services	**4,583,998,523**	**4,700,703,403**	**(84,833,028)**	**4,615,870,375**	**(153,113,530)**	**296,168,823**	**4,758,925,668**
Justice and Public Safety							
Judicial	454,772,836	459,330,244	(913,248)	458,416,996	(4,559,062)	5,150,208	459,008,142
Judicial - Indigent Defense	111,102,571	114,405,116	100,782	114,505,898	(489,834)	5,413,045	119,429,109
Justice	80,443,327	77,773,575	-	77,773,575	(8,398,017)	6,988,977	76,364,535
Department of Public Safety	-	1,714,430,276	7,631,508	1,722,061,784	(36,333,714)	23,080,196	1,708,808,266
Total Justice and Public Safety	**646,318,734**	**2,365,939,211**	**6,819,042**	**2,372,758,253**	**(49,780,627)**	**40,632,426**	**2,363,610,052**
Natural and Economic Resources							
Agriculture and Consumer Services	110,527,132	112,530,564	(3,612,230)	108,918,334	(3,427,946)	1,427,368	106,917,756
Labor	14,086,065	16,196,339	-	16,196,339	(500,000)	-	15,696,339
Environment and Natural Resources	114,670,847	112,586,367	(3,445,776)	109,140,591	(3,184,786)	11,305,720	117,261,525
Clean Water Mgmt Trust Fund	11,439,197	10,750,000	(10,750,000)	-	-	6,750,000	6,750,000
Wildlife Resources Commission	17,031,857	18,476,588	-	18,476,588	(589,609)	-	17,886,979
Commerce	50,185,500	41,719,442	(8,250,000)	33,469,442	(7,058,093)	12,956,975	39,368,324
Commerce - State Aid	75,779,461	70,754,314	(11,039,500)	59,714,814	(32,012,172)	750,000	28,452,642
Total Natural and Economic Resources	**393,720,059**	**383,013,614**	**(37,097,506)**	**345,916,108**	**(46,772,606)**	**33,190,063**	**332,333,565**
General Government							
General Assembly	54,035,079	53,526,445	(681,055)	52,845,390	(1,033,493)	-	51,811,897
Governor's Office	5,157,247	5,150,478	389,265	5,539,743	(419,693)	-	5,120,050
Governor's Office - Special Project	1	-	-	-	-	-	-
State Budget and Management (OSBM)	6,016,083	6,071,910	879,796	6,951,706	-	50,000	7,001,706
NC Housing Finance	9,673,051	1,608,417	7,800,000	9,408,417	(32,168)	-	9,376,249
OSBM - Special Appropriations	1,940,612	1,879,000	(1,830,000)	49,000	(49,000)	1,000,000	1,000,000
Lieutenant Governor's Office	768,111	588,197	(144,150)	444,047	-	144,534	588,581
Secretary of State	9,963,225	11,845,185	-	11,845,185	(303,354)	-	11,541,831
State Auditor	11,446,020	11,013,547	-	11,013,547	-	-	11,013,547
State Treasurer	6,467,148	6,851,090	-	6,851,090	(178,637)	1,465,437	8,137,890

	2011-12 Actual	2012-13 Authorized	Base Budget Adjustments	Recommended Base Budget	Reductions	Expansion	Total Appropriation
e Treasurer - Retirement/Benefits	17,517,114	23,179,042	-	23,179,042	-	-	23,179,042
rance	34,968,487	38,106,664	347,929	38,454,593	(921,324)	-	37,533,269
rance - Worker's Fund	2,294,000	2,623,654	-	2,623,654	(323,654)	-	2,300,000
ninistration	61,245,390	67,736,408	580,584	68,316,992	(1,722,820)	11,465,345	78,059,517
ce of State Controller	28,523,166	30,626,687	(1,347,397)	29,279,290	(153,320)	-	29,125,970
enue	76,049,160	79,410,575	621,000	80,031,575	(1,532,711)	2,414,578	80,913,442
ural Resources	65,637,187	63,114,684	511,793	63,626,477	(1,708,419)	1,149,114	63,067,172
ural Resources - Roanoke Island	1,920,154	1,058,757	-	1,058,757	(1,058,757)	-	-
e Board of Elections	4,697,504	5,213,445	-	5,213,445	(20,313)	390,871	5,584,003
ce of Administrative Hearings	4,007,670	4,294,999	40,465	4,335,464	(82,845)	723,817	4,976,436
l General Government	**402,326,409**	**413,899,184**	**7,168,230**	**421,067,414**	**(9,540,508)**	**18,803,696**	**430,330,602**
l General Fund Operating Budget	**17,141,068,053**	**19,412,143,064**	**75,376,125**	**19,487,519,189**	**(676,401,331)**	**521,298,450**	**19,332,416,308**
tal Improvements							
ital Improvement	-	-	-	-	-	**32,067,122**	**32,067,122**
l Capital Improvements	-	-	-	-	-	**32,067,122**	**32,067,122**
: Service							
rest Redemption	-	707,080,339	-	707,080,339	-	9,413,277	716,493,616
eral Reimbursement	-	1,616,380	-	1,616,380	-	-	1,616,380
l Debt Service	-	**708,696,719**	-	**708,696,719**	-	**9,413,277**	**718,109,996**
rves and Adjustments							
Reserve Contingency/Emergency	-	5,000,000	-	5,000,000	-	-	5,000,000
Reserve Job Development Incentive Grants	-	20,900,000	6,500,000	27,400,000	-	32,600,000	60,000,000
erve For IT Fund	-	5,303,142	750,000	6,053,142	-	-	6,053,142
ngs Reserve	-	-	-	-	-	-	-
Reserve - Contr Fraud Detection	-	-	-	-	-	-	-
One NC Fund	-	9,000,000	-	9,000,000	-	-	9,000,000
ural Heritage Trust Fund	-	-	-	-	-	4,230,000	4,230,000
s and Recreation Trust Fund	-	-	-	-	-	15,500,000	15,500,000
d Waster Trust Fund	-	-	-	-	-	2,462,000	2,462,000
p Tire Program	-	-	-	-	-	1,079,717	1,079,717
erance Reserve	-	-	-	-	-	7,500,000	7,500,000
rmation Technology Reserve	-	-	-	-	-	27,000,000	27,000,000
dicaid Risk Reserve	-	-	-	-	-	90,000,000	90,000,000
erve for Department of Justice Legal Positions	-	-	-	-	-	7,450,319	7,450,319
Government Efficiency and Reform project C GEAR)	-	-	-	-	-	2,000,000	2,000,000
islative Compensation Reserve - achers and State Employees	-	-	-	-	-	135,700,000	135,700,000
t of Living Adjustment for Retirees	-	-	-	-	-	35,000,000	35,000,000
lth Plan Reserve	-	-	-	-	-	45,000,000	45,000,000
rement System Reserves	-	-	-	-	-	36,100,000	36,100,000
ry Adjustment Reserve	-	-	-	-	-	20,000,000	20,000,000
ster Relief Reserve	-	-	-	-	-	10,000,000	10,000,000
l Reserves and Adjustments	-	**40,203,142**	**7,250,000**	**47,453,142**	-	**471,622,036**	**519,075,178**
l General Fund 2013-14	**17,141,068,053**	**20,161,042,925**	**82,626,125**	**20,243,669,050**	**(676,401,331)**	**1,034,400,885**	**20,601,668,604**

ummary of General Fund Continuation, Reductions, and Expansion, 2014-15

	2011-12 Actual	2012-13 Authorized	Base Budget Adjustments	Recommended Base Budget	Reductions	Expansion	Total Appropriation
lucation							
ublic Schools	7,579,686,402	7,844,603,612	266,494,218	8,111,097,830	(137,642,805)	146,319,128	8,119,774,153
ommunity Colleges	1,002,081,615	1,040,421,605	(2,991,130)	1,037,430,475	(47,416,589)	45,789,333	1,035,803,219
niversity System	2,532,936,311	2,663,562,435	74,312,035	2,737,874,470	(224,913,904)	43,600,000	2,556,560,566
otal Education	**11,114,704,328**	**11,548,587,652**	**337,815,123**	**11,886,402,775**	**(409,973,298)**	**235,708,461**	**11,712,137,938**
ealth and Human Services							
entral Management and Support	54,771,774	51,237,988	3,480,527	54,718,515	(672,617)	11,963,346	66,009,244
ging and Adult Services	43,867,854	94,264,677	(39,821,481)	54,443,196	(855)	700,000	55,142,341
hild Development and Early Education	261,687,029	262,754,083	(3,500,000)	259,254,083	(3,562,314)	9,131,559	264,823,328
ublic Health	174,628,613	166,503,679	(9,719,177)	156,784,502	(16,000,000)	2,052,000	142,836,502
ocial Services	185,200,809	176,601,099	(5,971,195)	170,629,904	(1,672,818)	8,047,980	177,005,066
edical Assistance - Medicaid	3,057,376,970	3,102,444,193	(18,867,383)	3,083,576,810	(114,152,764)	467,000,000	3,436,424,046
edical Assistance - Health Choice	77,855,203	80,131,026	-	80,131,026	(30,126,415)	11,178,930	61,183,541
ervices for the Blind and Deaf and Hard of Hearing	7,174,928	8,178,618	-	8,178,618	-	-	8,178,618
ental Health/DD/SAS	669,003,343	703,648,211	3,149,536	706,797,747	(15,228,245)	5,088,122	696,657,624
ealth Services Regulation	15,946,188	17,723,614	(961,622)	16,761,992	-	-	16,761,992
ocational Rehabilitation	36,485,812	37,216,215	2,067,928	39,284,143	(10,000)	-	39,274,143
otal Health and Human Services	**4,583,998,523**	**4,700,703,403**	**(70,142,867)**	**4,630,560,536**	**(181,426,028)**	**515,161,937**	**4,964,296,445**
ustice and Public Safety							
udicial	454,772,836	459,330,244	(913,248)	458,416,996	(4,559,062)	5,389,547	459,247,481
udicial - Indigent Defense	111,102,571	114,405,116	100,782	114,505,898	(489,834)	470,934	114,486,998
ustice	80,443,327	77,773,575	3,000,000	80,773,575	(10,881,457)	4,154,191	74,046,309
epartment of Public Safety	-	1,714,430,276	18,428,908	1,732,859,184	(48,464,958)	28,658,603	1,713,052,829
otal Justice and Public Safety	**646,318,734**	**2,365,939,211**	**20,616,442**	**2,386,555,653**	**(64,395,311)**	**38,673,275**	**2,360,833,617**
atural and Economic Resources							
griculture and Consumer Services	110,527,132	112,530,564	(3,612,230)	108,918,334	(3,427,946)	1,426,568	106,916,956
abor	14,086,065	16,196,339	-	16,196,339	(500,000)	-	15,696,339
nvironment and Natural Resources	114,670,847	112,586,367	(3,365,685)	109,220,682	(3,184,786)	3,750,000	109,785,896
lean Water Mgmt Trust Fund	11,439,197	10,750,000	(10,750,000)	-	-	-	-
ildlife Resources Commission	17,031,857	18,476,588	-	18,476,588	(589,609)	-	17,886,979
ommerce	50,185,500	41,719,442	(8,250,000)	33,469,442	(7,058,093)	14,469,145	40,880,494
ommerce - State Aid	75,779,461	70,754,314	(8,799,500)	61,954,814	(36,468,590)	750,000	26,236,224
otal Natural and Economic Resources	**393,720,059**	**383,013,614**	**(34,777,415)**	**348,236,199**	**(51,229,024)**	**20,395,713**	**317,402,888**
eneral Government							
eneral Assembly	54,035,079	53,526,445	(681,055)	52,845,390	(1,033,493)	-	51,811,897
overnor's Office	5,157,247	5,150,478	391,347	5,541,825	(419,693)	-	5,122,132
overnor's Office - Special Project	1	-	-	-	-	-	-
tate Budget and Management (OSBM)	6,016,083	6,071,910	962,307	7,034,217	-	-	7,034,217
C Housing Finance	9,673,051	1,608,417	7,800,000	9,408,417	(32,168)	-	9,376,249
SBM - Special Appropriations	1,940,612	1,879,000	(1,830,000)	49,000	(49,000)	-	-
ieutenant Governor's Office	768,111	588,197	(144,150)	444,047	-	140,534	584,581
ecretary of State	9,963,225	11,845,185	-	11,845,185	(303,354)	-	11,541,831
tate Auditor	11,446,020	11,013,547	-	11,013,547	-	-	11,013,547
tate Treasurer	6,467,148	6,851,090	-	6,851,090	(178,637)	353,852	7,026,305

	2011-12 Actual	2012-13 Authorized	Base Budget Adjustments	Recommended Base Budget	Reductions	Expansion	Total Appropriation
Treasurer - Retirement/Benefits	17,517,114	23,179,042	-	23,179,042	-	-	23,179,042
ance	34,968,487	38,106,664	357,549	38,464,213	(921,324)	-	37,542,889
ance - Worker's Fund	2,294,000	2,623,654	-	2,623,654	(323,654)	-	2,300,000
nistration	61,245,390	67,736,408	505,584	68,241,992	(1,722,820)	1,273,597	67,792,769
e of State Controller	28,523,166	30,626,687	(1,347,397)	29,279,290	(153,320)	-	29,125,970
nue	76,049,160	79,410,575	621,000	80,031,575	(1,532,711)	2,394,918	80,893,782
ral Resources	65,637,187	63,114,684	514,796	63,629,480	(1,708,419)	1,149,114	63,070,175
ral Resources - Roanoke Island	1,920,154	1,058,757	-	1,058,757	(1,058,757)	-	-
Board of Elections	4,697,504	5,213,445	-	5,213,445	(20,313)	390,871	5,584,003
e of Administrative Hearings	4,007,670	4,294,999	55,432	4,350,431	(82,845)	468,461	4,736,047
General Government	**402,326,409**	**413,899,184**	**7,205,413**	**421,104,597**	**(9,540,508)**	**6,171,347**	**417,735,436**
General Fund Operating Budget	**17,141,068,053**	**19,412,143,064**	**260,716,696**	**19,672,859,760**	**(716,564,169)**	**816,110,733**	**19,772,406,324**
al Improvements							
al Improvements	-	-	-	-	-	150,000,000	150,000,000
Capital Improvements	**-**	**-**	**-**	**-**	**-**	**150,000,000**	**150,000,000**
Service							
est Redemption	-	707,080,339	-	707,080,339	-	10,207,641	717,287,980
ral Reimbursement	-	1,616,380	-	1,616,380	-	-	1,616,380
Debt Service	**-**	**708,696,719**	**-**	**708,696,719**	**-**	**10,207,641**	**718,904,360**
ves and Adjustments							
eserve Contingency/Emergency	-	5,000,000	-	5,000,000	-	-	5,000,000
eserve Job Development Incentive Grants	-	20,900,000	6,500,000	27,400,000	-	43,600,000	71,000,000
ve For IT Fund	-	5,303,142	750,000	6,053,142	-	-	6,053,142
ngs Reserve	-	-	-	-	-	69,174,764	69,174,764
eserve - Contr Fraud Detection	-	-	-	-	-	-	-
ne NC Fund	-	9,000,000	-	9,000,000	-	2,800,000	11,800,000
al Heritage Trust Fund	-	-	-	-	-	4,230,000	4,230,000
and Recreation Trust Fund	-	-	-	-	-	15,500,000	15,500,000
Waster Trust Fund	-	-	-	-	-	2,462,000	2,462,000
Tire Program	-	-	-	-	-	1,079,717	1,079,717
ance Reserve	-	-	-	-	-	-	-
nation Technology Reserve	-	-	-	-	-	32,000,000	32,000,000
caid Risk Reserve	-	-	-	-	-	90,000,000	90,000,000
ve for Department of Justice Legal Positions	-	-	-	-	-	9,933,759	9,933,759
overnment Efficiency and Reform project GEAR)	-	-	-	-	-	2,000,000	2,000,000
lative Compensation Reserve - chers and State Employees	-	-	-	-	-	135,700,000	135,700,000
of Living Adjustment for Retirees	-	-	-	-	-	35,000,000	35,000,000
h Plan Reserve	-	-	-	-	-	136,200,000	136,200,000
ement System Reserves	-	-	-	-	-	36,100,000	36,100,000
Adjustment Reserve	-	-	-	-	-	20,000,000	20,000,000
ter Relief Reserve	-	-	-	-	-	10,000,000	10,000,000
Reserves and Adjustments	**-**	**40,203,142**	**7,250,000**	**47,453,142**	**-**	**645,780,240**	**693,233,382**
General Fund 2014-15	**17,141,068,053**	**20,161,042,925**	**267,966,696**	**20,429,009,621**	**(716,564,169)**	**1,622,098,614**	**21,334,544,066**

Table 8
Governor's Recommended FY 2013-2014 General Fund Appropriations

Budget Code	Function	FY 2013-14 Recommended Base Budget	Reductions Recurring	Reductions Nonrecurring	Reductions Appropriation Supported Positions	Other Continuation/Expansion FY 2013-14 Recurring	Other Continuation/Expansion FY 2013-14 Nonrecurring	Other Continuation/Expansion Appropriation Supported Positions	Net Change	FY 2013-14 Recommended Appropriation	Total Budgeted Positions
	Education:										
13510	Public Education	7,984,924,757	(132,019,266)	(27,250,674)	(46.25)	74,114,109	-	3.00	(85,155,831)	7,899,768,926	1,295.94
16800	Community Colleges	1,037,430,475	(47,416,589)	(2,000,000)	-	21,789,333	17,000,000	-	(10,627,256)	1,026,803,219	194.10
160xx	University System	2,709,551,807	(157,518,904)	(50,988,627)	-	11,800,000	7,800,000	-	(188,907,531)	2,520,644,276	34,957.22
	Total Education	**11,731,907,039**	**(336,954,759)**	**(80,239,301)**	**(46.25)**	**107,703,442**	**24,800,000**	**-**	**(284,690,618)**	**11,447,216,421**	**36,447.26**
	General Government:										
11000	General Assembly	52,845,390	(90,000)	(943,493)	-	-	-	-	(1,033,493)	51,811,897	318.85
13000	Governor's Office	5,539,743	(419,693)	-	-	-	-	-	(419,693)	5,120,050	52.20
13001	Governor's Office - Special Project	-	-	-	-	-	-	-	-	-	7.40
13005	State Budget and Management (OSBM)	6,951,706	-	-	-	-	50,000	-	50,000	7,001,706	58.25
13010	NC Housing Finance	9,408,417	(32,168)	-	-	-	-	-	(32,168)	9,376,249	-
13085	OSBM-Special Appropriations	49,000	(49,000)	-	-	1,000,000	-	-	951,000	1,000,000	-
13100	Lieutenant Governor	444,047	-	-	-	140,534	4,000	2.00	144,534	588,581	5.00
13200	Secretary of State	11,845,185	(303,354)	-	(3.00)	-	-	2.00	(303,354)	11,541,831	175.75
13300	State Auditor	11,013,547	-	-	-	-	-	-	-	11,013,547	170.00
13410	State Treasurer	6,851,090	(178,637)	-	(1.00)	353,852	1,111,585	-	1,286,800	8,137,890	358.94
13412	State Treasurer - Retirement / Benefits	23,179,042	-	-	-	-	-	-	-	23,179,042	-
13900	Insurance	38,454,593	(921,324)	-	(9.00)	-	-	-	(921,324)	37,533,269	408.10
13901	Insurance - Worker's Comp. Fund	2,623,654	(323,654)	-	-	-	-	-	(323,654)	2,300,000	-
14100	Administration	68,316,992	(522,820)	(1,200,000)	(6.00)	1,273,597	10,191,748	2.00	9,742,525	78,059,517	533.53
14160	Controller's Office	29,279,290	(153,320)	-	(1.00)	-	-	-	(153,320)	29,125,970	177.75
14700	Revenue	80,031,575	(1,532,711)	-	(18.00)	2,394,818	19,760	43.00	881,867	80,913,442	1,441.25
14800	Cultural Resources	63,626,477	(1,708,419)	-	(13.00)	1,149,114	-	-	(559,305)	63,067,172	662.93
14802	Cultural Resources - Roanoke Island	1,058,757	(1,058,757)	-	-	-	-	-	(1,058,757)	-	-
18025	State Board of Elections	5,213,445	(20,313)	-	2.00	213,366	177,505	2.00	370,558	5,584,003	53.00
18210	Office of Administrative Hearings	4,335,464	(82,845)	-	(1.00)	468,461	255,356	3.00	640,972	4,976,436	42.00
	Total General Government	**421,067,414**	**(7,397,015)**	**(2,143,493)**	**(50.00)**	**6,993,742**	**11,809,954**	**54.00**	**9,263,188**	**430,330,602**	**4,464.95**
	Health and Human Services:										
14410	Central Administration	54,028,354	(672,617)	-	(6.00)	5,538,308	-	-	4,865,691	58,894,045	632.25
14411	Aging	54,443,196	(855)	-	-	500,000	-	-	499,145	54,942,341	73.50
14420	Child Development	259,254,083	(3,562,314)	-	-	9,131,559	-	9.00	5,569,245	264,823,328	312.75
14430	Public Health	156,784,502	(16,000,000)	-	-	2,052,000	-	-	(13,948,000)	142,836,502	2,105.79
14440	Social Services	170,629,904	(1,672,818)	-	-	3,094,490	4,826,346	-	6,248,018	176,877,922	415.00
14445	Medical Assistance	3,069,576,810	(95,567,472)	(3,757,682)	-	237,000,000	4,828,664	-	142,503,510	3,212,080,320	428.25
14446	Child Health	80,131,026	(16,225,263)	-	-	6,176,522	-	-	(10,048,741)	70,082,285	5.00
14450	Services for the Blind	8,178,618	-	-	-	-	-	-	-	8,178,618	313.75
14460	Mental Health/DD/SAS	706,797,747	(15,228,245)	(416,264)	-	-	23,020,934	-	7,376,425	714,174,172	11,712.20
14470	Health Service Regulation	16,761,992	-	-		-	-	-	-	16,761,992	555.50
14480	Vocational Rehabilitation	39,284,143	(10,000)	-	-	-	-	-	(10,000)	39,274,143	1,030.50
	Total Health and Human Services	**4,615,870,375**	**(148,939,584)**	**(4,173,946)**	**(6.00)**	**263,492,879**	**32,675,944**	**9.00**	**143,055,293**	**4,758,925,668**	**17,584.49**
	Justice and Public Safety:										
12000	Judicial	458,416,996	(4,559,062)	-	(67.00)	5,100,816	49,392	61.00	591,146	459,008,142	5,803.33
12001	Judicial - Indigent Defense	114,505,898	(489,834)	-	(3.25)	369,965	5,043,080	6.00	4,923,211	119,429,109	513.85
13600	Justice	77,773,575	(8,398,017)	-	(223.63)	4,154,191	2,834,786	54.00	(1,409,040)	76,364,535	1,070.77
14550	Public Safety	1,722,061,784	(34,304,290)	(2,029,424)	(784.40)	20,234,357	2,845,839	155.00	(13,253,518)	1,708,808,266	24,677.81
	Total Justice and Public Safety	**2,372,758,253**	**(47,751,203)**	**(2,029,424)**	**(1,078.28)**	**29,859,329**	**10,773,097**	**276.00**	**(9,148,201)**	**2,363,610,052**	**32,065.76**

Budget Code	Function	FY 2013-14 Recommended Base Budget	Reductions Recurring	Reductions Nonrecurring	Appropriation Supported Positions	Other Continuation/Expansion FY 2013-14 Recurring	Other Continuation/Expansion FY 2013-14 Nonrecurring	Appropriation Supported Positions	Net Change	FY 2013-14 Recommended Appropriation	Total Budgeted Positions
	Natural and Economic Resources:										
13700	Agriculture & Consumer Services	108,918,334	(3,427,946)	-	(24.00)	1,426,568	800	8.00	(2,000,578)	106,917,756	1,815.83
13800	Labor	16,196,339	(500,000)	-	-	-	-	-	(500,000)	15,696,339	405.25
14300	Environment and Natural Resources	109,140,591	(3,184,786)	-	(35.10)	3,750,000	7,555,720	2.00	8,120,934	117,261,525	2,301.95
14301	Clean Water Management Trust	-	-	-	-	-	6,750,000	-	6,750,000	6,750,000	-
14350	Wildlife Resource Commission	18,476,588	(589,609)	-	(26.00)	-	-	-	(589,609)	17,886,979	623.00
14600	Commerce	33,469,442	(2,058,093)	(5,000,000)	(8.00)	4,051,502	8,905,473	13.00	5,898,882	39,368,324	520.43
14601	Commerce - State Aid	59,714,814	(11,012,172)	(21,000,000)	-	-	750,000	-	(31,262,172)	28,452,642	-
	Total Natural & Economic Resources	**345,916,108**	**(20,772,606)**	**(26,000,000)**	**(93.10)**	**9,228,070**	**23,961,993**	**23.00**	**(13,582,543)**	**332,333,565**	**5,666.46**
14222	**Transportation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Net Agency	**19,487,519,189**	**(561,815,167)**	**(114,586,164)**	**(1,273.63)**	**417,277,462**	**104,020,988**	**362.00**	**(155,102,881)**	**19,332,416,308**	**96,228.92**
19600	**Capital Improvements**	**-**	**-**	**-**	**-**	**32,067,122**	**-**	**-**	**-**	**32,067,122**	**-**
	Debt Service:		-								
19420	General Debt Service	707,080,339	-	-	-	9,413,277	-	-	9,413,277	716,493,616	-
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-
	Total Debt Service	**708,696,719**	**-**	**-**	**-**	**9,413,277**	**-**	**-**	**9,413,277**	**718,109,996**	**-**
	Reserves and Adjustments:										
19001	Contingency and Emergency Reserve	5,000,000	-	-	-	-	-	-	-	5,000,000	-
19003	Legislative Compensation Reserve	-	-	-	-	135,700,000	-	-	135,700,000	135,700,000	-
19004	Salary Adjustment Reserve	-	-	-	-	20,000,000	-	-	20,000,000	20,000,000	-
19003	Cost of Living Adjustment for Retirees	-	-	-	-	35,000,000	-	-	35,000,000	35,000,000	-
19013	Job Development Incentive Grants Reserve	27,400,000	-	-	-	-	32,600,000	-	32,600,000	60,000,000	-
19043	Health Plan Reserve (Benefit Changes/Keep Plan Solvent)	-	-	-	-	45,000,000	-	-	45,000,000	45,000,000	-
19044	IT Initiative	6,053,142	-	-	-	-	-	-	-	6,053,142	-
19047	Retirement System Reserve (Keep Plan Structurally Sound)	-	-	-	-	36,100,000	-	-	36,100,000	36,100,000	-
19058	Savings Reserve	-	-	-	-	-	-	-	-	-	-
19059	GF-Reserve Contr Fraud Detection	-	-	-	-	-	-	-	-	-	-
16063	GF-One NC Fund	9,000,000	-	-	-	-	-	-	-	9,000,000	-
19xxx	Natural Heritage Trust Fund	-			-	4,230,000			4,230,000	4,230,000	-
19xxx	Parks and Recreation Trust Fund	-	-	-	-	15,500,000	-	-	15,500,000	15,500,000	-
19xxx	Solid Waste Trust Fund	-	-	-	-	2,462,000	-	-	2,462,000	2,462,000	-
19xxx	Scrap Tire Program	-	-	-	-	1,079,717	-	-	1,079,717	1,079,717	-
19xxx	Severance Reserve	-	-	-	-	-	7,500,000		7,500,000	7,500,000	-
19xxx	Information Technology Reserve	-	-	-	-	6,635,000	20,365,000	43.00	27,000,000	27,000,000	43.00
19xxx	Medicaid Risk Reserve	-	-	-	-	90,000,000	-	-	90,000,000	90,000,000	-
19xxx	Reserve for Department of Justice Legal Positions	-	-	-	-	7,450,319	-	210.63	7,450,319	7,450,319	210.63
19xxx	NC Government Efficiency and Reform project (NC GEAR)	-	-	-	-	2,000,000	-		2,000,000	2,000,000	
19xxx	Disaster Relief Reserve	-	-	-	-	10,000,000	-	-	10,000,000	10,000,000	
	Total Reserves and Adjustments	**47,453,142**	**-**	**-**	**-**	**411,157,036**	**60,465,000**	**253.63**	**471,622,036**	**519,075,178**	**253.63**
	Total	**$ 20,243,669,050**	**$ (561,815,167)**	**$ (114,586,164)**	**(1,273.63)**	**$ 869,914,897**	**$ 164,485,988**	**615.63**	**$ 325,932,432**	**$ 20,601,668,604**	**96,482.55**

Table 9
Governor's Recommended FY 2014-2015 General Fund Appropriations

Budget Code	Function	FY 2014-15 Recommended Continuation Budget	Reductions Recurring	Reductions Nonrecurring	Reductions Appropriation Supported Positions	Other Continuation/Expansion FY 2014-15 Recurring	Other Continuation/Expansion FY 2014-15 Nonrecurring	Other Continuation/Expansion Appropriation Supported Positions	Net Change	FY 2014-15 Recommended Appropriation	Total Budgeted Positions
	Education:										
13510	Public Education	8,111,097,830	(137,642,805)	-	(46.25)	146,319,128	-	3.00	8,676,323	8,119,774,153	1,295.94
16800	Community Colleges	1,037,430,475	(47,416,589)	-	-	26,789,333	19,000,000	-	(1,627,256)	1,035,803,219	194.10
160xx	University System	2,737,874,470	(182,813,904)	(42,100,000)	-	32,100,000	11,500,000	-	(181,313,904)	2,556,560,566	34,960.02
	Total Education	**11,886,402,775**	**(367,873,298)**	**(42,100,000)**	**(46.25)**	**205,208,461**	**30,500,000**	**-**	**(174,264,837)**	**11,712,137,938**	**36,450.06**
	General Government:										
11000	General Assembly	52,845,390	(132,289)	(901,204)	-	-	-	-	(1,033,493)	51,811,897	318.85
13000	Governor's Office	5,541,825	(419,693)	-	-	-	-	-	(419,693)	5,122,132	52.20
13001	Governor's Office - Special Project	-	-	-	-	-	-	-	-	-	7.40
13005	State Budget and Management (OSBM)	7,034,217	-	-	-	-	-	-	-	7,034,217	59.25
13010	NC Housing Finance	9,408,417	-	(32,168)	-	-	-	-	(32,168)	9,376,249	-
13085	OSBM-Special Appropriations	49,000	(49,000)	-	-	-	-	-	(49,000)	-	-
13100	Lieutenant Governor	444,047	-	-	-	140,534	-	2.00	140,534	584,581	5.00
13200	Secretary of State	11,845,185	(303,354)	-	(3.00)	-	-	2.00	(303,354)	11,541,831	175.75
13300	State Auditor	11,013,547	-	-	-	-	-	-	-	11,013,547	170.00
13410	State Treasurer	6,851,090	(178,637)	-	(1.00)	-	353,852	-	175,215	7,026,305	358.94
13412	State Treasurer - Retirement / Benefits	23,179,042	-	-	-	-	-	-	-	23,179,042	-
13900	Insurance	38,464,213	(921,324)	-	(9.00)	-	-	-	(921,324)	37,542,889	408.10
13901	Insurance - Worker's Comp. Fund	2,623,654	(323,654)	-	-	-	-	-	(323,654)	2,300,000	-
14100	Administration	68,241,992	(522,820)	(1,200,000)	(6.00)	1,273,597	-	2.00	(449,223)	67,792,769	533.53
14160	Controller's Office	29,279,290	(153,320)	-	(1.00)	-	-	-	(153,320)	29,125,970	177.75
14700	Revenue	80,031,575	(1,532,711)	-	(18.00)	2,394,918	-	43.00	862,207	80,893,782	1,441.25
14800	Cultural Resources	63,629,480	(1,708,419)	-	(13.00)	1,149,114	-	-	(559,305)	63,070,175	662.93
14802	Cultural Resources - Roanoke Island	1,058,757	(1,058,757)	-	-	-	-	-	(1,058,757)	-	-
18025	State Board of Elections	5,213,445	(20,313)	-	-	213,366	177,505	2.00	370,558	5,584,003	53.00
18210	Office of Administrative Hearings	4,350,431	(82,845)	-	(1.00)	330,685	137,776	3.00	385,616	4,736,047	42.00
	Total General Government	**421,104,597**	**(7,407,136)**	**(2,133,372)**	**(52.00)**	**5,502,214**	**669,133**	**54.00**	**(3,369,161)**	**417,735,436**	**4,465.95**
	Health and Human Services:			-	-						
14410	Central Administration	54,718,515	(672,617)	-	(6.00)	11,098,691	864,655	-	11,290,729	66,009,244	632.25
14411	Aging	54,443,196	(855)	-	-	700,000	-	-	699,145	55,142,341	73.50
14420	Child Development	259,254,083	(3,562,314)	-	-	9,131,559	-	9.00	5,569,245	264,823,328	312.75
14430	Public Health	156,784,502	(16,000,000)	-	-	2,052,000	-	-	(13,948,000)	142,836,502	2,105.79
14440	Social Services	170,629,904	(1,672,818)	-	-	3,221,634	4,826,346	-	6,375,162	177,005,066	415.00
14445	Medical Assistance	3,083,576,810	(114,152,764)	-	-	467,000,000	-	-	352,847,236	3,436,424,046	428.25
14446	Child Health	80,131,026	(30,126,415)	-	-	11,178,930	-	-	(18,947,485)	61,183,541	5.00
14450	Services for the Blind	8,178,618	-	-	-	-	-	-	-	8,178,618	313.75
14460	Mental Health/DD/SAS	706,797,747	(15,228,245)	-	-	-	5,088,122	-	(10,140,123)	696,657,624	11,712.20
14470	Health Service Regulation	16,761,992	-	-	-	-	-	-	-	16,761,992	555.50
14480	Vocational Rehabilitation	39,284,143	(10,000)	-	-	-	-	-	(10,000)	39,274,143	1,030.50
	Total Health and Human Services	**4,630,560,536**	**(181,426,028)**	**-**	**(6.00)**	**504,382,814**	**10,779,123**	**9.00**	**333,735,909**	**4,964,296,445**	**17,584.49**
	Justice and Public Safety:			-	-						
12000	Judicial	458,416,996	(4,559,062)	-	(67.00)	5,389,547	-	61.00	830,485	459,247,481	5,803.33
12001	Judicial - Indigent Defense	114,505,898	(489,834)	-	(3.25)	369,965	100,969	6.00	(18,900)	114,486,998	513.85
13600	Justice	80,773,575	(10,881,457)	-	(223.63)	4,154,191	-	54.00	(6,727,266)	74,046,309	1,070.77
14550	Public Safety	1,732,859,184	(48,464,958)	-	(784.40)	27,578,906	1,079,697	266.00	(19,806,355)	1,713,052,829	24,788.81
	Total Justice and Public Safety	**2,386,555,653**	**-**	**-**	**(1,078.28)**	**37,492,609**	**1,180,666**	**387.00**	**(25,722,036)**	**2,360,833,617**	**32,176.76**

Budget Code	Function	FY 2014-15 Recommended Continuation Budget	Reductions: Recurring	Reductions: Nonrecurring	Reductions: Appropriation Supported Positions	Other Continuation/Expansion: FY 2014-15 Recurring	Other Continuation/Expansion: FY 2014-15 Nonrecurring	Other Continuation/Expansion: Appropriation Supported Positions	Net Change	FY 2014-15 Recommended Appropriation	Total Budgeted Positions
	Natural and Economic Resources:										
13700	Agriculture & Consumer Services	108,918,334	(3,427,946)	-	(24.00)	1,426,568	-	8.00	(2,001,378)	106,916,956	1,815.83
13800	Labor	16,196,339	(500,000)	-	-	-	-	-	(500,000)	15,696,339	405.25
14300	Environment and Natural Resources	109,220,682	(3,184,786)	-	(35.10)	3,750,000	-	2.00	565,214	109,785,896	2,301.95
14301	Clean Water Management Trust	-	-	-	-	-	-	-	-	-	-
14350	Wildlife Resource Commission	18,476,588	(589,609)	-	(26.00)	-	-		(589,609)	17,886,979	623.00
14600	Commerce	33,469,442	(2,058,093)	(5,000,000)	(8.00)	4,619,145	9,850,000	23.00	7,411,052	40,880,494	530.43
14601	Commerce - State Aid	61,954,814	(15,468,590)	(21,000,000)	-	-	750,000	-	(35,718,590)	26,236,224	-
	Total Natural & Economic Resources	**348,236,199**	**(25,229,024)**	**(26,000,000)**	**(93.10)**	**9,795,713**	**10,600,000**	**33.00**	**(30,833,311)**	**317,402,888**	**5,676.46**
14222	**Transportation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Net Agency	**19,672,859,760**	**(581,935,486)**	**(70,233,372)**	**(1,275.63)**	**762,381,811**	**53,728,922**	**483.00**	**99,546,564**	**19,772,406,324**	**96,353.72**
19600	**Capital Improvements**	**-**	**-**	**-**	**-**	**150,000,000**	**-**	**-**	**150,000,000**	**150,000,000**	**-**
	Debt Service:										
19420	General Debt Service	707,080,339	-	-	-	10,207,641	-	-	10,207,641	717,287,980	-
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-
	Total Debt Service	**708,696,719**	**-**	**-**	**-**	**10,207,641**	**-**	**-**	**10,207,641**	**718,904,360**	**-**
	Reserves and Adjustments:										
19001	Contingency and Emergency Reserve	5,000,000	-	-	-	-	-	-	-	5,000,000	-
19003	Legislative Compensation Reserve	-	-	-	-	135,700,000	-	-	135,700,000	135,700,000	-
19004	Salary Adjustment Reserve	-	-	-	-	20,000,000	-	-	20,000,000	20,000,000	-
19xxx	Cost of Living Adjustment for Retirees	-	-	-	-	35,000,000	-	-	35,000,000	35,000,000	-
19013	Job Development Incentive Grants Reserve	27,400,000	-	-	-	-	43,600,000	-	43,600,000	71,000,000	-
19043	Health Plan Reserve (Benefit Changes/Keep Plan Solvent)	-	-	-	-	136,200,000	-	-	136,200,000	136,200,000	-
19044	IT Initiative	6,053,142	-	-	-	-	-	-	-	6,053,142	-
19047	Retirement System Reserve (Keep Plan Structurally Sound)	-	-	-	-	36,100,000	-	-	36,100,000	36,100,000	-
19058	Savings Reserve	-	-	-	-	69,174,764	-	-	69,174,764	69,174,764	-
19059	GF-Reserve Contr Fraud Detection	-	-	-	-	-	-	-	-	-	-
16063	GF-One NC Fund	9,000,000	-	-	-	-	2,800,000	-	2,800,000	11,800,000	-
19xxx	Natural Heritage Trust Fund	-			-	4,230,000	-	-	4,230,000	4,230,000	-
19xxx	Parks and Recreation Trust Fund	-	-	-	-	15,500,000	-	-	15,500,000	15,500,000	-
19xxx	Solid Waste Trust Fund	-	-	-	-	2,462,000	-	-	2,462,000	2,462,000	-
19xxx	Scrap Tire Program	-	-	-	-	1,079,717	-	-	1,079,717	1,079,717	-
19xxx	Severance Reserve	-	-	-	-	-	-	-	-	-	-
19xxx	Information Technology Reserve	-	-	-	-	10,820,000	21,180,000	46.00	32,000,000	32,000,000	46.00
19xxx	Medicaid Risk Reserve	-	-	-	-	90,000,000	-	-	90,000,000	90,000,000	-
19xxx	Reserve for Department of Justice Legal Positions	-	-	-	-	9,933,759	-	210.63	9,933,759	9,933,759	210.63
19xxx	North Carolina Government Efficiency and Reform project (NC	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	
19xxx	Disaster Releif Fund	-	-	-	-	10,000,000	-	-	10,000,000	10,000,000	
	Total Reserves and Adjustments	**47,453,142**	**-**	**-**	**-**	**578,200,240**	**67,580,000**	**256.63**	**645,780,240**	**693,233,382**	**256.63**
	Total	**$ 20,429,009,621**	**$ (581,935,486)**	**$ (70,233,372)**	**(1,275.63)**	**$ 1,500,789,692**	**$ 121,308,922**	**739.63**	**$ 905,534,445**	**$ 21,334,544,066**	**96,610.35**

Table 10

Governor's Recommended Highway Fund and Highway Trust Fund Budget

2013-14

Function	FY 2013-14 Recommended Base Appropriation	Reductions: Recurring	Reductions: Nonrecurring	Reductions: Appropriation Supported Positions	Other Continuation/Expansion: Recurring	Other Continuation/Expansion: Nonrecurring	Other Continuation/Expansion: Appropriation Supported Positions	Net Change	2013-14 Recommended Appropriation	Net Position Change
DOT Administration	85,067,084	-	-	-	581,995	8,832,000	-	9,413,995	94,481,079	-
Division of Highways										
Administration	35,139,990	(426,429)	-	(10.00)	-	-	-	(426,429)	34,713,561	(10.00)
Construction	121,745,183	(8,763,242)	-	-	5,569,535	-	-	(3,193,707)	118,551,476	-
Maintenance	838,366,592	(36,848,809)	-	-	242,094,845	-	-	205,246,036	1,043,612,628	-
Planning and Research	4,055,402	-	-	-		-	-	-	4,055,402	-
OSHA Program	372,792	(7,455)	-	-		-	-	(7,455)	365,337	-
State Aid to Municipalities	88,886,298	(1,486,064)	-	-	-	-	-	(1,486,064)	87,400,234	-
Multi-Modal										
Airports	22,212,883	(446,221)	-	-	-	-	-	(446,221)	21,766,662	-
Bicycle	880,513	-	-	-	-	-	-	-	880,513	-
Ferry	35,606,301	(820,763)	-	-	-	1,150,000	-	329,237	35,935,538	
Public Transportation	85,044,235	(2,692,861)	-	-	-	1,000,000	-	(1,692,861)	83,351,374	-
Railroads	21,885,317	(424,023)	-	-	-	-	-	(424,023)	21,461,294	-
Governor's Highway Safety Program	284,932	-	-	-	-		-	-	284,932	-
Division of Motor Vehicles	97,122,623	-	-	-	7,501,262	557,083	4.00	8,058,345	105,180,968	4.00
Other State Agencies	41,078,482	(625,322)	-	-	-		-	(625,322)	40,453,160	-
Transfer to General Fund	218,134,644							-	218,134,644	
Other Reserves	313,853	-	-	-	8,201,845	-	-	8,201,845	8,515,698	-
Capital Improvements	-	-	-	-	-	18,055,500	-	18,055,500	18,055,500	
Total Highway Fund	1,696,197,124	(52,541,189)	-	(10.00)	263,949,482	29,594,583	4.00	241,002,876	1,937,200,000	(6.00)
Administration	53,599,200	(619,200)	-	-	-	-	-	(619,200)	52,980,000	-
Construction										
Intrastate System	515,520,933	(8,390,482)	-	-	-	-	-	(8,390,482)	507,130,451	-
Urban Loop System	164,864,838	(3,392,762)	-	-	-	-	-	(3,392,762)	161,472,076	-
Secondary Roads	78,972,723	-	-	-	382,801	-	-	382,801	79,355,524	-
		-								
State Aid to Munipalities	56,072,216	(880,357)	-	-	-	-	-	(880,357)	55,191,859	-
Bonds										
Bond Redemption	62,417,880	-	-	-	-	-	-	-	62,417,880	-
Bond Interest	16,752,210	-	-	-	-	-	-	-	16,752,210	-
NC Turnpike Authority (GAP Funds)	112,000,000	-	-	-	-	-	-	-	112,000,000	-
NC Mobility Fund	58,000,000	-	-	-	-	-	-	-	58,000,000	-
Reserve for Visitor's Centers	400,000	-	-	-	-	-	-	-	400,000	-
Total Highway Trust Fund	1,118,600,000	(13,282,801)	-	-	382,801	-	-	(12,900,000)	1,105,700,000	-

Table 11

Governor's Recommended Highway Fund and Highway Trust Fund Budget

2014-15

Function	FY 2014-15 Recommended Base Appropriation	Reductions: Recurring	Reductions: Nonrecurring	Reductions: Appropriation Supported Positions	Other Continuation/Expansion: Recurring	Other Continuation/Expansion: Nonrecurring	Other Continuation/Expansion: Appropriation Supported Positions	Net Change	2014-15 Recommended Appropriation	Net Position Change
DOT Administration	85,067,084	-	-	-	5,581,995	8,798,400	-	14,380,395	99,447,479	-
Division of Highways										
Administration	35,139,990	(426,429)	-	(10.00)	-	-	-	(426,429)	34,713,561	(10.00)
Construction	121,567,411	(9,267,191)	-	-	6,036,171	-	-	(3,231,020)	118,336,391	-
Maintenance	838,666,592	(42,448,809)	-	-	197,865,469	-	-	155,416,660	994,083,252	-
Planning and Research	4,055,402	-	-	-		-	-	-	4,055,402	-
OSHA Program	372,792	(7,455)	-	-		-	-	(7,455)	365,337	-
State Aid to Municipalities	88,708,526	(1,990,013)	-	-	-	-	-	(1,990,013)	86,718,513	-
Mult-Modal										
Airports	20,116,204	(446,221)	-	-	-	-	-	(446,221)	19,669,983	-
Bicycle	880,513	-	-	-	-	-	-	-	880,513	-
Ferry	35,606,301	(820,763)	-	-	-	-	-	(820,763)	34,785,538	-
Public Transportation	85,044,235	(2,692,861)		-	-	500,000	-	(2,192,861)	82,851,374	-
Railroads	21,885,317	(424,023)			-	-		(424,023)	21,461,294	
Governor's Highway Safety Program	284,932	-	-	-	-		-	-	284,932	-
Division of Motor Vehicles	97,127,001	-	-	-	7,575,309	-	4.00	7,575,309	104,702,310	4.00
Other State Agencies	41,614,587	(595,583)	-	-	-		-	(595,583)	41,019,004	-
Transfer to General Fund	215,871,719							-	215,871,719	
Other Reserves	313,853	-	-	-	12,901,845	-	-	12,901,845	13,215,698	-
Capital Improvements	-	-	-	-	-	19,937,700	-	19,937,700	19,937,700	
Total Highway Fund	1,692,322,459	(59,119,348)	-	(10.00)	229,960,789	29,236,100	4.00	200,077,541	1,892,400,000	(6.00)
Administration	55,202,400	(2,236,800)	-	-	-	-	-	(2,236,800)	52,965,600	-
Construction										
Intrastate System	530,210,557	(27,849,812)	-	-	-	-	-	(27,849,812)	502,360,745	-
Urban Loop System	191,571,718	(11,261,304)	-	-	-	-	-	(11,261,304)	180,310,414	-
Secondary Roads	86,253,540	(2,329,990)	-	-	-	-	-	(2,329,990)	83,923,550	-
State Aid to Munipalities	58,054,337	(2,922,094)	-	-	-	-	-	(2,922,094)	55,132,243	-
Bonds										
Bond Redemption	46,676,132	-	-	-	-	-	-	-	46,676,132	-
Bond Interest	13,631,316	-	-	-	-	-	-	-	13,631,316	-
									-	
NC Turnpike Authority	112,000,000	-	-	-	-	-	-	-	112,000,000	-
NC Mobility Fund	58,000,000	-	-	-	-	-	-	-	58,000,000	-
Reserve for Visitor's Centers	400,000	-	-	-	-	-	-	-	400,000	-
Total Highway Trust Fund	1,152,000,000	(46,600,000)	-	-	-	-	-	(46,600,000)	1,105,400,000	-

General Fund Revenue Forecast Summary

About half of North Carolina's total revenue originates from tax collections and other sources comprising the General Fund. The other half consists of funds from the federal government, highway funds, the Education Lottery, and other receipts and fees (e.g., tuition). General Fund revenues are primarily derived from three sources: individual income tax, corporate income tax, and the sales and use tax. Other important sources include franchise, insurance, alcohol and other miscellaneous taxes. In addition, nontax revenue, such as earnings from investment of state funds, supports the General Fund.

The General Fund revenue forecast for 2013-15 reflects a slowly recovering economy. The forecast adopted a cautious approach with modest growth expectations for the remainder of 2012-13 and the upcoming biennium.

Specific highlights of the forecast include:

- By the end of 2012-13, General Fund revenue collections are expected to total $20,106.6 million, $102.6 million above the budgeted forecast (see table 13).
- General Fund revenue is forecast to post 3.6% and 4.1% base growth in 2013-14 and 2014-15, below long-term average growth and typical growth during economic recoveries (see Figure 5). Table 13 details this forecast adjusted for recommended revenue changes.
- Individual income tax collections, North Carolina's single largest revenue source, are expected to register only 3.7% growth in 2012-13 as the full year impact from the Small Business Tax Relief Package impacted collections. Over the biennium, individual income tax collections are forecast to grow 5.2%, reflecting anticipated wage growth and modest employment gains.
- Sales and use tax collections, which comprise nearly one-third of General Fund revenue, are estimated to finish $123.6 million below the budgeted forecast in 2012-13 as consumer spending remained lower than anticipated. Elevated unemployment and low consumer confidence are expected to continue to impact consumer spending over the biennium. As a result, sales and use tax collections are forecast to grow modestly in 2013-14 (3.0%) before gaining momentum in 2014-15 (4.4%).
- Corporate collections are projected to decline 1.8% in 2012-13, but are still expected to outpace the budgeted amount as the forecast anticipated some weakening. Reflecting the historic volatility of this revenue source, corporate tax collections are expected to decrease 1.2% in 2013-14 before returning to long-term average growth in 2014-15.

While the General Fund forecast cautiously assumes below-trend growth as the economy slowly improves, there are still significant risks. The forecast assumes a federal fiscal policy resolution is ultimately reached before sequestration cuts, a government shutdown, or debt ceiling issues significantly impact the economy. These risks are compounded by the uncertainty surrounding the timing of impacts from the $50,000 business income exemption enacted during the 2011 Session of the General Assembly and the threat of higher federal taxes resulting from fiscal cliff negotiations.

Recommended Revenue Changes

- *Repeal Estate Tax* – As an important first step toward simplifying and reforming North Carolina's tax code, the Governor recommends repealing the estate tax effective January 1, 2013. The repeal would save taxpayers an estimated $109 million over the biennium.
- *Repeal Public School Building Capital Fund Transfer* – The Governor recommends permanent repeal of the transfer to the Public School Building Capital Fund. The transfer has been suspended since

2009-10. This action is estimated to add $75 million in 2013-14 and 2014-15.

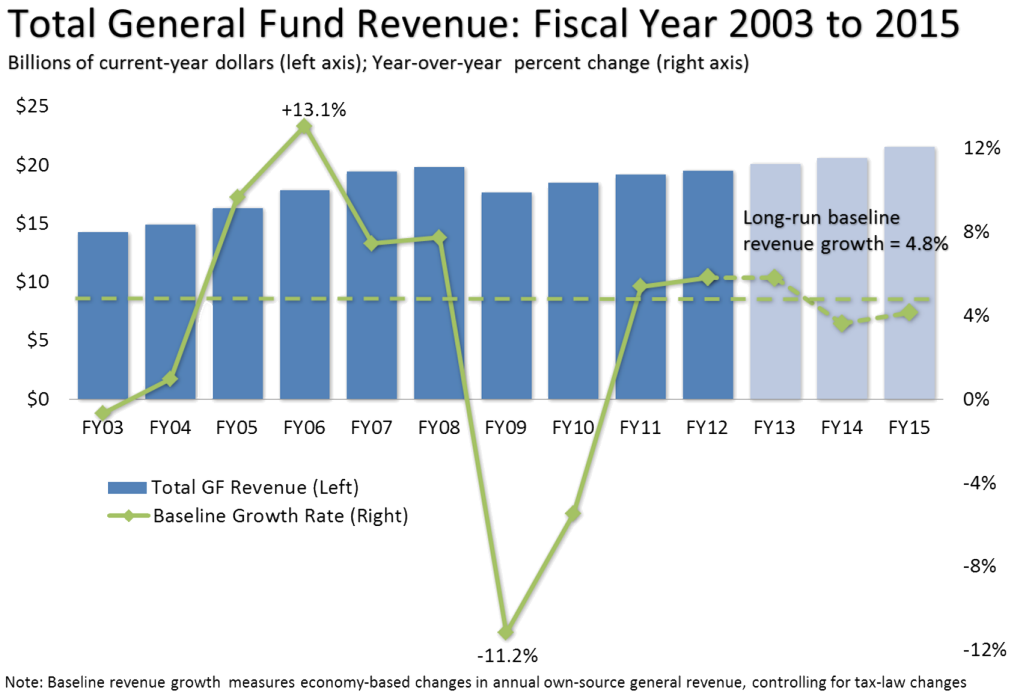
- *Personal and Corporate Income Tax Reform* – As a further step toward simplifying and reforming North Carolina's tax code, the Governor supports revenue neutral personal and corporate income tax reform. The reform will not have any immediate budget impact and will be submitted by separate legislation.
- *Other Funds* – The budget transfers $142 million in FY 2013-14 and $135 million in FY 2014-15 from various funds and other sources into the General Fund. The primary sources include retaining $65 million from the Master Settlement Agreement, previously allocated to the Golden LEAF foundation, and $25 million in other Master Settlement Agreement funds.

Table 12

Other Funds	**FY 2013-14**	**FY 2014-15**
Retention of Golden LEAF Funds	65,000,000	65,000,000
Natural Heritage Trust Fund	9,900,000	9,900,000
Parks and Recreation Trust Fund	27,500,000	27,500,000
White Goods Management Account	1,217,796	1,217,796
Scrap Tire Disposal Account	2,675,291	2,675,291
Solid Waste Trust Fund	4,011,000	4,011,000
Master Settlement Agreement Funds**	25,000,000	25,000,000
Repeal NC Public Campaign Fund	4,125,171	0
Repeal NC Political Parties Financing Fund	1,064,582	0
Transfer from NC Flex FICA Funds	2,000,000	0
Total	**142,493,840**	**135,304,087**

**Additional funds may be available in April 2013 pending final audit of disputed payments arbitration per settlement agreement

Figure 5



Note: Baseline revenue growth measures economy-based changes in annual own-source general revenue, controlling for tax-law changes

Table 13

General Fund Revenue by Fiscal Year: Recent History and Forecast

(In Millions)

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2012-13 Revised	2013-14 Budget	Percent Change	2014-15 Budget	Percent Change
Tax Revenue									
Individual Income	9,047.6	9,734.9	10,272.1	10,517.5	10,652.4	11,211.2	5.2	11,796.4	5.2
Sales and Use	5,565.0	5,871.7	5,257.6	5,455.8	5,332.2	5,491.0	3.0	5,735.1	4.4
Corporate Income	1,197.9	1,013.5	1,132.8	1,075.0	1,112.5	1,099.1	-1.2	1,181.1	7.5
Franchise	724.5	607.5	612.5	615.1	678.5	677.9	-0.1	687.5	1.4
Insurance	486.8	480.1	460.4	511.1	483.7	507.6	4.9	516.7	1.8
Beverage	282.3	275.2	287.4	293.2	304.4	317.4	4.3	329.1	3.7
Inheritance	71.9	23.8	58.1	83.5	110.1	0.0	-100.0	0.0	n.a.
Licenses	39.2	41.3	48.5	44.5	43.9	44.6	1.6	45.8	2.7
Tobacco Products	251.7	265.3	270.9	262.8	267.4	261.6	-2.2	257.3	-1.6
Mill Machinery	31.9	32.5	36.2	36.8	35.6	34.4	-3.4	34.5	0.3
Piped Natural Gas	33.8	31.0	25.9	29.1	25.6	25.6	0.0	26.9	5.1
Gift	12.0	3.0	0.2	0.0	0.5	0.0	n.a.	0.0	n.a.
Miscellaneous	0.0	0.0	0.6	1.1	1.1	1.1	0.0	1.1	0.0
Total Tax Revenue	**17,744.7**	**18,379.8**	**18,463.1**	**18,925.5**	**19,047.9**	**19,671.5**	**3.3**	**20,611.5**	**4.8**
Nontax Revenue									
Investment Income	40.8	26.3	17.8	21.6	10.4	10.8	3.8	11.1	2.8
Judicial Fees	216.9	225.8	258.8	258.7	255.4	256.4	0.4	257.9	0.6
Disproportionate Share	125.0	135.0	115.0	115.0	115.0	110.0	-4.3	109.0	-0.9
Insurance Department	69.6	67.5	72.3	73.7	74.3	75.3	9.8	76.2	-1.3
Miscellaneous	312.3	257.3	313.2	361.6	355.7	390.5	1.3	385.3	1.2
Total Nontax Revenue	**764.7**	**711.9**	**777.0**	**830.7**	**810.8**	**843.0**	**4.0**	**839.5**	**-0.4**
Transfers									
Highway Fund	17.6	17.0	217.1	27.6	27.6	0.0	n.a.	0.0	n.a.
Highway Trust Fund	108.5	72.9	76.7	220.3	220.3	218.1	-1.0	215.9	-1.0
Total Transfers	**126.1**	**89.9**	**293.8**	**247.9**	**247.9**	**218.1**	**-12.0**	**215.9**	**-1.0**
Total General Fund Revenue	**18,635.5**	**19,181.6**	**19,533.9**	**20,004.0**	**20,106.6**	**20,732.6**	**3.1**	**21,666.9**	**4.5**

Totals may differ from the sum of their parts due to rounding.

North Carolina's Economy: Recent Past and Outlook through 2016

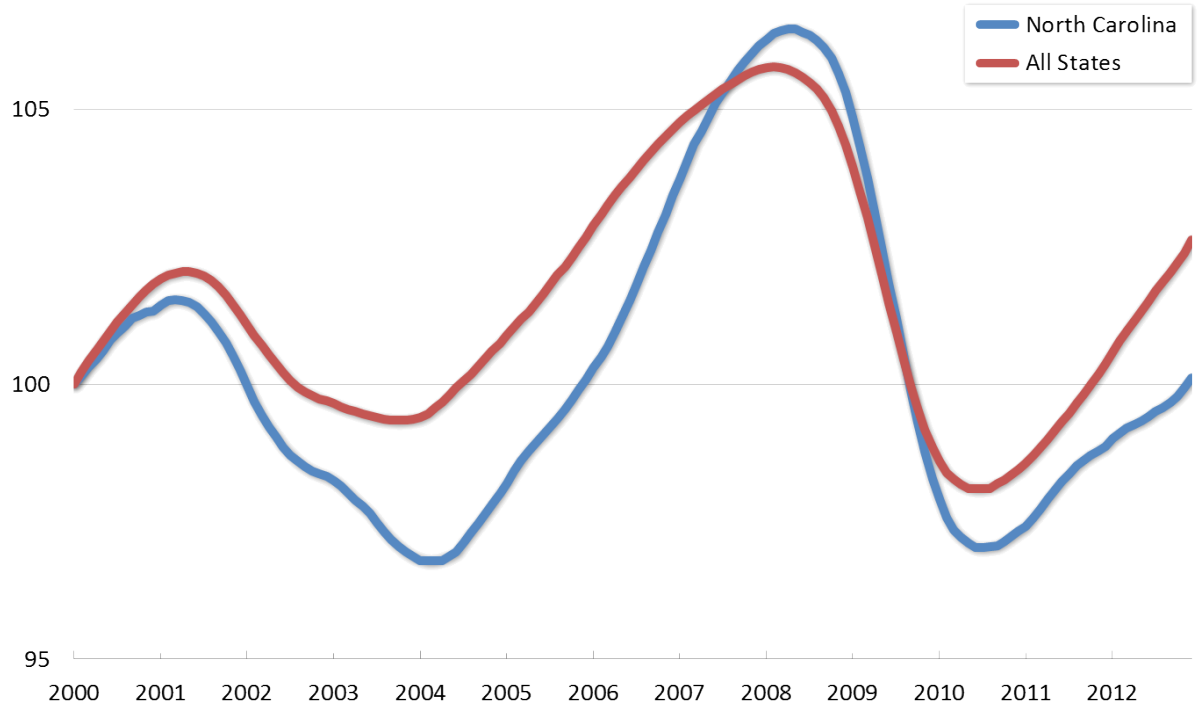
North Carolina's Slow Job Creation Expected to Accelerate in 2013 and Beyond

The two recessions of the first decade of the 2000s both hit North Carolina especially hard. Due in large part to North Carolina's higher share of jobs in traditional manufacturing industries, the state lost a greater share of jobs than the rest of the country. Unlike the recovery from the 2001 recession, North Carolina's pace of job creation has lagged the rest of the nation through the end of 2012. Starting in 2013, however, national economic forecasters expect the pace of job growth in North Carolina to accelerate and surpass the national rate of job growth.

Figure 6

NC Lost Greater Share of Jobs, Recovering More Slowly than US

Total Non-Farm Employment Index, 12-Month Moving Average, January 2000=100

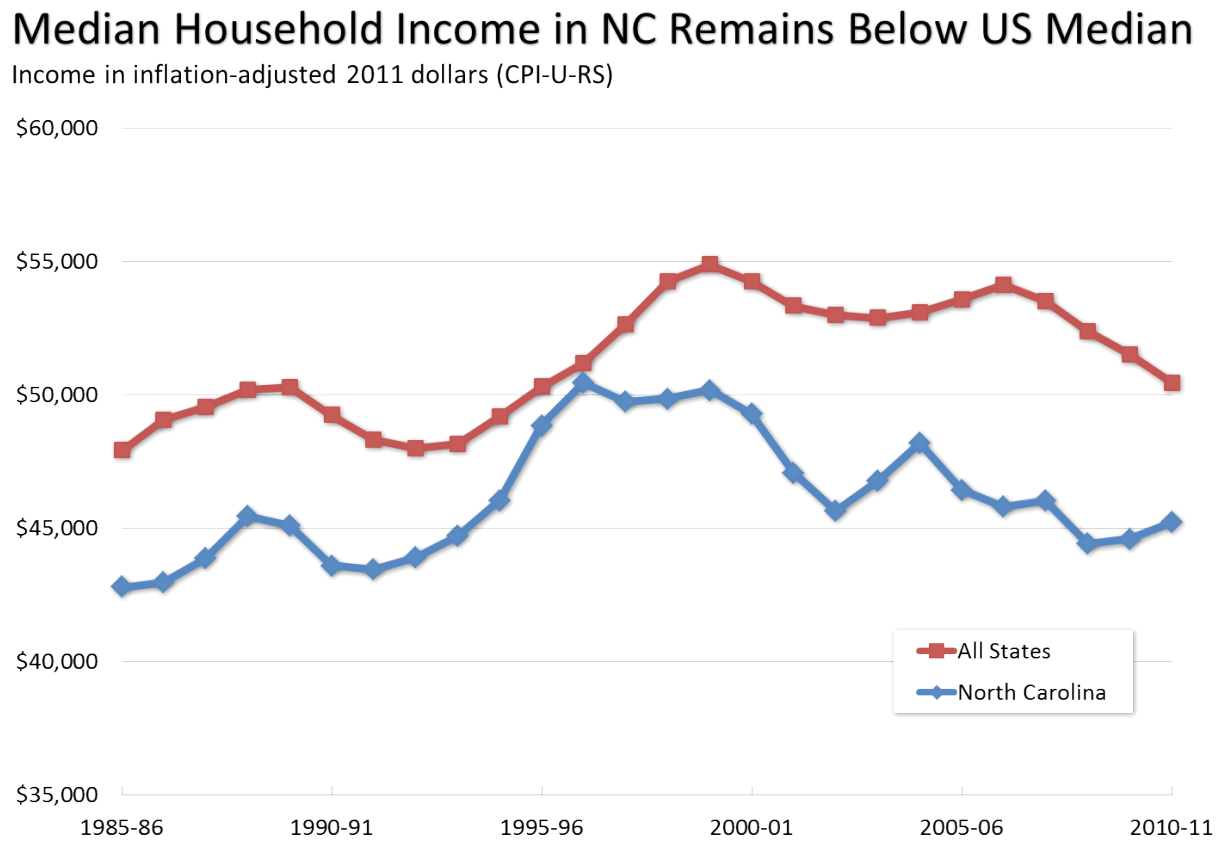


Source: US Department of Commerce, Bureau of Labor Statistics

Gap Between Median Household Income in North Carolina and US Persists

The gap between median household incomes in North Carolina and the rest of the US, after disappearing almost entirely in 1996-97, persists after more than a decade of gradual decline and stagnation. The median-income gap has narrowed in recent years, from over $8,000 in 2006-07 to just over $5,000 in 2010-11, largely because the national median income has fallen as North Carolina's has remained largely unchanged. Through 2015, forecasters expect slow, steady growth in median household income in North Carolina and the nation.

Figure 7

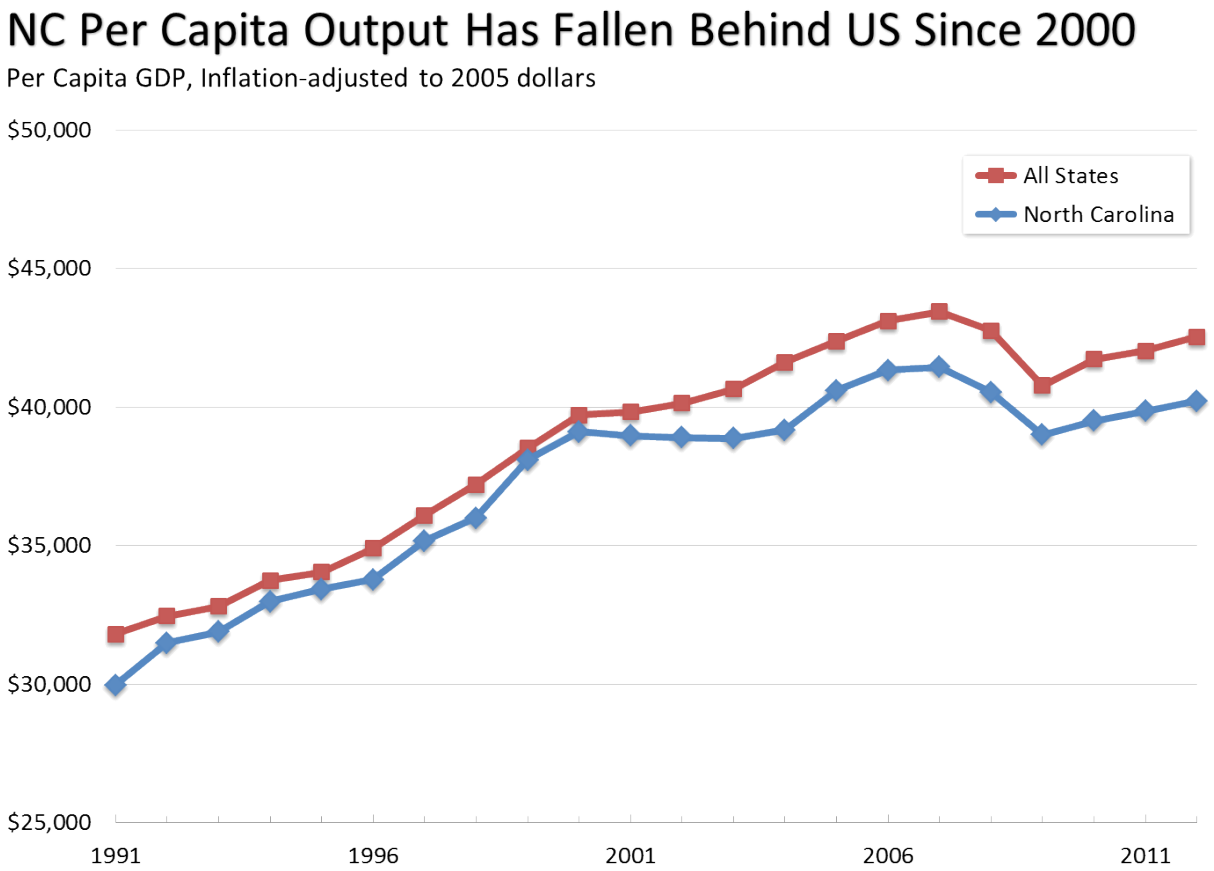


Source: US Census Bureau, Current Population Survey, Annual Social and Economic Supplement, Two-Year State Estimates

North Carolina's Per Capita Output Fell Behind US Level in Early 2000s, with Gap Persisting Through 2012

By the early 1990s, North Carolina's economic output per person reached nearly the same level as the nation as a whole, and per capita output continued to match national levels throughout the 1990s. North Carolina's per person output fell behind the national level during the early 2000s, with the gap growing to nearly $2,500 per person by 2004. North Carolina's per person output has remained below the national level by a similar amount through 2012, and forecasters do not expect the gap to close over the next several years.

Figure 8



Source: US Department of Commerce, Bureau of Economic Analysis; 2012 estimates from IHS Global Insight

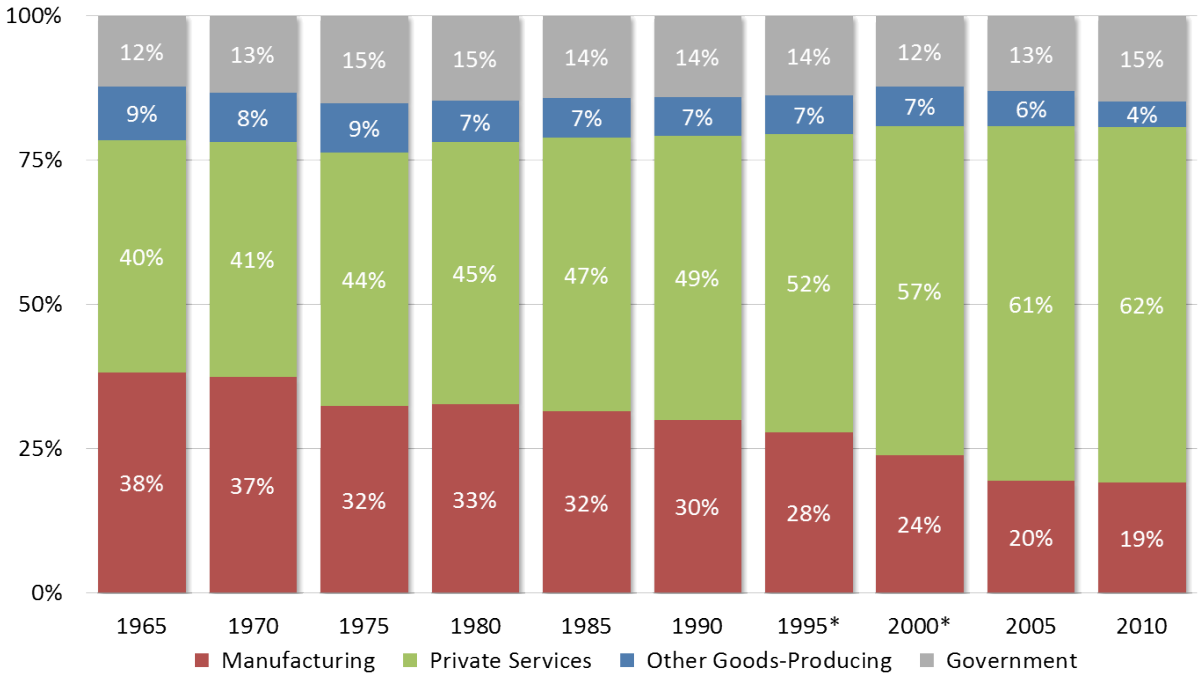
North Carolina's Long-Term Shift from Manufacturing Toward Services Expected to Stabilize Through 2016

Over the last 45 years, North Carolina's economy has consistently, if not steadily, shifted away from manufacturing and toward services. Like much of the rest of the nation, however, North Carolina has experienced some recent growth in manufacturing output and employment. Despite forecasters' expectation of slow, steady growth in North Carolina manufacturing through 2016, faster growth in the service sector will continue to push the state in the direction of a primarily service-based economy.

Figure 9

North Carolina's Economy Has Steadily Shifted Away from Manufacturing, Toward Services Since 1965

Sectoral Share of State GDP

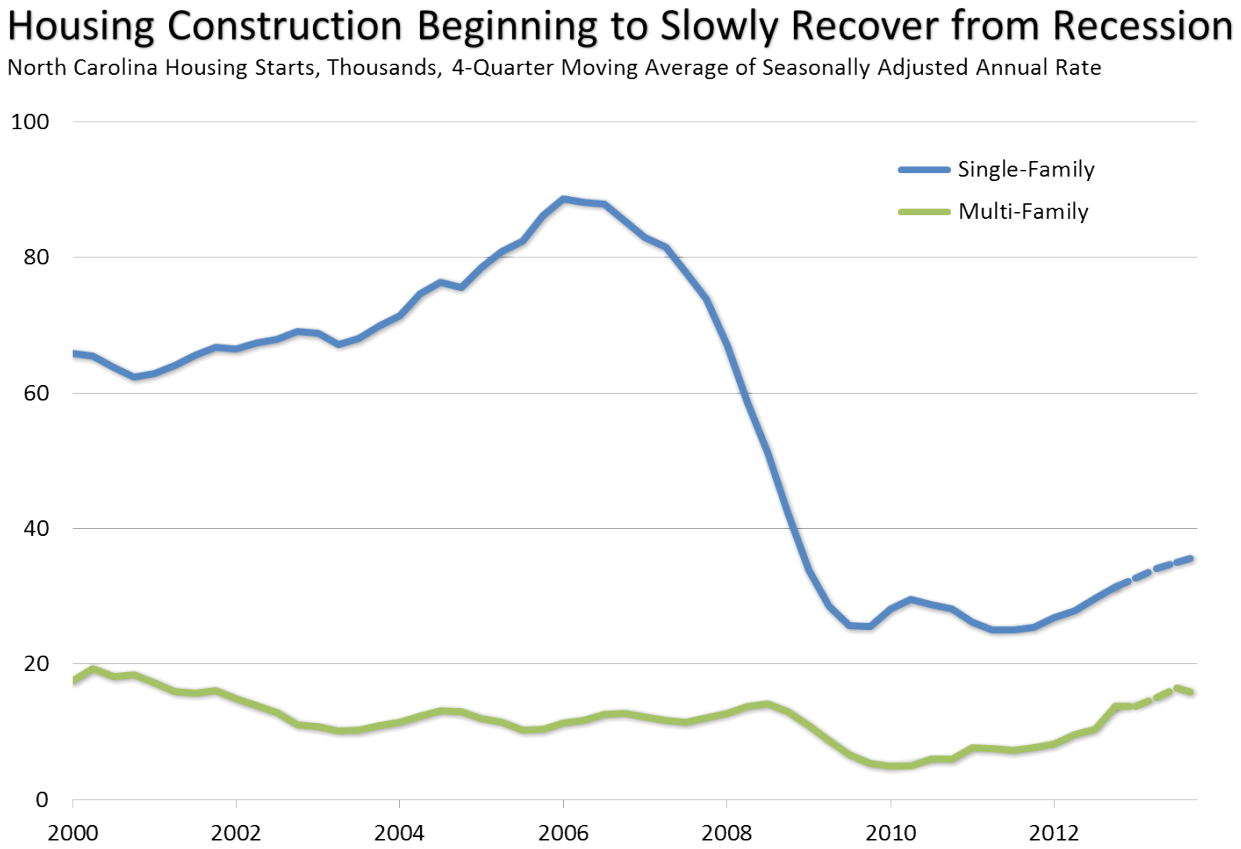


* Part of the change in the sectoral share between 1995 and 2000 is due to the change in industry classification from SIC coding to NAICS coding in 1997.
Source: US Department of Commerce, Bureau of Economic Analysis
Note: "Other Goods-Producing" includes agriculture, fishing, forestry, mining, and construction.

Housing Construction Beginning to Slowly Recover, but Levels to Remain Below Mid-2000s Peak Through 2016

Housing construction was among the hardest-hit sectors of North Carolina's economy during the most recent recession. New construction played a significant role in lifting North Carolina's economy out of the 2001 recession. Only recently, however, has the pace of new housing construction begun to increase from the historic lows following the wake of the bursting of the nationwide housing bubble in the mid-2000s. Forecasters expect new housing construction to gradually rise through at least 2016, reaching levels similar to those experienced in the early 2000s.

Figure 10



Source: IHS Global Insight estimates and projections based on US Census Bureau Data

Highway Fund Revenue Forecast
2013-2015

The Highway Fund receives support from three revenue sources. The primary source is the excise tax on motor fuels, of which the Highway Fund receives seventy-five percent. The second source is licenses and fees collected by the Division of Motor Vehicles. The third source is interest earned on investments of Highway Fund cash balances held by the State Treasurer. Table 14 shows the percentages of the various components of the Highway Fund revenue collections projected for the 2013-15 biennium.

Current Fiscal Year Update

Fiscal year 2012-13 revenues are expected to slightly exceed last year's totals by 0.8%. Despite this growth, revenue is expected to finish 1.8% below the official forecast as motor fuel consumption remained lower than expected. Specifically, motor fuel consumption is anticipated to fall 2.4% after declining 1.5% in the previous year. Licenses and fees are expected to finish 2.9% below fiscal year 2011-12 collections and 2.5% below the official forecast.

Fiscal Year 2013-15 Revenue Projections

Projected total Highway Fund revenue collections are expected to decline in fiscal year 2013-14 (-0.9%) and fiscal year 2014-15 (-2.3%). This result is mainly driven by declining motor fuel consumption as the motor fleet continues to become more fuel efficient. Despite a growing population and slowly improving economy, consumption has declined each fiscal year since 2009-10. The forecast assumes a continuation of this trend, with a 0.8% decline in fiscal year 2013-14 and 1.3% drop in fiscal year 2014-15. Fueled by slow economic recovery and increases in domestic and international truck registrations, licenses and fees are expected to increase 0.8% and 1.4%, respectively, over the biennium.

Table 14

Highway Fund Revenue by Fiscal Year: Recent History and Forecast

(In Millions)

Source	2011-12 Actual	2012-13 Budget	2012-13 Revised	2013-14 Budget	Percent Change	2014-15 Budget	Percent Change
Motor Fuels Tax							
Motor Fuels	1,376.9	1,413.7	1,387.7	1,368.2	-1.4%	1,316.1	-3.8%
Gasoline Inspection	13.9	13.8	14.0	13.8	-1.9%	13.2	-4.3%
Highway Use Reg.	0.3	0.2	0.3	0.3	-1.9%	0.3	-4.3%
Total Motor Fuel Taxes	1,391.1	1,427.7	1,402.0	1,382.3	-1.4%	1,329.6	-3.8%
Licenses and Fees							
Staggered Registration	196.3	192.0	194.6	194.6	0.0%	197.6	1.6%
International Registration Plan	61.8	64.6	63.3	65.7	3.7%	68.0	3.5%
Driver Licenses	122.1	129.6	121.2	122.5	1.1%	123.8	1.1%
Truck Licenses	130.8	135.6	131.6	131.6	0.1%	132.4	0.6%
Other Licenses and Fees	51.3	38.6	35.6	36.5	2.6%	37.0	1.2%
Total Licenses and Fees	562.3	560.3	546.3	550.9	0.8%	558.8	1.4%
Investment Income	4.7	6.0	6.0	4.0	-33.3%	4.0	0.0%
Total HF Availability	1,958.1	1,994.0	1,954.3	1,937.2	-0.9%	1,892.4	-2.3%

Totals may differ from the sum of their parts due to rounding.

Highway Trust Fund Revenue Forecast
2013-2015

The Highway Trust Fund, established in 1989, receives support from four sources. The primary source is the highway use tax, or sales tax, on vehicle sales. The second source is the excise tax on motor fuels. The Highway Trust Fund receives twenty-five percent of this excise tax. The third source is fees on certificates of title and other miscellaneous titles. The final source is the interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer. Table 15 shows the percentages of the various components of the Highway Trust Fund revenue collections projected for the 2013-15 biennium.

Current Fiscal Year Update

Fiscal year 2012-13 revenues are expected to exceed last year's levels by 2.9%, $33.3 million above the budgeted forecast. The modest surplus is primarily fueled by better than anticipated highway use tax collections. After several years of well below average car sales, sales have improved markedly, and highway use tax is expected to grow 4.7% in fiscal year 2012-13. Despite an increase in car sales, motor fuel consumption is expected to fall 2.4%. Title registrations are expected to grow 4.8%, slightly exceeding the budgeted target.

Fiscal Year 2013-15 Revenue Projections

Projected revenue is expected to grow 1.6% in fiscal year 2013-14 before remaining flat in fiscal year 2014-15. As the economy and consumer spending continue to improve, the highway use tax is expected to increase 3.9% and 2.7% in fiscal year 2013-14 and 2014-15, respectively. Motor fuel consumption, however, is anticipated to decline over the biennium. Despite a growing population and slowly improving economy, consumption has declined each fiscal year since 2009-10. The forecast assumes a continuation of this trend, with a 0.8% decline in fiscal year 2013-14 and a 1.3% drop in fiscal year 2014-15. When the highway use tax and motor fuel tax are considered together, the growth in the highway use tax outpaces the decline in motor fuels in fiscal year 2013-14, leading to modest total revenue growth. However, in fiscal year 2014-15, these two major revenue sources essentially cancel each other, resulting in no total revenue growth. Title registrations are expected to post modest gains.

Table 15

Highway Trust Fund Revenue by Fiscal Year: Recent History and Forecast

(In Millions)

Source	2011-12 Actual	2012-13 Budget	2012-13 Revised	2013-14 Budget	Percent Change	2014-15 Budget	Percent Change
Fuel Taxes and Fees							
Motor Fuel Tax	459.4	471.2	462.6	456.1	-1.4%	438.7	-3.8%
Highway Use	505.7	490.0	529.7	550.2	3.9%	565.3	2.7%
Certificate of Title Fees	77.3	78.6	81.0	83.7	3.3%	85.3	1.9%
Miscellaneous Title Fees	13.7	14.5	14.3	14.7	3.1%	15.1	2.5%
Subtotal	1,056.0	1,054.3	1,087.6	1,104.7	1.6%	1,104.4	0.0%
Interest on Investments	2.2	1.0	1.0	1.0	0.0%	1.0	0.0%
Total HTF Availability	1,058.2	1,055.3	1,088.6	1,105.7	1.6%	1,105.4	0.0%

Totals may differ from the sum of their parts due to rounding.

Figure 11
Transportation Funding Sources for 2013-14

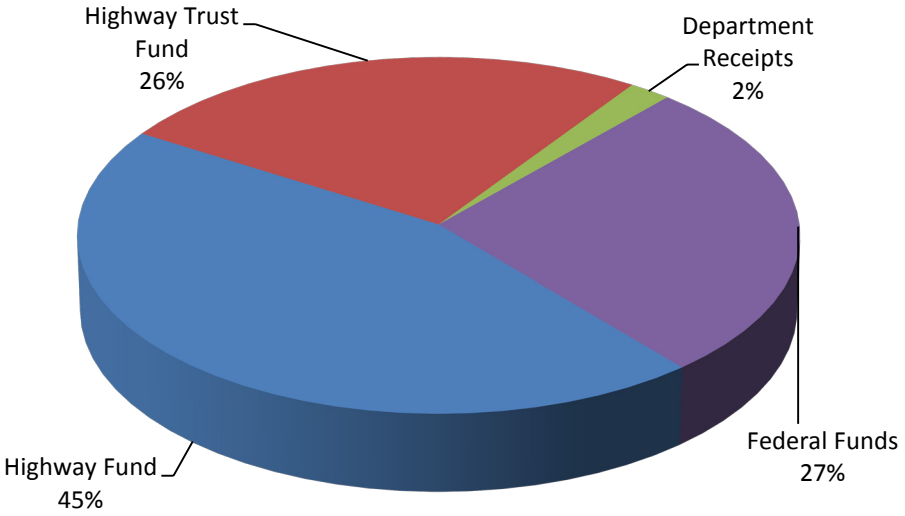


Figure 12
Transportation Appropriations for 2013-14

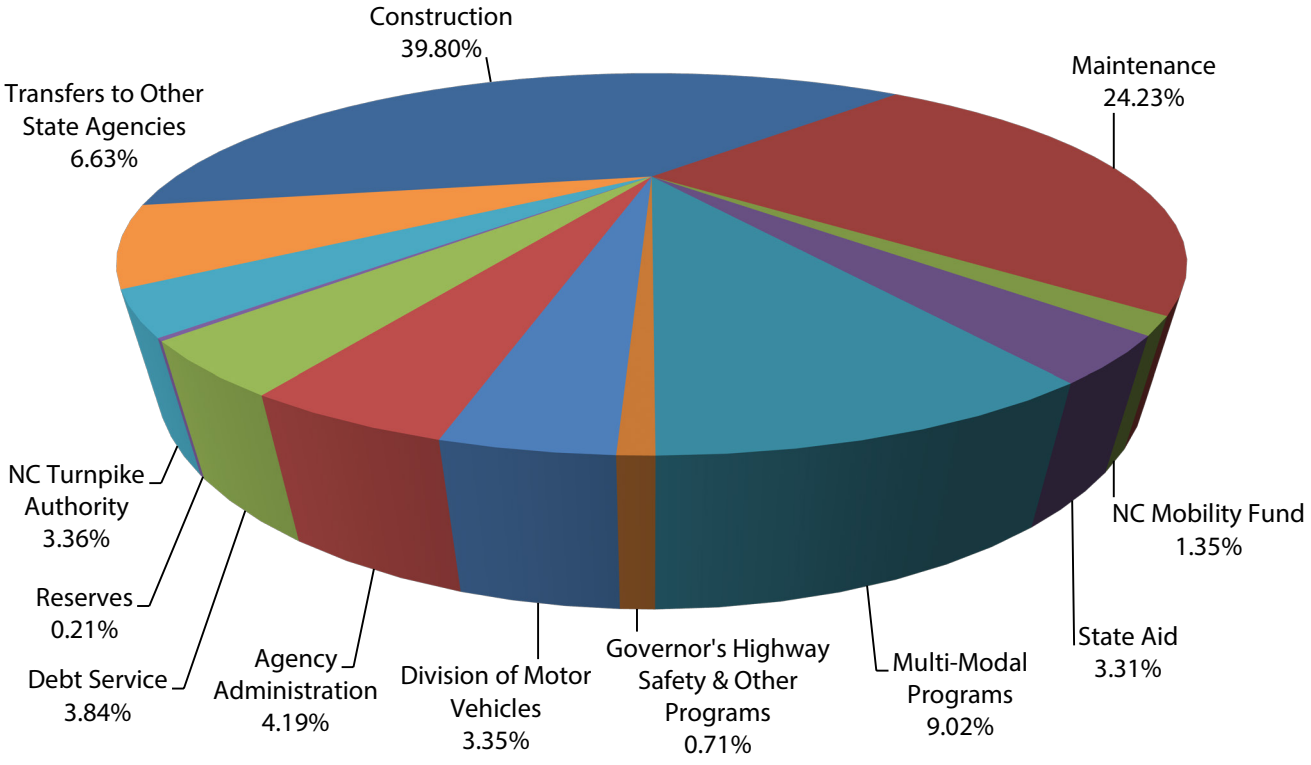


Table 16

Highway Fund
Recommended Availability and Appropriations, 2013-15

Description	2013-14 Recommended	2014-15 Recommended
Budget Availability		
Beginning Credit Balance:		
Unappropriated Balance from FY 2012-13	$ -	-
Anticipated Reversions from FY 2012-13	-	-
Anticipated Overcollections from FY 2012-13	-	-
Anticipated Beginning Unreserved Credit Balance	-	-
Recommended Budgeted Revenue:		
Tax Revenue	1,382,300,000	1,329,600,000
Non-tax Revenue	554,900,000	562,800,000
Total Highway Fund Revenue	1,937,200,000	1,892,400,000
Total Availability	1,937,200,000	1,892,400,000
Recommended Appropriations:		
Original Certified Budget	1,696,197,124	1,692,322,459
Recommended Reductions	(52,541,189)	(59,119,348)
Recommended Expansion	293,544,065	259,196,889
Total Appropriations Recommended	1,937,200,000	1,892,400,000
Total Ending Balance	**$ -**	**$ -**

Table 17

Highway Trust Fund
Recommended Availability and Appropriations, 2013-15

Description	2013-14 Recommended	2014-15 Recommended
Budget Availability		
Beginning Credit Balance:		
Unappropriated Balance from FY 2012-13	$ -	$ -
Anticipated Reversions from FY 2012-13	-	-
Anticipated Overcollections from FY 2012-13	-	-
Anticipated Beginning Unreserved Credit Balance	-	-
Recommended Budgeted Revenue:		
Tax Revenue	1,006,300,000	1,004,000,000
Non-tax Revenue	99,400,000	101,400,000
Total Highway Trust Fund Revenue	1,105,700,000	1,105,400,000
Total Availability	1,105,700,000	1,105,400,000
Recommended Appropriations:		
Original Certified Budget	1,118,600,000	1,152,000,000
Recommended Reductions	(13,282,801)	(46,600,000)
Recommended Expansion	382,801	-
Total Appropriations Recommended	1,105,700,000	1,105,400,000
Total Ending Balance	**$ -**	**$ -**

Population Dynamics in North Carolina

Rapid population growth has had a strong impact on North Carolina, with the state growing by roughly 1.5 million people between 2000 and 2010. Over the next biennium, the state's population is projected to grow by an additional 210,000 people, from more than 9.88 million people on July 1, 2013 to nearly 10.1 million by July 1, 2015. This growth is equivalent to adding an entire city approximately the size of Fayetteville to North Carolina over the next two years. In other words, the state is growing by 288 people every day, or about 2,000 people every week.

Migration

Net-migration is a major component of population growth in North Carolina. Over the next biennium, people moving into the state are expected to account for approximately 55% of total population growth. Of the 288 people that are added to North Carolina's population every day, approximately 158 move into the state from somewhere else. As the map (Figure 13)shows, the majority of movers come from nearby states. Table 18 below shows the major inflows and outflows for North Carolina for 2011. The number one state, both for inflows and outflows, was Florida. A significant number of people also moved to North Carolina from abroad.

Figure 13

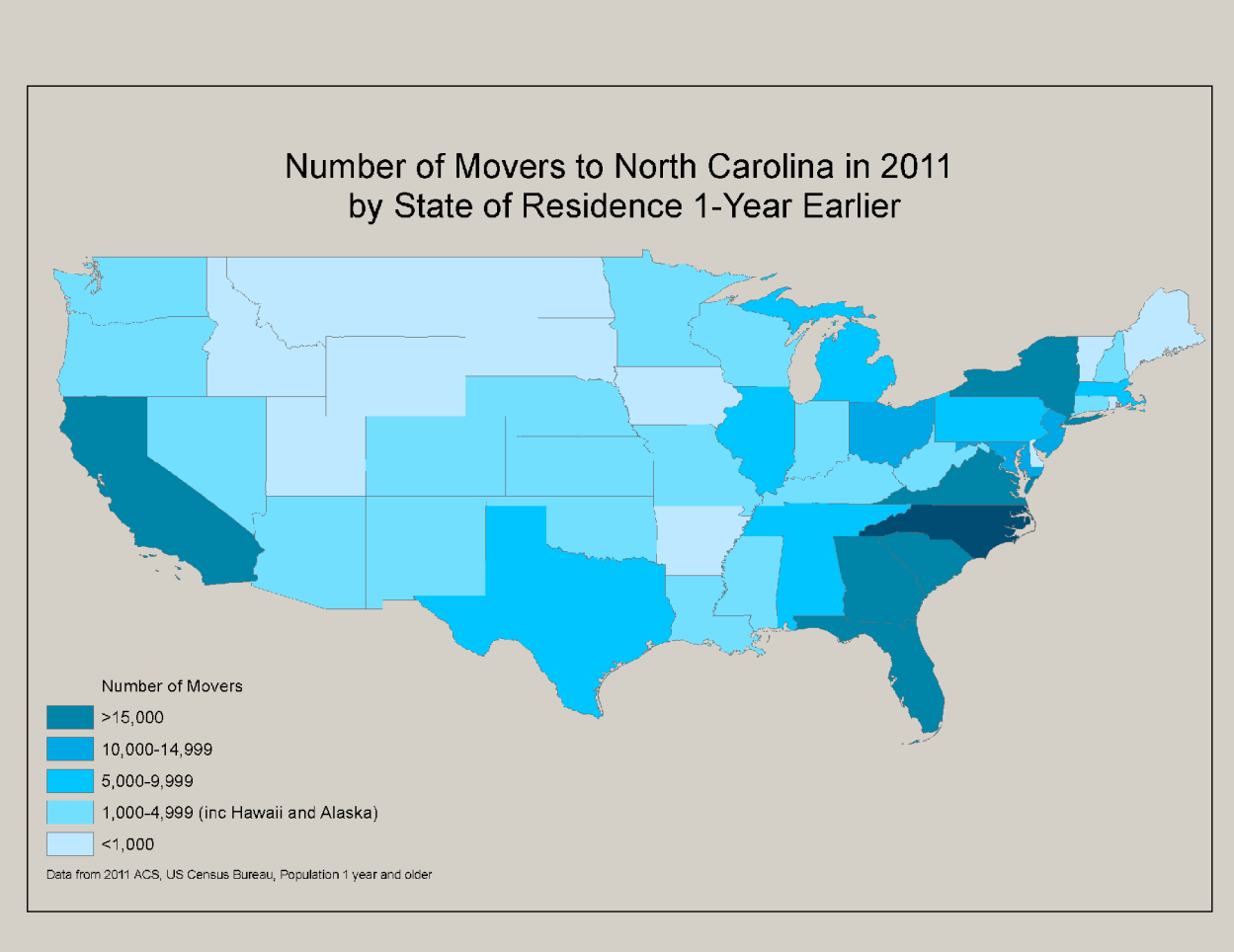


Table 18

Migration Flows for North Carolina, 2011	
Non-movers	8,070,238
Moved within North Carolina	1,160,510
In-flows, residence 1-year earlier	
Foreign Country/Puerto Rico/US Island Areas	43,373
Florida	28,044
Virginia	27,302
South Carolina	20,427
New York	18,321
Georgia	16,192
Out-flows, North Carolina resident 1-year earlier	
Florida	23,983
South Carolina	23,102
Virginia	22,753
Georgia	19,138
Texas	14,956

2011 ACS 1-year data, population 1 year and over

Age

As the state's population has grown, it has also been aging. Table 19 below shows the distribution of the state's population in 1994 compared to projections for July 1, 2014. Persons 65 and older are expected to account for an increasing share of the total population, while the percent of the population under 35 is decreasing. Overall the median age is expected to increase to 38.05 by 2014.

Although the fastest growth has been among the 65+ population, every age group has grown significantly. By July 1, 2014, 2.34 million children under 18 are expected, an increase of 590,000 from 1994. As the baby boomer generation reaches retirement age and life expectancy increases, the population 65 and over is increasing rapidly. By 2014, this group is expected to reach 1.46 million, or nearly 15%

Table 19

North Carolina's Age Distribution, 1994-2014				
	1994		2014	
Less than 5 years	508,879	7.1%	647,627	6.5%
5 to 17 years	1,240,433	17.3%	1,692,944	16.9%
18 to 34 years	1,967,632	27.4%	2,268,860	22.7%
35 to 64 years	2,590,560	36.1%	3,927,372	39.3%
65 and over	877,593	12.2%	1,455,588	14.6%

of the state's population. This is an increase of nearly 580,000 people, or 66% growth since 1994. The population aged 85+ is growing even faster, with an expected 97% increase from 1994 totals. The total population aged 85 and over by July 1, 2014 is likely to exceed 167,000 people, more than 1.7% of the total population.

Employment as a Percent of Total Population

As shown in table 20, the number of people employed as a percent of total population has decreased from over 49% in 1992 to 43% by 2012. The ratio of employed to total population has been affected by economic conditions and demographic trends. The state has seen a shrinking labor force as a percent of the total population and a lower labor force participation rate over this period.

Table 20

Employed as Percent of Total Population, July 1992-2012			
	Employed	Total Population	Employed as % of Total Pop
1992	3,393,247	6,894,973	49.2%
1993	3,447,106	7,040,342	49.0%
1994	3,514,031	7,185,097	48.9%
1995	3,574,006	7,342,026	48.7%
1996	3,714,970	7,497,863	49.5%
1997	3,809,584	7,653,854	49.8%
1998	3,837,534	7,807,095	49.2%
1999	3,911,987	7,948,901	49.2%
2000	3,967,415	8,081,986	49.1%
2001	3,921,896	8,209,775	47.8%
2002	3,942,204	8,324,059	47.4%
2003	3,961,634	8,418,493	47.1%
2004	4,040,429	8,542,420	47.3%
2005	4,118,361	8,685,811	47.4%
2006	4,257,455	8,890,380	47.9%
2007	4,272,516	9,090,572	47.0%
2008	4,284,342	9,278,794	46.2%
2009	4,068,865	9,435,396	43.1%
2010	4,117,849	9,575,674	43.0%
2011	4,153,018	9,669,244	43.0%
2012	4,202,123	9,780,742	43.0%
Number employed from the Employment Security Division			

Recommended Adjustments

Education

Public Education

The University of North Carolina

NC Community Colleges

Public Education

Governor's Recommended Adjustments to Base Budget

Public Education (13510)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$11,229,622,656	$11,356,331,834
Receipts	$3,244,697,899	$3,245,234,004
Appropriation	$7,984,924,757	$8,111,097,830
Adjustments		
Requirements	($28,660,068)	$31,703,146
Receipts	$56,495,763	$23,026,823
Appropriation	($85,155,831)	$8,676,323
Total		
Requirements	$11,200,962,588	$11,388,034,980
Receipts	$3,301,193,662	$3,268,260,827
Recommended Appropriation	$7,899,768,926	$8,119,774,153
Positions		
Base Budget Positions	1,339.190	1,339.190
Continuation	-	-
Reductions	(46.250)	(46.250)
Expansion	3.000	3.000
Recommended Positions	1,295.940	1,295.940

Continuation

	2013-14	2014-15
State Public School Fund		
1. **Update Average Daily Membership (ADM) Adjustment for Enrollment Growth**		
This item revises the initial ADM adjustment in the 2013-15 base budget. It supports a net increase of 6,642 ADM in 2013-14 and 6,636 ADM in 2014-15. This appropriation ensures adequate funding for instructional positions and instructional supplies that are allocated to the LEAs based on increasing student enrollment or average daily membership (ADM). There are 921 additional teacher positions for 2013-14 and 1,813 for 2014-15. ADM is 1,509,985 for 2013-14 and projected ADM for 2014-15 is 1,526,591. Receipts from the Highway Fund for Driver Education are reduced due to a decrease in 9th grade ADM by 3,088 in 2013-14 and by 3,145 in 2015-15.		
Requirements	**$10,616,485**	**$11,215,966**
Receipts	**($625,322)**	**($595,583)**
Appropriation	**$11,241,807**	**$11,811,549**
2. **Update Average Salary Adjustment**		
This adjustment revises average annual salaries in the 2013-15 base budget, using actual 2012-13 sixth pay period as the revised projection base. It updates the average salary adjustment that was based on available initial projections from the 3rd pay period. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel. Typically, because of turnover in these positions, the actual salaries are lower than budgeted salaries, and savings can be realized without reducing teacher salaries.		
Appropriation	**($11,873,083)**	**($11,980,756)**
3. **Consolidate All Funding Sources Supporting the Tarheel ChalleNGe Academy**		
The North Carolina Tarheel ChalleNGe program is part of the National Guard Youth Challenge Program and receives federal funds from this entity. The appropriation that provides the required matching funds was transferred to DPI as a pass-through per Session Law 2009-451. National Guard federal funds are designated receipts to the Department of Public Safety where the program is implemented. Moving the required state match back to the Department of Public Safety will consolidate all funding sources in the agency in which the program resides.		
Appropriation	**($767,719)**	**($767,719)**
4. **Textbooks**		
A nonrecurring reduction was enacted by the General Assembly each year of the 2011-13 biennium per Session Law 2011-145. This item partially restores the $76.5 million nonrecurring reduction in 2013-14		

and fully restores the reduction in 2014-15. The total budget for 2013-14 is $81 million; a 155% increase, and $91.3 million in 2014-15; a 235% increase over the 2012-13 authorized budget.

Appropriation	**$58,250,000**	**$76,500,000**

5. **Instructional Supplies and Equipment**

This item partially restores the nonrecurring reduction enacted by the General Assembly in each year of the 2011-13 biennium per Session Law 2011-145. The restoration is based upon a per ADM amount of $40.08 in 2013-14 and $56.99 in 2014-15. The instructional supplies and equipment allotment shall no longer include a funding formula for PSAT. The ACT assessments are being funded and used to assess college readiness. The 2013-14 budget is $59.5 million, a 19% increase over the 2012-13 authorized budget. The 2014-15 budget is $85 million, a 70% increase over the 2012-13 authorized budget.

Appropriation	**$9,443,104**	**$34,936,054**

Total Recommended Continuation

	2013-14	2014-15
Recurring		
Requirements	$65,668,787	$109,903,545
Receipts	(625,322)	(595,583)
Appropriation	$66,294,109	$110,499,128
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Reductions

	2013-14	2014-15
State Public School Fund		

1. **Focus Teacher Assistant Funding on Grades K-1**

Focus teacher assistant funding on grades K-1 by lowering the ratio of teacher assistant to students to 1:17 in those grades. Funds remaining will be allocated on the basis of K-1 average daily membership (ADM). Local school administrative units (LEAs) continue to have flexibility to place teacher assistants across grades K-3.

Appropriation	**($117,123,733)**	**($117,123,733)**

2. **Align Limited English Proficiency (LEP) Funding with Actual Need**

Funds are appropriated for students for whom English is not a first language based upon an annual December headcount. Budgeted

headcount is higher than the revised December headcount for each year of the biennium. Actual 2011-12 expenditures were $71.2 million.

Appropriation	**($3,000,000)**	**($3,000,000)**

3. **Utilize One-Time Over Collected Civil Penalties**

The Civil Penalties and Forfeiture Fund was created by G.S.115C-457.1, which authorizes the Office of State Management and Budget (OSBM) to administer the fund. Proceeds collected by agencies are then transferred by OSBM to the Department of Public Instruction for the School Technology Fund and for allocation to the LEAs based on average daily membership. The General Assembly appropriated $138.3 million in civil penalties each year of the 2011-13 biennium in Session Law 2011-145; $18 million to the School Technology Fund and $120.3 million to the State Public School Fund. Civil Penalty collections are overrealized for 2012-13. These one-time excess receipts are budgeted in lieu of State Public School Fund appropriations in the first year of the 2013-15 biennium.

Requirements	**-**	
Receipts - Nonrecurring	**$25,950,674**	
Appropriation - Nonrecurring	**($25,950,674)**	**-**

4. **Redirect Uncommitted Balance of Small County Reserve**

The Small County Supplemental Funding allotment is designed to supplement local funds by providing additional funds to small school systems. County LEAs with ADM of less than 3,239, and those with ADM between 3,239 and 4,080 whose adjusted property tax base is below the state average, are eligible. Funds provide the dollar equivalent for a certain number of additional classroom teachers based on student population density (ADM per square mile). The budget for 2012-13 is $45.5 million, of which $42.7 million is allotted to 27 eligible LEAs and $1.3 million is reserved for charter schools residing in those LEAs. An uncommitted balance of $1.55 million remains in the reserve.

Appropriation	**($1,555,885)**	**($1,555,885)**

5. **Direct Overrealized Sales Tax Receipts to the State Public School Fund**

Sales taxes are directed to the State Public School Fund based on the prior year's collection adjusted by the percentage change in the overall collection of the prior year. These funds are allocated from the Department of Revenue to the Department of Public Instruction on a quarterly basis. Budgeted receipts of $46.3 million shall be increased based upon the most recent revenue estimates.

Requirements	**-**	**-**
Receipts	**$5,025,426**	**$6,553,965**
Appropriation	**($5,025,426)**	**($6,553,965)**

Department of Public Instruction /Other Entities

1. **North Carolina Center for the Advancement of Teaching (NCCAT)**

   The General Assembly reduced the appropriation to NCCAT by $3 million or approximately 50% in 2011-12 per Session Law 2011-145. This change removes the remaining appropriation. There are 46.25 FTE; 38.25 of which are filled. One million dollars to provide severance costs and annual leave payouts remains available in 2013-14 for this program.

Appropriation	**($2,219,222)**	**($3,219,222)**
Positions	**(46.250)**	**(46.250)**

2. **Continue the General Assembly's Phase Out of Teaching Fellows Scholarships**

   The General Assembly phased out this scholarship program in Session Law 2011-145, supporting one final freshman class in the 2011-12 school year. Members of the last entering class will be college juniors in the 2013-14 school year, allowing for 1/3 of the scholarship funds to be eliminated on a recurring basis in 2013-14 and 2/3 in 2014-15.

Appropriation	**($3,095,000)**	**($6,190,000)**

3. **Align Teaching Fellows Fund Balance to Meet Need**

   In 2012-13 the Teaching Fellows fund balance was reduced by $3.3 million on a nonrecurring basis. This item reduces the estimated remaining available fund balance.

Appropriation - Nonrecurring	**($1,300,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($126,993,840)	($131,088,840)
Receipts	5,025,426	6,553,965
Appropriation	($132,019,266)	($137,642,805)
Positions	(46.250)	(46.250)
Nonrecurring		
Requirements	($1,300,000)	-
Receipts	25,950,674	-
Appropriation	($27,250,674)	-
Positions	-	-

Expansion

	2013-14	2014-15

State Public School Fund

1. **Excellent Public Schools Act (EPSA)**

   The General Assembly designated $27 million recurring appropriation

in Session Law 2012-142 for the Excellent Public Schools Act. Some components of the Act are not required to be implemented until 2014-15. Based on the requirements of the Act and current implementation data, additional appropriation is needed in the second year of the biennium. Two EPSA components to be implemented in 2014-15 that are not fully supported by the current appropriation are Summer Reading Camps and Reading Plan for Parents. Summer Reading Camps are to be administered by all LEAs for students not demonstrating reading proficiency on the 3rd grade reading End of Grade (EOG) test. The EPSA also requires that a reading plan be provided to parents of retained 3rd graders.

Appropriation		**$28,000,000**

2. **American College Testing (ACT) Assessments**

The ACT is considered an accurate gauge of school achievement and career and college readiness. The ACT battery assesses public/charter school students and includes EXPLORE (required for all 8th graders), PLAN (required for all 10th graders), ACT (required for all 11th graders), and WorkKeys (required for all grade 12 students enrolled as Career and Technical Education concentrators). In Session Law 2011-145 the General Assembly amended G.S. 115C-174.20 and G.S 115C-174.25, directing the State Board of Education, within available funds, to require the administration of diagnostic tests in the 8th and 10th grades that align to the ACT and WorkKeys tests. The results of the ACT assessments provide information that can guide the use of individualized student instructional strategies in English, Writing, Math and Science, and career readiness dimensions. Results can be used to identify students in need of assistance and to guide instruction to ensure adequate preparation for college and careers. Full implementation of this initiative will lead to a decreased need for remedial courses in higher education.

Appropriation	**$7,500,000**	**$7,500,000**

3. **Enhance Digital Learning Opportunities for Students**

Lottery receipts are directed to support the purchase of reading tablets for students. These funds will be placed in a reserve and awarded through a competitive process for school classroom use. Funds shall be used to support 3rd grade reading achievement or other targeted high priority instructional needs as documented through the application process. The North Carolina Education Lottery Commission projects that lottery revenues will be overrealized in 2012-13, providing an additional $9 million for Education programs. In addition, $17 million is estimated to be available on a recurring basis.

Requirements	**$17,068,441**	**$17,068,441**
Requirements - Nonrecurring	**$9,076,544**	
Receipts	**$17,068,441**	**$17,068,441**
Receipts - Nonrecurring	**$9,076,544**	
Appropriation	**-**	**-**

Department of Public Instruction

1. **Support Additional Charter School Staff to Allow for Appropriate Oversight**

Additional charter school consultants are needed to conduct the business of reviewing the increased volume of charter school applications since the cap on the number of charter schools was lifted in Session Law 2011-164, repealing G.S. 115C-238.29D(b). The national average for consultants to charter schools is 1:9. Funds include salaries, travel, technology needs and $30,000 for expenses related to the Charter School Advisory Council.

Appropriation	**$320,000**	**$320,000**
Positions	**3.000**	**3.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$24,888,441	$52,888,441
Receipts	17,068,441	17,068,441
Appropriation	$7,820,000	$35,820,000
Positions	3.000	3.000
Nonrecurring		
Requirements	$9,076,544	-
Receipts	9,076,544	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Public Education (13510)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($36,436,612)	$31,703,146
Receipts	21,468,545	23,026,823
Appropriation	($57,905,157)	$8,676,323
Positions	(43.250)	(43.250)
Nonrecurring		
Requirements	$7,776,544	-
Receipts	35,027,218	-
Appropriation	($27,250,674)	-
Positions	-	-
Total Appropriation Adjustments	($85,155,831)	$8,676,323
Total Position Adjustments	(43.250)	(43.250)

The University of North Carolina

Governor's Recommended Adjustments to Base Budget

The University of North Carolina (160xx)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$4,250,334,632	$4,286,773,256
Receipts	$1,540,782,825	$1,548,898,786
Appropriation	$2,709,551,807	$2,737,874,470
Adjustments		
Requirements	($125,138,904)	($118,438,904)
Receipts	$63,768,627	$62,875,000
Appropriation	($188,907,531)	($181,313,904)
Total		
Requirements	$4,125,195,728	$4,168,334,352
Receipts	$1,604,551,452	$1,611,773,786
Recommended Appropriation	$2,520,644,276	$2,556,560,566
Positions		
Base Budget Positions	34,957.220	34,960.020
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	34,957.220	34,960.020

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
UNC General Administration and Institutions		
1. **Management Flexibility Reduction**		
Provides UNC-General Administration and the campuses with the flexibility to identify efficiencies and savings in the operating budget. Campuses shall consider reducing the number of senior and middle management positions, elimination of low-performing or redundant programs, faculty workload adjustments, restructuring of research activities, implementation of span of control measures, use of alternative funding sources, and other staff and operational efficiencies.		
Appropriation	**($66,900,000)**	**($79,800,000)**
Appropriation - Nonrecurring	**($43,800,000)**	**($36,000,000)**
2. **Administrative and Operational Efficiencies**		
This item continues the implementation of administrative and operational efficiencies including: (1) shared services for residency determination, internal audit, financial aid review, and IT infrastructure; (2) strategic purchasing of commodities in cooperation with state government; (3) span of control evaluations to reduce excess layers of management; (4) improved business practices and elimination of redundant business practices; (5) energy efficiency measures.		
Appropriation	**($10,000,000)**	**($15,000,000)**
3. **Instructional Efficiencies**		
System-wide academic programming measures will be implemented to raise instructional efficiencies and enhance the quality of teaching and research. This will be accomplished through a number of curriculum management strategies, including system-wide section size guidelines, and improved transferability of credits between UNC campuses.		
Appropriation	**($15,800,000)**	**($21,100,000)**
4. **Program Consolidation**		
Small or duplicative programs will be consolidated from the more than 1,700 unique degree programs offered within the UNC system.		
Appropriation	**-**	**($1,900,000)**
5. **Utility Budgets to Reflect Actual Expenditures**		
Utilities budgets that exceeded 2011-12 actual expenditures will be reduced at several campuses. Savings generated from energy efficiency measures that are dedicated to pay the debt service on energy performance contracts will be held harmless.		
Appropriation	**($8,088,719)**	**($8,088,719)**

6. **Building Reserve for Cancelled Addition to McNair Hall**

A building addition to NC A&T's McNair Hall was authorized in 2009 but the project has been cancelled. As a result, this building reserve is no longer needed.

Appropriation	**($150,185)**	**($150,185)**

Tuition

1. **Increase Non-Resident Tuition**

Tuition rates for North Carolina residents will be not be increased above the levels approved by the UNC Board of Governors. Non-resident tuition rates for graduate and undergraduate degree programs will be increased by 12.3% for UNCSA, NC A&T, NCSU, UNC-C, UNC-CH, and UNC-W and 6% for all other campuses. Campuses identified for a 12.3% increase in non-resident tuition were selected because their combined tuition and fees were significantly lower than their peer average. These increases are in addition to the 2013-14 tuition rates approved by the UNC Board of Governors.

Requirements	**-**	**-**
Receipts	**$48,000,000**	**$48,000,000**
Receipts - Nonrecurring	**$6,100,000**	**$6,100,000**
Appropriation	**($54,100,000)**	**($54,100,000)**

2. **Assess Same Tuition Rate for All Non-Resident Students Receiving Scholarships**

This item repeals G.S. 116-143.6, which allows non-resident students who receive full scholarships to be considered in-state students for tuition purposes. In 2013-14, 489 scholarships would receive this waiver. The number would increase to 510 scholarships by 2014-15. The General Assembly repealed this tuition waiver for athletic scholarships in Session Law 2010-31, Section 9.25.

Requirements	**-**	**-**
Receipts	**$8,580,000**	**$8,775,000**
Appropriation	**($8,580,000)**	**($8,775,000)**

Financial Aid

1. **One-time Increase in Escheat Support for UNC Need-Based Financial Aid**

For the 2013-14 year only, the Board of Governors of the University of North Carolina shall receive an additional $1 million appropriated from the Escheat Fund. This increase in Escheat Fund support shall be offset by an equal reduction in General Fund appropriation support for the Need-Based Financial Aid Program. The Escheat Fund income appropriated in 2013-14 for the community college need-based grants shall be reduced by this recommended amount, and the State Board of Community Colleges shall re-allocate financial aid refunds received in 2012-13 towards 2013-14 community college need-based grants.

Requirements - Nonrecurring	**-**	
Receipts - Nonrecurring	**$1,088,627**	
Appropriation - Nonrecurring	**($1,088,627)**	**-**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($100,938,904)	($126,038,904)
Receipts	56,580,000	56,775,000
Appropriation	($157,518,904)	($182,813,904)
Positions	-	-
Nonrecurring		
Requirements	($43,800,000)	($36,000,000)
Receipts	7,188,627	6,100,000
Appropriation	($50,988,627)	($42,100,000)
Positions	-	-

Expansion

	2013-14	2014-15

Financial Aid

1. **North Carolina School of Science and Math Tuition Grant**

   G.S. 116-238.1 is amended to restore the North Carolina School of Science and Math (NCSSM) Tuition Grant beginning with the school's graduating class of 2014. The 2009 General Assembly authorized phasing out this tuition grant beginning in 2010-11. The tuition grant is a merit-based scholarship for graduates of the NCSSM to attend any of the 16 constituent institutions of the University of North Carolina. No additional funding is required to restore the tuition grant beginning in 2014-15.

UNC Strategic Directions Plan

1. **Meeting the State's Education Attainment Goal**

   In the Strategic Directions Plan, the UNC Board of Governors set forth a goal to increase the percentage of state residents with a bachelor's degree or higher from 26% to 32% by 2018. The projected workforce demand for employees with at least a bachelor's degree was an important factor considered in developing this degree attainment goal. In order to meet this goal, UNC will focus efforts on improving graduation rates of existing students, increasing part-way home and transfer student success, and improving accessibility to North Carolina's military, adult learners, and high school graduates.

1. Performance Improvement Fund	1,000,000	3,000,000
2. Early Warning System	1,000,000	1,000,000
3. Ensuring Success of Transfer and Part Way Home Students	1,000,000	2,000,000
4. Veterans and Active Military Personnel	500,000	1,000,000
5. College Application Week, Minority Male Mentoring, Evaluation	500,000	500,000
Appropriation	**$4,000,000**	**$7,500,000**
1. Assess Qualified Military and Veterans Resident Tuition Rate	3,000,000	-
Appropriation - Nonrecurring	**$3,000,000**	**-**

2. **Strengthening Academic Quality**

In order to increase the number of students prepared for success in an increasingly complex and globally competitive workplace, funding is provided to better assess student learning and to develop new methods of instruction that incorporate technology, distance education, and core competencies.

1. Platform for Adult Students	200,000	500,000
2. Post Baccalaureate Competency-Based Certificate Programs	200,000	500,000
3. Enhanced 2+2 Delivery	200,000	500,000
4. Academic Advising and Career Counseling Staff	1,000,000	2,000,000
5. Competency Based Assessment	600,000	1,200,000
Appropriation	**$2,200,000**	**$4,700,000**
1. Eliminate Distance Education Tuition Charge for Full-Time Students	3,000,000	-
Appropriation - Nonrecurring	**$3,000,000**	**-**

3. **Serve the People of North Carolina**

The UNC Strategic Directions Plan identifies areas in which North Carolina can best compete in the knowledge-based economy and improve the quality of life for citizens of the state. Funding is provided for focused investments in faculty, research, and scholarship that support these priorities.

1. Advanced Manufacturing - Faculty and Professional Staff	200,000	1,000,000
2. Advanced Manufacturing - Operations and Support	200,000	500,000
3. Data Sciences - Faculty and Professional Staff	200,000	900,000
4. Data Sciences - Operations and Support	200,000	400,000
5. Defense, Military, and Security - Faculty and Professional Staff	200,000	1,000,000
6. Defense, Military, and Security - Operations and Support	200,000	500,000

7. Energy - Faculty and Professional Staff	200,000	1,000,000
8. Energy - Operations and Support	200,000	500,000
9. Marine and Coastal Sciences - Faculty and Professional Staff	400,000	1,300,000
10. Marine and Coastal Sciences - Operations and Support	200,000	400,000
11. Pharmaco-engineering - Faculty and Professional Staff	200,000	3,400,000
12. Pharmaco-engineering - Graduate Fellowship and Support	-	200,000
13. Innovative Faculty	-	1,300,000
14. Faculty Retention and Professional Development	1,500,000	3,000,000
15. Capital Facilities Lease Costs	-	1,000,000
16. Rural Health Collaborative	500,000	1,000,000
17. Prepare Job-Ready Students Through Experiential Internships	200,000	500,000
Appropriation	**$4,600,000**	**$17,900,000**
1. Startup and Infrastructure	-	7,000,000
2. Shared Research Equipment	1,000,000	3,000,000
Appropriation - Nonrecurring	**$1,000,000**	**$10,000,000**

4. **Maximize Efficiencies; Financially Stable and Accessible University**

Funding is provided for the purposes of streamlining operations and focusing resources on the core mission of teaching, research, scholarship, and public service.

1. Program Monitoring, Evaluation, and Implementation	500,000	1,000,000
2. Enhance Private Development	500,000	1,000,000
Appropriation	**$1,000,000**	**$2,000,000**
1. Enhanced Data Analytics	800,000	1,500,000
Appropriation - Nonrecurring	**$800,000**	**$1,500,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$11,800,000	$32,100,000
Receipts	-	-
Appropriation	$11,800,000	$32,100,000
Positions	-	-

Nonrecurring		
Requirements	$7,800,000	$11,500,000
Receipts	-	-
Appropriation	$7,800,000	$11,500,000
Positions	-	-

Total Recommended Adjustments for
The University of North Carolina (160xx)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($89,138,904)	($93,938,904)
Receipts	56,580,000	56,775,000
Appropriation	($145,718,904)	($150,713,904)
Positions	-	-
Nonrecurring		
Requirements	($36,000,000)	($24,500,000)
Receipts	7,188,627	6,100,000
Appropriation	($43,188,627)	($30,600,000)
Positions	-	-
Total Appropriation Adjustments	($188,907,531)	($181,313,904)
Total Position Adjustments	-	-

NC Community Colleges System

Governor's Recommended Adjustments to Base Budget

NC Community Colleges System (16800)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,453,708,790	$1,453,708,790
Receipts	$416,278,315	$416,278,315
Appropriation	$1,037,430,475	$1,037,430,475
Adjustments		
Requirements	($2,835,273)	$6,164,727
Receipts	$7,791,983	$7,791,983
Appropriation	($10,627,256)	($1,627,256)
Total		
Requirements	$1,450,873,517	$1,459,873,517
Receipts	$424,070,298	$424,070,298
Recommended Appropriation	$1,026,803,219	$1,035,803,219
Positions		
Base Budget Positions	194.100	194.100
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	194.100	194.100

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Colleges - State Aid		
1. **Fund Enrollment Growth at the Higher of Current Year or 2-year Average Enrollment**		
This recommendation would fund community college enrollment at the higher of the current year's enrollment level or the average of the previous two years. Currently enrollment is based on the higher of the current year or the 3-year average. Enrollment has declined the last two years, from a record high in 2010-11. This recommendation would fund community colleges closer to their actual FTE enrollment, at a level of 242,917 FTE for 2013-14. The North Carolina Community College System (NCCCS) shall use this method of calculating enrollment in subsequent fiscal years.		
Appropriation	**($20,002,263)**	**($20,002,263)**
2. **Fund Retirement and Medical Benefits for Full-Time Faculty**		
This recommendation would fund retirement and medical benefits for full-time faculty at community colleges. Currently community colleges receive an allotment to provide curriculum and continuing education faculty. These allocations include full funding for all benefits, even though approximately 40% of faculty are part-time and not eligible for benefits.		
Appropriation	**($15,189,563)**	**($15,189,563)**
3. **Realize Savings in Customized Training due to Anticipated 2013-14 Demand**		
Customized training provides training and education for new and existing companies that are adding jobs, investing in technology, or enhancing productivity. This recommendation reflects total project demands in 2013-14. NCCCS has 2013-14 project commitments with estimated expenses of $20 million. Since Customized Training has a recurring budget of $12.5 million, these savings can be realized; $10 million remains unspent in 2012-13 and is carried forward into 2013-14 as set forth in G.S. 115D-5.1(f2).		
Appropriation - Nonrecurring	**($2,000,000)**	
4. **Curriculum Tuition Increase**		
Tuition rates charged for curriculum courses shall be increased by $1 per credit hour for resident students (from $69/hr to $70/hr) and by $4 per credit hour for non-resident students (from $261/hr to $265/hr). Full-time resident students will pay $32 more per year and a total annual tuition of $2,240. Full-time non-resident students will pay $128 more per year and a total annual tuition of $8,352. The tuition revenue raised will support the instructional needs of community colleges.		

1. Tuition Increase for Residents	-	-
2. Tuition Increase for Non-Residents	-	-
Requirements	**-**	**-**
1. Tuition Increase for Residents	4,568,450	4,568,450
2. Tuition Increase for Non-Residents	1,589,024	1,589,024
Receipts	**$6,157,474**	**$6,157,474**
Appropriation	**($6,157,474)**	**($6,157,474)**

5. **Assess Tuition for All Courses Taken by Senior Citizens**

Senior citizens in North Carolina may currently enroll in up to six hours of credit instruction and one course of noncredit instruction per semester tuition-free, as permitted in G.S. 115D-5(b)(11). Charging the same tuition for all credits will generate additional tuition and fee receipts to support the instructional costs of these courses.

Requirements	**-**	**-**
Receipts	**$970,000**	**$970,000**
Appropriation	**($970,000)**	**($970,000)**

6. **Continuing Education Course Fee Increase**

Fees for continuing education courses will be increased by $5 per course. These additional receipts will support the costs of delivering these courses. The new rates shall be as follows: Classes 1-24 hrs ($75); Classes 25-50 hrs ($130); and Classes 51+ hrs ($185). These fees were last raised in 2009-10.

Requirements	**-**	**-**
Receipts	**$664,509**	**$664,509**
Appropriation	**($664,509)**	**($664,509)**

7. **Encourage Efficiencies and Span of Control in Community College Administrative Costs**

Reallocate a portion of the institutional and academic support allotment by one clerical position at each college. The base allotment supports 30 positions, including seven clerical positions.

Appropriation	**($2,480,138)**	**($2,480,138)**

8. **Refocus BioNetwork Centers on Biotechnology**

The NCCCS BioNetwork connects workforce training and education to biotechnology, pharmaceutical and life science industries through coursework and through seven industry-focused centers around the state. Originally established to focus solely on biotechnology, these centers have grown to include other workforce development and distance learning needs. This recommendation will re-focus all centers on biotechnology. The Mobile Launch Pad for Careers and the BioAgriculture Center at Robeson Community College will no longer

be supported from this appropriation. These programs may be supported from grants or other funding.

Appropriation	**($597,000)**	**($597,000)**

9. **Concentrate Data Connectivity at Main Campuses**

Community colleges currently receive $5.8 million for data connectivity at the colleges. When originally appropriated, these funds were calculated to meet data connectivity needs at each community college's main campus. Due to their concentrated buying power, community colleges were able to negotiate for lower rates. The remaining budget has remained unspent. This recommendation will focus the state funds for data connectivity on the main campuses.

Appropriation	**($647,972)**	**($647,972)**

10. **Specialized Centers and Programs**

It is recommended that the following specialized centers and programs focus their efforts on industry-supported activities. These funds are distributed as categorical allotments and are not distributed through the state aid formulas.

1. Marine Technology Program at Cape Fear Community College	(343,670)	(343,670)
2. Fayetteville Technical Community College Botanical Laboratory	(264,000)	(264,000)
Appropriation	**($607,670)**	**($607,670)**

System Office

1. **Recognize Efficiencies in the Community Colleges System Office**

Efficiencies shall be realized in the Community Colleges System Office by redirecting funds appropriated for advertising expenditures.

Appropriation	**($100,000)**	**($100,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($39,624,606)	($39,624,606)
Receipts	7,791,983	7,791,983
Appropriation	($47,416,589)	($47,416,589)
Positions	-	-
Nonrecurring		
Requirements	($2,000,000)	-
Receipts	-	-
Appropriation	($2,000,000)	-
Positions	-	-

Expansion

	2013-14	2014-15
Colleges - State Aid		
1. **Technical Education Equipment and Infrastructure**		
Employers need skilled workers with hands-on training, requiring community colleges to have up-to-date equipment for classrooms and labs. $14 million will be invested each year of the 2013-15 biennium in North Carolina's technical education infrastructure. These funds shall be awarded on a competitive basis to community colleges for those programs most directly related to preparing workers for industry's current and future employment needs.		
Appropriation - Nonrecurring	**$14,000,000**	**$14,000,000**
2. **Performance-Based Funding**		
These funds will support the implementation of a performance-based funding system for North Carolina community colleges. These funds will be allocated to community colleges based on their performance on student success measures. Community colleges will receive funding based on impact and quality measures. Future performance funding will come from the current enrollment-based funding formula.		
Appropriation	**$5,000,000**	**$10,000,000**
3. **Increase Funding for Higher Cost Programs**		
This recommendation will reward community colleges for developing and offering higher-cost degree programs. These programs will be funded 20-25% more than Tier 2 programs. This $16.8 million will create a Tier 1A for enrollment in those programs of higher costs or leading most directly towards immediate employment. This new tier will see an increase of 10% above current rates (to $4,058.82 per FTE). The remaining programs currently in Tier 1 will receive an increase of 5% above current rates (to $3,874.33).		
Appropriation	**$16,789,333**	**$16,789,333**
4. **Continue NC Back-to-Work Program**		
The NC Back-to-Work program works with the state's long-term unemployed workers and was funded with a $5 million nonrecurring appropriation in 2012-13. This recommendation will fund the program at the same level in 2013-15. Due to the slow start of this initiative, $2 million is estimated to remain unspent at the end of June and is recommended to be carried forward into 2013-14.		
Appropriation - Nonrecurring	**$3,000,000**	**$5,000,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$21,789,333	$26,789,333
Receipts	-	-
Appropriation	$21,789,333	$26,789,333
Positions	-	-
Nonrecurring		
Requirements	$17,000,000	$19,000,000
Receipts	-	-
Appropriation	$17,000,000	$19,000,000
Positions	-	-

Total Recommended Adjustments for
NC Community Colleges System (16800)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($17,835,273)	($12,835,273)
Receipts	7,791,983	7,791,983
Appropriation	($25,627,256)	($20,627,256)
Positions	-	-
Nonrecurring		
Requirements	$15,000,000	$19,000,000
Receipts	-	-
Appropriation	$15,000,000	$19,000,000
Positions	-	-
Total Appropriation Adjustments	($10,627,256)	($1,627,256)
Total Position Adjustments	-	-

Recommended Adjustments

General Government

General Assembly
Office of the Governor
Office of State Budget and Management
North Carolina Housing Finance Authority
Office of the Lieutenant Governor
Department of Secretary of State
Office of the State Auditor
Department of State Treasurer
Department of Insurance
Department of Administration
Office of the State Controller
Department of Revenue
Department of Cultural Resources
Roanoke Island Commission
State Board of Elections
Office of Administrative Hearings

General Assembly

Governor's Recommended Adjustments to Base Budget

General Assembly (11000)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$53,908,445	$54,062,045
Receipts	$1,063,055	$1,216,655
Appropriation	$52,845,390	$52,845,390
Adjustments		
Requirements	($943,493)	($901,204)
Receipts	$90,000	$132,289
Appropriation	($1,033,493)	($1,033,493)
Total		
Requirements	$52,964,952	$53,160,841
Receipts	$1,153,055	$1,348,944
Recommended Appropriation	$51,811,897	$51,811,897
Positions		
Base Budget Positions	318.850	318.850
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	318.850	318.850

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Temporary wages and employer costs adjusted for Floaters**		
This recommendation modifies temporary wages and employer costs associated with Floaters during both sessions.		
Appropriation - Nonrecurring	**($422,905)**	**($640,864)**
2. **Revenue enhancement - Food Services Division**		
The General Assembly will generate additional revenue through a 10% price increase in the Food Services Division, which supports the legislative snack bars and cafeteria operations.		
Requirements	**-**	**-**
Receipts	**$90,000**	**$132,289**
Appropriation	**($90,000)**	**($132,289)**
3. **Information Systems Division Operating Budget Adjustment**		
The Information Systems Division identified cost-savings resulting in adjustments to the budget for personal computers and printers.		
Appropriation - Nonrecurring	**($46,885)**	**($40,080)**
4. **Committee Reserves Reduction**		
The Governor recommends a reduction to Committee Reserves in FY 13-14.		
Appropriation - Nonrecurring	**($473,703)**	**-**
5. **Furniture Budget Adjustment**		
This recommendation adjusts the furniture budget to more closely reflect prior year actual expenditures.		
Appropriation - Nonrecurring	**-**	**($35,000)**
6. **Modify Budgeted Subsistence for Session by One Week**		
This recommendation modifies budgeted subsistence based on an estimated long-session end-date of mid-July.		
Appropriation - Nonrecurring	**-**	**($123,760)**
7. **Reduce Rental Parking Space Budget**		
The General Assembly plans to implement a parking program that reduces parking costs by charging temporaries for assigned spots during the interim.		
Appropriation - Nonrecurring	**-**	**($30,000)**
8. **Reduce Various Operating Budgets**		
This recommendation adjusts various operating budgets to more closely reflect prior year actual expenditures.		
Appropriation - Nonrecurring	**-**	**($31,500)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	90,000	132,289
Appropriation	($90,000)	($132,289)
Positions	-	-
Nonrecurring		
Requirements	($943,493)	($901,204)
Receipts	-	-
Appropriation	($943,493)	($901,204)
Positions	-	-

Total Recommended Adjustments for General Assembly (11000) 2013-15

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	90,000	132,289
Appropriation	($90,000)	($132,289)
Positions	-	-
Nonrecurring		
Requirements	($943,493)	($901,204)
Receipts	-	-
Appropriation	($943,493)	($901,204)
Positions	-	-
Total Appropriation Adjustments	($1,033,493)	($1,033,493)
Total Position Adjustments	-	-

Office of the Governor

Governor's Recommended Adjustments to Base Budget

Office of the Governor (13000)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$6,399,870	$6,401,952
Receipts	$860,127	$860,127
Appropriation	$5,539,743	$5,541,825
Adjustments		
Requirements	($419,693)	($419,693)
Receipts	-	-
Appropriation	($419,693)	($419,693)
Total		
Requirements	$5,980,177	$5,982,259
Receipts	$860,127	$860,127
Recommended Appropriation	$5,120,050	$5,122,132
Positions		
Base Budget Positions	52.200	52.200
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	52.200	52.200

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Program Reductions		
1. **Achieve Savings**		
This recommendation achieves General Fund savings by reducing the operating budget by $369,693 for non-essential dues and memberships and the personnel budget by $50,000.		
Appropriation	**($419,693)**	**($419,693)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($419,693)	($419,693)
Receipts	-	-
Appropriation	($419,693)	($419,693)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Office of the Governor (13000)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($419,693)	($419,693)
Receipts	-	-
Appropriation	($419,693)	($419,693)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($419,693)	($419,693)
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Office of State Budget and Management (13005)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$7,716,352	$7,798,863
Receipts	$764,646	$764,646
Appropriation	$6,951,706	$7,034,217
Adjustments		
Requirements	$50,000	-
Receipts	-	-
Appropriation	$50,000	-
Total		
Requirements	$7,766,352	$7,798,863
Receipts	$764,646	$764,646
Recommended Appropriation	$7,001,706	$7,034,217
Positions		
Base Budget Positions	58.250	59.250
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	58.250	59.250

Appropriation Items -- Recommended Adjustments

Expansion

	2013-14	2014-15
1. **Study of Community Colleges Program Costs**		
This recommendation supports a study of the Community College System's curriculum, continuing education, and basic skills programs. The study will be completed by March 1, 2014.		
Appropriation - Nonrecurring	**$50,000**	

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$50,000	-
Receipts	-	-
Appropriation	$50,000	-
Positions	-	-

Total Recommended Adjustments for
Office of State Budget and Management (13005)
2013-15

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$50,000	-
Receipts	-	-
Appropriation	$50,000	-
Positions	-	-
Total Appropriation Adjustments	$50,000	-
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

OSBM - Reserve for Special Appropriation (13085)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$49,000	$49,000
Receipts	-	-
Appropriation	$49,000	$49,000
Adjustments		
Requirements	$951,000	($49,000)
Receipts	-	-
Appropriation	$951,000	($49,000)
Total		
Requirements	$1,000,000	-
Receipts	-	-
Recommended Appropriation	$1,000,000	-
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **NC Humanities Council Grant**		
This recommendation streamlines the provision of governmental services by eliminating a grant to the NC Humanities Council.		
Appropriation	**($49,000)**	**($49,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($49,000)	($49,000)
Receipts	-	-
Appropriation	($49,000)	($49,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **NC Symphony Challenge Grant**		
This recommendation continues the Challenge Grant for the NC Symphony, for which the Symphony will raise $6 million in non-State revenue.		
Appropriation - Nonrecurring	**$1,000,000**	

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Nonrecurring		
Requirements	$1,000,000	-
Receipts	-	-
Appropriation	$1,000,000	-
Positions	-	-

Total Recommended Adjustments for
OSBM - Reserve for Special Appropriation (13085)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($49,000)	($49,000)
Receipts	-	-
Appropriation	($49,000)	($49,000)
Positions	-	-
Nonrecurring		
Requirements	$1,000,000	-
Receipts	-	-
Appropriation	$1,000,000	-
Positions	-	-
Total Appropriation Adjustments	$951,000	($49,000)
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Office of the Governor - Special Projects (13001)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$103,069,806	$103,069,806
Receipts	$103,069,806	$103,069,806
Appropriation	-	-
Adjustments		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Total		
Requirements	$103,069,806	$103,069,806
Receipts	$103,069,806	$103,069,806
Recommended Appropriation	-	-
Positions		
Base Budget Positions	7.400	7.400
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	7.400	7.400

Governor's Recommended Adjustments to Base Budget

North Carolina Housing Finance Agency (13010)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$9,408,417	$9,408,417
Receipts	-	-
Appropriation	$9,408,417	$9,408,417
Adjustments		
Requirements	($32,168)	($32,168)
Receipts	-	-
Appropriation	($32,168)	($32,168)
Total		
Requirements	$9,376,249	$9,376,249
Receipts	-	-
Recommended Appropriation	$9,376,249	$9,376,249
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Reduce the State's Match for the HOME Program**		
This recommendation reduces the state match for the HOME program, a federal block grant that provides funds to finance the acquisition, construction and rehabilitation of affordable housing and also provides down payment assistance and rent subsidies.		
Appropriation	**($32,168)**	**($32,168)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($32,168)	($32,168)
Receipts	-	-
Appropriation	($32,168)	($32,168)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
North Carolina Housing Finance Agency (13010)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($32,168)	($32,168)
Receipts	-	-
Appropriation	($32,168)	($32,168)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($32,168)	($32,168)
Total Position Adjustments	-	-

Office of the Lieutenant Governor

Governor's Recommended Adjustments to Base Budget

Office of the Lieutenant Governor (13100)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$444,047	$444,047
Receipts	-	-
Appropriation	$444,047	$444,047
Adjustments		
Requirements	$144,534	$140,534
Receipts	-	-
Appropriation	$144,534	$140,534
Total		
Requirements	$588,581	$584,581
Receipts	-	-
Recommended Appropriation	$588,581	$584,581
Positions		
Base Budget Positions	3.000	3.000
Continuation	-	-
Reductions	-	-
Expansion	2.000	2.000
Recommended Positions	5.000	5.000

Appropriation Items -- Recommended Adjustments

Expansion

	2013-14	2014-15
1. **Restore Support for Office Operations**		
This recommendation restores two additional FTE ($112,519), provides $4,000 in non-recurring furniture expenses, and increases the operating budget by $28,015 to a level sufficient to support basic office operations. The addition of a Communications Director and a Constituent Services/Administrative Assistant is recommended and will bring the total staff complement to five FTEs. The existing three FTEs include the Lieutenant Governor, Chief of Staff, and Director of Operations.		
Appropriation	**$140,534**	**$140,534**
Appropriation - Nonrecurring	**$4,000**	
Positions	**2.000**	**2.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$140,534	$140,534
Receipts	-	-
Appropriation	$140,534	$140,534
Positions	2.000	2.000
Nonrecurring		
Requirements	$4,000	-
Receipts	-	-
Appropriation	$4,000	-
Positions	-	-

Total Recommended Adjustments for
Office of the Lieutenant Governor (13100)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$140,534	$140,534
Receipts	-	-
Appropriation	$140,534	$140,534
Positions	2.000	2.000
Nonrecurring		
Requirements	$4,000	-
Receipts	-	-
Appropriation	$4,000	-
Positions	-	-
Total Appropriation Adjustments	$144,534	$140,534
Total Position Adjustments	2.000	2.000

Department of Secretary of State

Governor's Recommended Adjustments to Base Budget

Department of Secretary of State (13200)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$11,906,810	$11,906,810
Receipts	$61,625	$61,625
Appropriation	$11,845,185	$11,845,185
Adjustments		
Requirements	($142,783)	($160,783)
Receipts	$160,571	$142,571
Appropriation	($303,354)	($303,354)
Total		
Requirements	$11,764,027	$11,746,027
Receipts	$222,196	$204,196
Recommended Appropriation	$11,541,831	$11,541,831
Positions		
Base Budget Positions	176.750	176.750
Continuation	-	-
Reductions	(3.000)	(3.000)
Expansion	2.000	2.000
Recommended Positions	175.750	175.750

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Department-wide		
1. **Operating Budget, Department-wide**		
Operating reductions are recommended throughout the Department to achieve savings of General Fund appropriations.		
Appropriation	**($148,093)**	**($148,093)**
2. **Abolish Attorney position**		
Department has a temporary vacancy and expects the position will be vacated permanently next fiscal year.		
Appropriation	**($80,331)**	**($80,331)**
Positions	**(1.000)**	**(1.000)**
3. **Vacant positions**		
Two positions (Processing Assistant IV and Program Assistant IV) vacant for a year and 120 days, respectively, have been re-purposed to support General Fund availability.		
Appropriation	**($74,930)**	**($74,930)**
Positions	**(2.000)**	**(2.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($303,354)	($303,354)
Receipts	-	-
Appropriation	($303,354)	($303,354)
Positions	(3.000)	(3.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Additional personnel for securities investigations**		
The addition of an Enforcement Attorney and a Forensic Accountant will enhance staffing for on-site audit investigations. These positions will be supported by Auction Rate Securities receipts.		
Requirements	**$160,571**	**$142,571**
Receipts	**$142,571**	**$142,571**
Receipts - Nonrecurring	**$18,000**	
Appropriation	**-**	**-**
Positions	**2.000**	**2.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$160,571	$142,571
Receipts	142,571	142,571
Appropriation	$18,000	-
Positions	2.000	2.000
Nonrecurring		
Requirements	-	-
Receipts	18,000	-
Appropriation	($18,000)	-
Positions	-	-

Total Recommended Adjustments for
Department of Secretary of State (13200)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($142,783)	($160,783)
Receipts	142,571	142,571
Appropriation	($285,354)	($303,354)
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	-	-
Receipts	18,000	-
Appropriation	($18,000)	-
Positions	-	-
Total Appropriation Adjustments	($303,354)	($303,354)
Total Position Adjustments	(1.000)	(1.000)

Office of the State Auditor

Governor's Recommended Adjustments to Base Budget

Office of the State Auditor (13300)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$16,495,551	$16,495,551
Receipts	$5,482,004	$5,482,004
Appropriation	$11,013,547	$11,013,547
Adjustments		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Total		
Requirements	$16,495,551	$16,495,551
Receipts	$5,482,004	$5,482,004
Recommended Appropriation	$11,013,547	$11,013,547
Positions		
Base Budget Positions	170.000	170.000
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	170.000	170.000

Department of State Treasurer

Governor's Recommended Adjustments to Base Budget

Department of State Treasurer (13410)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$47,087,198	$47,087,198
Receipts	$40,236,108	$40,236,108
Appropriation	$6,851,090	$6,851,090
Adjustments		
Requirements	$2,535,419	$375,634
Receipts	$1,248,619	$200,419
Appropriation	$1,286,800	$175,215
Total		
Requirements	$49,622,617	$47,462,832
Receipts	$41,484,727	$40,436,527
Recommended Appropriation	$8,137,890	$7,026,305
Positions		
Base Budget Positions	359.940	359.940
Continuation	-	-
Reductions	(1.000)	(1.000)
Expansion	-	-
Recommended Positions	358.940	358.940

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Return Appropriations Balance**		
This recommendation returns the balance of an appropriated agency reserve to the General Fund. The reserves were generated when appropriated positions were converted to receipt-support in FY 2008-09.		
Appropriation	**($45,416)**	**($45,416)**
2. **Cost Allocation Adjustment**		
Savings are credited to the General Fund based on an updated cost allocation methodology that reduced information technology allocations to the Banking Division.		
Appropriation	**($70,000)**	**($70,000)**
3. **Contractual Services Adjustment**		
The Banking Division rarely utilizes temporary services; therefore, a corresponding budget adjustment reflects their reduced need in this area.		
Appropriation	**($25,000)**	**($25,000)**
4. **Banking Specialist Position**		
This position has been vacant for 3 years and has been re-purposed to support General Fund availability.		
Appropriation	**($38,221)**	**($38,221)**
Positions	**(1.000)**	**(1.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($178,637)	($178,637)
Receipts	-	-
Appropriation	($178,637)	($178,637)
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Banking System Upgrade**		
The current Banking System is based on outdated Oracle software that will no longer receive vendor support. First year project costs will support replacement hardware, infrastructure software, and additional banking licenses; and second year costs will support on-going operations and maintenance. This is the second year of investment into an upgrade for the State's Banking System. The project's estimated completion date is July 1, 2014.		
Appropriation	**$353,852**	**$353,852**
Appropriation - Nonrecurring	**$1,111,585**	**-**
2. **State and Local Government Automation Project**		
This project is a multi-phased effort to replace outdated information systems used by local government units. Project components include infrastructure upgrades, audit package with document management capabilities, modernization of Annual Financial Information Reporting (AFIR) process, and implementation of audit software. The Automation Project is funded from receipts (fees paid by local governments for debt issuance).		
Requirements	**$200,419**	**$200,419**
Requirements - Nonrecurring	**$1,048,200**	
Receipts	**$200,419**	**$200,419**
Receipts - Nonrecurring	**$1,048,200**	
Appropriation	**-**	**-**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$554,271	$554,271
Receipts	200,419	200,419
Appropriation	$353,852	$353,852
Positions	-	-
Nonrecurring		
Requirements	$2,159,785	-
Receipts	1,048,200	-
Appropriation	$1,111,585	-
Positions	-	-

Total Recommended Adjustments for
Department of State Treasurer (13410)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$375,634	$375,634
Receipts	200,419	200,419
Appropriation	$175,215	$175,215
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	$2,159,785	-
Receipts	1,048,200	-
Appropriation	$1,111,585	-
Positions	-	-
Total Appropriation Adjustments	$1,286,800	$175,215
Total Position Adjustments	(1.000)	(1.000)

Governor's Recommended Adjustments to Base Budget

State Treasurer - Retirement for Fire and Rescue Squad Workers and Line of Duty Death Benefits (13412)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$23,179,042	$23,179,042
Receipts	-	-
Appropriation	$23,179,042	$23,179,042
Adjustments		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Total		
Requirements	$23,179,042	$23,179,042
Receipts	-	-
Recommended Appropriation	$23,179,042	$23,179,042
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Department of Insurance

Governor's Recommended Adjustments to Base Budget

Department of Insurance (13900)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$60,950,000	$60,959,620
Receipts	$22,495,407	$22,495,407
Appropriation	$38,454,593	$38,464,213
Adjustments		
Requirements	($921,324)	($921,324)
Receipts	-	-
Appropriation	($921,324)	($921,324)
Total		
Requirements	$60,028,676	$60,038,296
Receipts	$22,495,407	$22,495,407
Recommended Appropriation	$37,533,269	$37,542,889
Positions		
Base Budget Positions	417.100	417.100
Continuation	-	-
Reductions	(9.000)	(9.000)
Expansion	-	-
Recommended Positions	408.100	408.100

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Vacant positions**		
Nine positions that have been vacant, on average for nearly one year, were re-purposed to support General Fund availability.		
Appropriation	**($560,589)**	**($560,589)**
Positions	**(9.000)**	**(9.000)**
2. **Operating Budget, Department-wide**		
Operating reductions are recommended throughout the Department to achieve savings.		
Appropriation	**($360,735)**	**($360,735)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($921,324)	($921,324)
Receipts	-	-
Appropriation	($921,324)	($921,324)
Positions	(9.000)	(9.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Department of Insurance (13900)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($921,324)	($921,324)
Receipts	-	-
Appropriation	($921,324)	($921,324)
Positions	(9.000)	(9.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($921,324)	($921,324)
Total Position Adjustments	(9.000)	(9.000)

Governor's Recommended Adjustments to Base Budget

Insurance - General Fund Direct (13901)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$2,623,654	$2,623,654
Receipts	-	-
Appropriation	$2,623,654	$2,623,654
Adjustments		
Requirements	($323,654)	($323,654)
Receipts	-	-
Appropriation	($323,654)	($323,654)
Total		
Requirements	$2,300,000	$2,300,000
Receipts	-	-
Recommended Appropriation	$2,300,000	$2,300,000
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Contribution Adjustment**		
This adjustment brings General Fund support of the Volunteer Safety Workers' Compensation Fund to $2,300,000 in the upcoming biennium, which is consistent with prior year actual expenditures.		
Appropriation	**($323,654)**	**($323,654)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($323,654)	($323,654)
Receipts	-	-
Appropriation	($323,654)	($323,654)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Insurance - General Fund Direct (13901)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($323,654)	($323,654)
Receipts	-	-
Appropriation	($323,654)	($323,654)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($323,654)	($323,654)
Total Position Adjustments	-	-

Department of Administration

Governor's Recommended Adjustments to Base Budget

Department of Administration (14100)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$110,868,795	$110,793,795
Receipts	$42,551,803	$42,551,803
Appropriation	$68,316,992	$68,241,992
Adjustments		
Requirements	$10,018,979	($172,769)
Receipts	$276,454	$276,454
Appropriation	$9,742,525	($449,223)
Total		
Requirements	$120,887,774	$110,621,026
Receipts	$42,828,257	$42,828,257
Recommended Appropriation	$78,059,517	$67,792,769
Positions		
Base Budget Positions	537.530	537.530
Continuation	-	-
Reductions	(6.000)	(6.000)
Expansion	2.000	2.000
Recommended Positions	533.530	533.530

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Employ E-Commerce Fund Receipts to Support Operating Budget**		
This recommendation provides receipts in lieu of appropriations to support agency operations. The amount of $1.2m will be transferred from the fund balance of the E-Commerce Fund to support operating expenditures of the Purchase and Contract Division.		
Requirements	**-**	**-**
Receipts - Nonrecurring	**$1,200,000**	**$1,200,000**
Appropriation - Nonrecurring	**($1,200,000)**	**($1,200,000)**
2. **Consolidate Staff Functions - Human Relations Commission**		
This recommendation consolidates staff functions by reducing the Human Relations Commission by three FTEs.		
Appropriation	**($178,521)**	**($178,521)**
Positions	**(3.000)**	**(3.000)**
3. **Consolidate Staff Functions - NC Council for Women and Domestic Violence Commission**		
This recommendation achieves savings and consolidates staff functions of the NC Council for Women and the Domestic Violence Commission by reducing two FTEs and various operating accounts.		
Appropriation	**($131,515)**	**($131,515)**
Positions	**(2.000)**	**(2.000)**
4. **Consolidate Staff Functions - Commission on Indian Affairs**		
This recommendation consolidates staff functions by reducing the administrative component of the Commission on Indian Affairs by one FTE.		
Appropriation	**($34,444)**	**($34,444)**
Positions	**(1.000)**	**(1.000)**
5. **Correct Entry in Reserve and Transfer Budget**		
This recommendation eliminates a reserve that is no longer needed for transfer.		
Appropriation	**($32,942)**	**($32,942)**
6. **Achieve Savings - Office of State Personnel**		
This recommendation achieves savings by reducing various operating accounts (computer/data processing services, travel and contracted services) within the Office of State Personnel.		
Appropriation	**($122,964)**	**($122,964)**

7. **Achieve Savings - Ethics Commission**

This recommendation achieves savings by reducing various accounts within the Ethics Commission budget.

Appropriation	**($22,434)**	**($22,434)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($522,820)	($522,820)
Receipts	-	-
Appropriation	($522,820)	($522,820)
Positions	(6.000)	(6.000)
Nonrecurring		
Requirements	-	-
Receipts	1,200,000	1,200,000
Appropriation	($1,200,000)	($1,200,000)
Positions	-	-

Expansion

	2013-14	2014-15

1. **Continue Operations for Office of Justice for Sterilization Victims**

This recommendation supports continued office operations (including support for one FTE, temporary staff and legal services) for the Office of Justice for Sterilization Victims.

Appropriation - Nonrecurring	**$123,748**	

2. **Compensate Victims of the State's Eugenics Program**

This recommendation provides compensation of $50,000 to each verified victim of the State's Eugenics Program.

Appropriation - Nonrecurring	**$10,000,000**	

3. **Transfer 9.85 State Construction FTEs from Receipts to Appropriations**

This recommendation resolves an issue of insufficient receipts in the Contingency Reserve of the Capital Improvement Fund to support 9.85 State Construction employees. The positions are vital to ensuring ongoing code and safety inspections for state construction projects.

Requirements	**-**	**-**
Receipts	**($923,546)**	**($923,546)**
Appropriation	**$923,546**	**$923,546**

4. **Transfer Veterans' Affairs Field Offices to ITS Consolidation**

This recommendation completes ITS consolidation for Veterans' Affairs by bringing the field offices onto the ITS platform to ensure security and uniformity regarding IT services as well as maintenance and replacement schedules.

Appropriation	**$115,000**	**$115,000**
Appropriation - Nonrecurring	**$68,000**	

5. **Restore Operating Budget for Office on Youth**

This recommendation restores a portion of the Office on Youth's operating budget from previous years' reductions.

Appropriation	**$30,000**	**$30,000**

6. **Add Management Analysis and Internal Audit Capability within the Secretary's Office**

This recommendation considers the growth and complexity of the Department of Administration and provides an internal capability for analytical studies and audits with the addition of one FTE.

Appropriation	**$94,720**	**$94,720**
Positions	**1.000**	**1.000**

7. **Promote Continued Prompt Response to Ethics Queries and Workload**

This recommendation adds one Attorney to the Ethics Commission to support the additional workload associated with the inclusion of metropolitan and rural planning commissioners under the umbrella of Ethics Laws.

Appropriation	**$110,331**	**$110,331**
Positions	**1.000**	**1.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$350,051	$350,051
Receipts	(923,546)	(923,546)
Appropriation	$1,273,597	$1,273,597
Positions	2.000	2.000
Nonrecurring		
Requirements	$10,191,748	-
Receipts	-	-
Appropriation	$10,191,748	-
Positions	-	-

Total Recommended Adjustments for
Department of Administration (14100)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($172,769)	($172,769)
Receipts	(923,546)	(923,546)
Appropriation	$750,777	$750,777
Positions	(4.000)	(4.000)
Nonrecurring		
Requirements	$10,191,748	-
Receipts	1,200,000	1,200,000
Appropriation	$8,991,748	($1,200,000)
Positions	-	-
Total Appropriation Adjustments	$9,742,525	($449,223)
Total Position Adjustments	(4.000)	(4.000)

Office of the State Controller

Governor's Recommended Adjustments to Base Budget

Office of the State Controller (14160)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$30,793,768	$30,793,768
Receipts	$1,514,478	$1,514,478
Appropriation	$29,279,290	$29,279,290
Adjustments		
Requirements	($153,320)	($153,320)
Receipts	-	-
Appropriation	($153,320)	($153,320)
Total		
Requirements	$30,640,448	$30,640,448
Receipts	$1,514,478	$1,514,478
Recommended Appropriation	$29,125,970	$29,125,970
Positions		
Base Budget Positions	178.750	178.750
Continuation	-	-
Reductions	(1.000)	(1.000)
Expansion	-	-
Recommended Positions	177.750	177.750

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Agency-wide		
1. **Vacant position**		
A BEACON Operations and Systems Analyst position, vacant for 120 days, has been re-purposed to support General Fund availability.		
Appropriation	**($78,320)**	**($78,320)**
Positions	**(1.000)**	**(1.000)**
2. **Operating Budget, Department-wide**		
Operating reductions are recommended throughout the agency to achieve savings.		
Appropriation	**($45,000)**	**($45,000)**
3. **Adjust ITS Charges**		
The implementation of a new help desk ticketing solution resulted in savings that reduced the Office's ITS bill.		
Appropriation	**($30,000)**	**($30,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($153,320)	($153,320)
Receipts	-	-
Appropriation	($153,320)	($153,320)
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Office of the State Controller (14160)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($153,320)	($153,320)
Receipts	-	-
Appropriation	($153,320)	($153,320)
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($153,320)	($153,320)
Total Position Adjustments	(1.000)	(1.000)

Department of Revenue

Governor's Recommended Adjustments to Base Budget

Department of Revenue (14700)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$116,804,545	$116,604,545
Receipts	$36,772,970	$36,572,970
Appropriation	$80,031,575	$80,031,575
Adjustments		
Requirements	$10,189,972	$1,295,993
Receipts	$9,308,105	$433,786
Appropriation	$881,867	$862,207
Total		
Requirements	$126,994,517	$117,900,538
Receipts	$46,081,075	$37,006,756
Recommended Appropriation	$80,913,442	$80,893,782
Positions		
Base Budget Positions	1,416.250	1,416.250
Continuation	-	-
Reductions	(18.000)	(18.000)
Expansion	43.000	43.000
Recommended Positions	1,441.250	1,441.250

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Shift positions to receipt-support**		
Nine positions will be converted to receipts. The positions will be funded by the Collection Assistance Fee, which is a 20% fee imposed on overdue tax debts.		
Requirements	**-**	**-**
Receipts	**$378,346**	**$378,346**
Appropriation	**($378,346)**	**($378,346)**
2. **Budget receipts to offset appropriations**		
In prior years, Collection Division positions were converted from appropriations to receipt-support. This recommendation budgets additional receipts to fund operating expenditures associated with personnel already supported by the Collection Assistance Fee.		
Requirements	**-**	**-**
Receipts	**$55,440**	**$55,440**
Appropriation	**($55,440)**	**($55,440)**
3. **Vacancies**		
Eighteen positions vacant for more than six months, on average, have been re-purposed to support General Fund availability.		
Appropriation	**($1,098,925)**	**($1,098,925)**
Positions	**(18.000)**	**(18.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($1,098,925)	($1,098,925)
Receipts	433,786	433,786
Appropriation	($1,532,711)	($1,532,711)
Positions	(18.000)	(18.000)

Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Shift Temporaries to Permanent Full-time Positions**		
Currently, tax return processing is handled by temporary employees. This recommendation shifts temporaries to permanent, full-time positions in order to fund one of the Department's core business functions appropriately and adequately.		
Appropriation	**$1,710,486**	**$1,710,486**
Positions	**40.000**	**40.000**
2. **Tax Information Management System (TIMS)**		
The Governor recommends investment in information technology that will improve taxpayer customer service. TIMS, which replaces the Department's legacy system, will modernize and improve tax collections throughout the State. Revenues generated from prior project phases will be used to support internal costs associated with continued implementation in FY 13-14.		
Requirements - Nonrecurring	**$8,874,319**	
Receipts - Nonrecurring	**$8,874,319**	
Appropriation - Nonrecurring	**-**	**-**
3. **Additional position in Sales and Use Tax Division**		
In order to improve taxpayer customer service, the Governor recommends adding an auditor position in the Sales and Use Tax Division to address back-logged requests for reviews from disputed audits.		
Appropriation	**$95,483**	**$95,483**
Appropriation - Nonrecurring	**$7,030**	**-**
Positions	**1.000**	**1.000**
4. **Additional positions in Income Tax Division**		
In order to improve taxpayer customer service, the Governor recommends adding two auditor positions in the Income Tax Division to address back-logged requests for reviews from disputed audits.		
Appropriation	**$190,027**	**$190,027**
Appropriation - Nonrecurring	**$12,630**	
Positions	**2.000**	**2.000**

5. **Increased Security**

The Governor recommends funding for security coverage to protect staff, taxpayers, and property within the Revenue building.

Appropriation	**$398,922**	**$398,922**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$2,394,918	$2,394,918
Receipts	-	-
Appropriation	$2,394,918	$2,394,918
Positions	43.000	43.000
Nonrecurring		
Requirements	$8,893,979	-
Receipts	8,874,319	-
Appropriation	$19,660	-
Positions	-	-

Total Recommended Adjustments for Department of Revenue (14700) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$1,295,993	$1,295,993
Receipts	433,786	433,786
Appropriation	$862,207	$862,207
Positions	25.000	25.000
Nonrecurring		
Requirements	$8,893,979	-
Receipts	8,874,319	-
Appropriation	$19,660	-
Positions	-	-
Total Appropriation Adjustments	$881,867	$862,207
Total Position Adjustments	25.000	25.000

Department of Cultural Resources

Governor's Recommended Adjustments to Base Budget

Department of Cultural Resources (14800)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$71,942,750	$71,945,753
Receipts	$8,316,273	$8,316,273
Appropriation	$63,626,477	$63,629,480
Adjustments		
Requirements	($539,305)	($539,305)
Receipts	$20,000	$20,000
Appropriation	($559,305)	($559,305)
Total		
Requirements	$71,403,445	$71,406,448
Receipts	$8,336,273	$8,336,273
Recommended Appropriation	$63,067,172	$63,070,175
Positions		
Base Budget Positions	675.930	675.930
Continuation	-	-
Reductions	(13.000)	(13.000)
Expansion	-	-
Recommended Positions	662.930	662.930

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Program Reductions		
1. **Reduce NC Arts Council Grants**		
This recommendation achieves savings by reducing the Grassroots grant program, the grant to the Lost Colony, and other grant programs and categories by approximately 6%.		
Appropriation	**($345,000)**	**($345,000)**
2. **Reduce State Aid to Public Libraries**		
This recommendation achieves savings by reducing State Aid to Public Libraries by 4.8%.		
Appropriation	**($657,517)**	**($657,517)**
3. **Reduce Budget for Museum of Art and NC Symphony**		
This recommendation achieves savings by reducing the state appropriation to the Museum of Art ($39,000) and the NC Symphony ($16,000).		
Appropriation	**($55,000)**	**($55,000)**
4. **Implement Cost Savings at Historic Sites**		
This recommendation implements a uniform five-day per week operating schedule for all historic sites, which will reduce costs by one FTE ($50,190). Additional savings will be achieved through reductions to the Historic Sites contractual services account ($70,000) and cost savings ($12,000), and revenue enhancements ($20,000) at the Governor Caswell Memorial.		
Requirements	**($132,190)**	**($132,190)**
Receipts	**$20,000**	**$20,000**
Appropriation	**($152,190)**	**($152,190)**
Positions	**(1.000)**	**(1.000)**
5. **Close Four Historic Sites and One Museum of History Site**		
This recommendation achieves savings with a reduction of 12 FTEs by closing four historic sites (Aycock Birthplace, Polk Memorial, Vance Birthplace, House in the Horseshoe) and the Museum of History's Old Fort/Mountain Gateway site. While the sites will be closed to the public, the sites will be maintained and preserved.		
Appropriation	**($498,712)**	**($498,712)**
Positions	**(12.000)**	**(12.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($1,688,419)	($1,688,419)
Receipts	20,000	20,000
Appropriation	($1,708,419)	($1,708,419)
Positions	(13.000)	(13.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Restore Critical Operating Support for Tryon Palace**		
This recommendation restores critical operating support for Tryon Palace in order to assure continued public access and enjoyment of this historic site. This recommendation includes the preservation of key positions in security, historic interpretation and garden maintenance and resolves operating shortfalls in utilities and property insurance.		
Appropriation	**$634,066**	**$634,066**
2. **Resolve Budget Gaps in Various Accounts**		
This recommendation restores operating budget integrity by establishing a budget for workers' compensation and disability claims ($116,629) and correcting budget reduction errors in Archives and Records and Historic Preservation ($95,419).		
Appropriation	**$212,048**	**$212,048**
3. **Restore Budget for Temporary Staff at Historic Sites and Museums**		
This recommendation restores reductions to temporary staff at Historic Sites and Museums to ensure sufficient staff coverage and special events programming to continue to draw new and repeat visitors.		
Appropriation	**$250,000**	**$250,000**
4. **Initiate Department-Wide Strategic Marketing Program**		
This recommendation enables the agency to develop a consistent department-wide marketing strategy to enhance exposure, grow visitation, and build synergy among the arts, libraries, and history programs in line with the overall NC brand strategy. DCR will coordinate efforts with the Department of Commerce.		
Appropriation	**$53,000**	**$53,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$1,149,114	$1,149,114
Receipts	-	-
Appropriation	$1,149,114	$1,149,114
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for Department of Cultural Resources (14800) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($539,305)	($539,305)
Receipts	20,000	20,000
Appropriation	($559,305)	($559,305)
Positions	(13.000)	(13.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($559,305)	($559,305)
Total Position Adjustments	(13.000)	(13.000)

Governor's Recommended Adjustments to Base Budget

Roanoke Island Commission (14802)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,058,757	$1,058,757
Receipts	-	-
Appropriation	$1,058,757	$1,058,757
Adjustments		
Requirements	($1,058,757)	($1,058,757)
Receipts	-	-
Appropriation	($1,058,757)	($1,058,757)
Total		
Requirements	-	-
Receipts	-	-
Recommended Appropriation	-	-
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Operating Reductions		
1. **Rely on Private Resources to Support Roanoke Island Commission**		
This recommendation withdraws state appropriated support for the Roanoke Island Commission and encourages replacement with receipts from programming and events fees, and private sources such as the Friends of Elizabeth II.		
Appropriation	**($1,058,757)**	**($1,058,757)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($1,058,757)	($1,058,757)
Receipts	-	-
Appropriation	($1,058,757)	($1,058,757)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for Roanoke Island Commission (14802) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($1,058,757)	($1,058,757)
Receipts	-	-
Appropriation	($1,058,757)	($1,058,757)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($1,058,757)	($1,058,757)
Total Position Adjustments	-	-

State Board of Elections

Governor's Recommended Adjustments to Base Budget

State Board of Elections (18025)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$5,375,321	$5,375,321
Receipts	$161,876	$161,876
Appropriation	$5,213,445	$5,213,445
Adjustments		
Requirements	$370,558	$370,558
Receipts	-	-
Appropriation	$370,558	$370,558
Total		
Requirements	$5,745,879	$5,745,879
Receipts	$161,876	$161,876
Recommended Appropriation	$5,584,003	$5,584,003
Positions		
Base Budget Positions	51.000	51.000
Continuation	-	-
Reductions	-	-
Expansion	2.000	2.000
Recommended Positions	53.000	53.000

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Achieve Savings in Operating Budget**		
This recommendation achieves savings by reducing various operating accounts.		
Appropriation	**($20,313)**	**($20,313)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($20,313)	($20,313)
Receipts	-	-
Appropriation	($20,313)	($20,313)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Provide Maintenance of Effort (MOE) Support to Release Help America Vote Act (HAVA) Funds**		
This recommendation adds two FTEs on a non-recurring, two-year time-limited basis ($177,505) and recurring operating and maintenance support ($213,366) for the Statewide Election and Information Management System (SEIMS). The time-limited positions include a Business and Technology Applications Analyst and an Operations and Systems Analyst to ensure adequate support and maintenance of all SBE applications, servers and networks. The funding recommendation will bring the state's total Maintenance of Effort (MOE) to $3,457,585, which is required to gain access to $4,071,740 in remaining HAVA funds to support equipment refreshment and software upgrades.		
Appropriation	**$213,366**	**$213,366**
Appropriation - Nonrecurring	**$177,505**	**$177,505**
Positions	**2.000**	**2.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$213,366	$213,366
Receipts	-	-
Appropriation	$213,366	$213,366
Positions	2.000	2.000
Nonrecurring		
Requirements	$177,505	$177,505
Receipts	-	-
Appropriation	$177,505	$177,505
Positions	-	-

Total Recommended Adjustments for
State Board of Elections (18025)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$193,053	$193,053
Receipts	-	-
Appropriation	$193,053	$193,053
Positions	2.000	2.000
Nonrecurring		
Requirements	$177,505	$177,505
Receipts	-	-
Appropriation	$177,505	$177,505
Positions	-	-
Total Appropriation Adjustments	$370,558	$370,558
Total Position Adjustments	2.000	2.000

Office of Administrative Hearings

Governor's Recommended Adjustments to Base Budget

Office of Administrative Hearings (18210)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$6,117,956	$6,132,923
Receipts	$1,782,492	$1,782,492
Appropriation	$4,335,464	$4,350,431
Adjustments		
Requirements	$640,972	$385,616
Receipts	-	-
Appropriation	$640,972	$385,616
Total		
Requirements	$6,758,928	$6,518,539
Receipts	$1,782,492	$1,782,492
Recommended Appropriation	$4,976,436	$4,736,047
Positions		
Base Budget Positions	40.000	40.000
Continuation	-	-
Reductions	(1.000)	(1.000)
Expansion	3.000	3.000
Recommended Positions	42.000	42.000

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Consolidate Staff Functions**		
This recommendation consolidates functions by eliminating one vacant Civil Rights Investigator ($67,352) and reducing the contractual services account for temporary staffing by $15,493.		
Appropriation	**($82,845)**	**($82,845)**
Positions	**(1.000)**	**(1.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($82,845)	($82,845)
Receipts	-	-
Appropriation	($82,845)	($82,845)
Positions	(1.000)	(1.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Achieve Efficiencies with Technology Investment - Case Management**		
This recommendation adds E-filing functionality and online access to the new Amcad Case Management System to enhance office efficiency and customer service. This added functionality will reduce paper filing, clerical entry, and mail processing for the agency and will increase online access for other user agencies and citizens.		
Appropriation	**$131,308**	**$131,308**
Appropriation - Nonrecurring	**$179,642**	

2. **Achieve Efficiencies with Technology Investment - Rules Tracking**

   This recommendation will update the Rules Automated Tracking System and redesign the Rules Division and Rules Review Commission (RRC) portion of the agency website. The website design will provide tools for easy updating by OAH staff and allow for public submission of online comments to RRC members and agency staff. Live streaming of RRC meetings will also be possible.

Appropriation	**$6,468**	**$6,468**
Appropriation - Nonrecurring	**$51,750**	

3. **Promote Continued Prompt Response to Increased Case Filings**

   This recommendation increases staff by two Administrative Law Judges (ALJ) and one support staff person to enable the agency to continue effective management of the growing number of contested case filings. The ALJ positions will staff a regional office in western North Carolina and assist in processing Medicaid appeals. The additional staff will also enable the agency to implement an alternative dispute resolution process whereby a greater number of contested case litigants will gain access to an ALJ settlement conference in an effort to settle the dispute prior to a costly administrative hearing.

Appropriation	**$330,685**	**$330,685**
Appropriation - Nonrecurring	**$23,964**	
Positions	**3.000**	**3.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$468,461	$468,461
Receipts	-	-
Appropriation	$468,461	$468,461
Positions	3.000	3.000
Nonrecurring		
Requirements	$255,356	-
Receipts	-	-
Appropriation	$255,356	-
Positions	-	-

Total Recommended Adjustments for
Office of Administrative Hearings (18210)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$385,616	$385,616
Receipts	-	-
Appropriation	$385,616	$385,616
Positions	2.000	2.000
Nonrecurring		
Requirements	$255,356	-
Receipts	-	-
Appropriation	$255,356	-
Positions	-	-
Total Appropriation Adjustments	$640,972	$385,616
Total Position Adjustments	2.000	2.000

Recommended Adjustments

Health and Human Services

Department Summary

Central Management and Support

Aging and Adult Services

Division of Child Development and Early Education

Division of Public Health

Division of Social Services

Division of Medical Assistance

NC Health Choice

Divisions of Services for the Blind, Deaf and Hard of Hearing

Mental Health/Developmental Disabilities/ Substance Abuse Services

Division of Health Services Regulation

Division of Vocational Rehabilitation

Department of Health and Human Services

Governor's Recommended Adjustments to Base Budget

Department of Health and Human Services (144xx)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$17,493,173,621	$17,492,856,772
Receipts	$12,877,303,246	$12,862,296,236
Appropriation	$4,615,870,375	$4,630,560,536
Recommended Adjustments		
Requirements	$1,000,954,637	$1,558,882,330
Receipts	$857,899,344	$1,225,146,421
Appropriation	$143,055,293	$333,735,909
Total		
Requirements	$18,494,128,258	$19,051,739,102
Receipts	$13,735,202,590	$14,087,442,657
Recommended Appropriation	$4,758,925,668	$4,964,296,445
Positions		
Base Budget Positions	17,581.490	17,581.490
Continuation	-	-
Reductions	(6.000)	(6.000)
Expansion	9.000	9.000
Recommended Positions	17,584.490	17,584.490

Total Recommended Continuation

	2013-14	2014-15
Recurring		
Requirements	$1,048,132,721	$1,629,268,333
Receipts	827,956,199	1,199,089,403
Appropriation	$220,176,522	$430,178,930
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($207,745,583)	($318,306,759)
Receipts	(58,805,999)	(136,880,731)
Appropriation	($148,939,584)	($181,426,028)
Positions	(6.000)	(6.000)
Nonrecurring		
Requirements	-	-
Receipts	4,173,946	-
Appropriation	($4,173,946)	-
Positions	-	-

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$132,717,901	$241,967,979
Receipts	89,401,544	167,764,095
Appropriation	$43,316,357	$74,203,884
Positions	9.000	9.000
Nonrecurring		
Requirements	$27,849,598	$5,952,777
Receipts	(4,826,346)	(4,826,346)
Appropriation	$32,675,944	$10,779,123
Positions	-	-

Total Recommended Adjustments for
Department of Health and Human Services
2013-15

	2013-14	2014-15
Recurring		
Requirements	$973,105,039	$1,552,929,553
Receipts	858,551,744	1,229,972,767
Appropriation	$114,553,295	$322,956,786
Positions	3.000	3.000
Nonrecurring		
Requirements	$27,849,598	$5,952,777
Receipts	(652,400)	(4,826,346)
Appropriation	$28,501,998	$10,779,123
Positions	-	-
Total Appropriation Adjustments	$143,055,293	$333,735,909
Total Position Adjustments	3.000	3.000

Governor's Recommended Adjustments to Base Budget

Division of Central Management and Support (14410)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$119,402,252	$120,092,413
Receipts	$65,373,898	$65,373,898
Appropriation	$54,028,354	$54,718,515
Adjustments		
Requirements	$4,865,691	$11,290,729
Receipts	-	-
Appropriation	$4,865,691	$11,290,729
Total		
Requirements	$124,267,943	$131,383,142
Receipts	$65,373,898	$65,373,898
Recommended Appropriation	$58,894,045	$66,009,244
Positions		
Base Budget Positions	638.250	638.250
Continuation	-	-
Reductions	(6.000)	(6.000)
Expansion	-	-
Recommended Positions	632.250	632.250

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Office of Citizen Services Positions**		
S.L. 2011-145 abolished the NC Care Line in the Office of Citizens Services. Six positions remain for administrative overhead to the NC Care Line. This action eliminates the six remaining positions.		
Appropriation	**($339,787)**	**($339,787)**
Positions	**(6.000)**	**(6.000)**
2. **Operating Efficiencies**		
This recommendation has identified operating funds in the Division of Central Management that will be repurposed for general fund availability. This action does not impact the division's ability to carry out its services.		
Appropriation	**($332,830)**	**($332,830)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($672,617)	($672,617)
Receipts	-	-
Appropriation	($672,617)	($672,617)
Positions	(6.000)	(6.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **North Carolina Families Accessing Services through Technology (NC FAST)**		

The North Carolina Families Accessing Services through Technology (NC FAST) information technology system will provide Medicaid eligibility determinations for the federally facilitated Health Benefit Exchange that will operate in North Carolina. Families will benefit by having a "one-stop shop" for all services and benefits for which they may be eligible, with one-time communication of their information and needs. This funding continues NC FAST development and implementation. NC FAST Projects 2 and 6 (Eligibility Information System), Project 3 (Child Care, Low Income

Energy Assistance and Crisis Intervention Programs), and NC FAST Federally-Facilitated Exchange (FFE) Interoperability are being expedited within the project schedule in order to take advantage of the availability of 90/10 funding through the Centers for Medicare and Medicaid Services technology related investments.

Appropriation - Nonrecurring	**-**	**$864,655**

2. **Department of Justice Settlement**

Pursuant to an agreement between the State of North Carolina and the US Department of Justice, North Carolina has agreed to develop and implement effective measures to prevent inappropriate institutionalization and to provide adequate and appropriate public services and supports in the most integrated setting appropriate to meet the needs of individuals with Serious Mental Illness (SMI). This funding provides for development and implementation measures to prevent inappropriate institutionalization and provide housing and support services to at least 150 additional individuals by 2014 and 708 individuals by 2015.

Appropriation	**$3,834,275**	**$9,394,658**

3. **Office of Rural Health - Medication Assistance Program**

The North Carolina Office of Rural Health and Community Care assists underserved communities and populations to develop innovative strategies for improving access, quality, and cost-effectiveness of health care. Funding will continue to provide prescription assistance software and technical assistance to community practices wanting to assist their uninsured, low-income patients in obtaining prescription drugs by linking patients with pharmacy manufacturers' free drug programs.

Appropriation	**$1,704,033**	**$1,704,033**

4. **Medicaid Management Information System (MMIS) Replacement Program**

The Medicaid Management Information System (MMIS) will replace a 34 year-old system currently used by the Department of Health and Human Services (DHHS). The system will be used by multiple divisions within DHHS, and its primary purpose will be to pay Medicaid claims for the Division of Medical Assistance (DMA). DHHS is directed to continue funding MMIS Implementation using prior year earned revenue ($9,658,152 NR in FY 2013-14 and $1,666,625 NR in FY 2014-15). If prior year earned revenue is unrealized, then the Department shall use other overrealized receipts within the Department with approval from the Office of State Budget and Management (OSBM). Funding shall include program support and vendor payments for the following items: (1) replacement of MMIS; (2) reporting and analytics; (3) Division of Health Service Regulation (DHSR) Business Process Automation System; (4) replacement of MMIS operations; and (5) program support.

Appropriation - Nonrecurring	**-**	

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$5,538,308	$11,098,691
Receipts	-	-
Appropriation	$5,538,308	$11,098,691
Positions	-	-
Nonrecurring		
Requirements	-	$864,655
Receipts	-	-
Appropriation	-	$864,655
Positions	-	-

Total Recommended Adjustments for
Division of Central Management and Support (14410)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$4,865,691	$10,426,074
Receipts	-	-
Appropriation	$4,865,691	$10,426,074
Positions	(6.000)	(6.000)
Nonrecurring		
Requirements	-	$864,655
Receipts	-	-
Appropriation	-	$864,655
Positions	-	-
Total Appropriation Adjustments	$4,865,691	$11,290,729
Total Position Adjustments	(6.000)	(6.000)

Governor's Recommended Adjustments to Base Budget

Division of Aging and Adult Services (14411)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$114,678,794	$113,671,784
Receipts	$60,235,598	$59,228,588
Appropriation	$54,443,196	$54,443,196
Adjustments		
Requirements	$548,539	$548,539
Receipts	$49,394	($150,606)
Appropriation	$499,145	$699,145
Total		
Requirements	$115,227,333	$114,220,323
Receipts	$60,284,992	$59,077,982
Recommended Appropriation	$54,942,341	$55,142,341
Positions		
Base Budget Positions	73.500	73.500
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	73.500	73.500

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Seat Management Funding**		
The department discontinued outsourcing management of its workstation capabilities, including installation, operation and maintenance of hardware and software (i.e., Seat Management). The reduction redirects Seat Management funding to General Fund availability.		
Requirements	**($7,016)**	**($7,016)**
Receipts	**($6,161)**	**($6,161)**
Appropriation	**($855)**	**($855)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($7,016)	($7,016)
Receipts	(6,161)	(6,161)
Appropriation	($855)	($855)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. Project C.A.R.E. (Caregiver Alternatives to Running on Empty)		
Project C.A.R.E. uses a Family Consultant model to support families caring for persons with Alzheimer's and dementia. The program provides counseling, training and respite care to equip families to care for their affected family member and avoid more costly institutional care. The recommendation replaces an expiring federal grant and will maintain the current level of service.		
Requirements	**$555,555**	**$555,555**
Receipts	**$55,555**	**$55,555**
Appropriation	**$500,000**	**$500,000**
2. Long-Term Care Ombudsman		
The Long Term Care Ombudsmen is an advocacy program for residents in nursing homes and adult care homes throughout North Carolina. Ombudsmen provide an informal grievance resolution process, working to resolve complaints made by or on behalf of residents of long term care facilities. In the 2011-13 budget, the General Assembly refinanced the program with Civil Monetary Penalties, federal fines assessed on nursing homes. The Centers for Medicare and Medicaid Services (CMS) has subsequently limited the use of these fees to one-time quality improvement initiatives. The recommendation is to replace lost federal revenue and maintain the current level of service.		
Requirements	**-**	**-**
Receipts		**($200,000)**
Appropriation	**-**	**$200,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$555,555	$555,555
Receipts	55,555	(144,445)
Appropriation	$500,000	$700,000
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Division of Aging and Adult Services (14411)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$548,539	$548,539
Receipts	49,394	(150,606)
Appropriation	$499,145	$699,145
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	$499,145	$699,145
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Division of Child Development and Early Education (14420)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$667,921,856	$667,921,856
Receipts	$408,667,773	$408,667,773
Appropriation	$259,254,083	$259,254,083
Adjustments		
Requirements	$23,537,686	$23,537,686
Receipts	$17,968,441	$17,968,441
Appropriation	$5,569,245	$5,569,245
Total		
Requirements	$691,459,542	$691,459,542
Receipts	$426,636,214	$426,636,214
Recommended Appropriation	$264,823,328	$264,823,328
Positions		
Base Budget Positions	303.750	303.750
Continuation	-	-
Reductions	-	-
Expansion	9.000	9.000
Recommended Positions	312.750	312.750

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Change County Services Support from 4% to 3% of Subsidized Child Care Allocations**		
Savings will be achieved within administration of the subsidized child care program from the implementation of a new attendance tracking and payment system known as the Subsidized Early Education for Kids (SEEK) system. SEEK will automate manual processes, such as keying attendance data and issuing checks to providers, which will lead to reduced administrative costs in local divisions of social services. As a result, new standards will reduce administrative costs from 4% to 3% of a county's subsidized child care allocation or $80,000, whichever is greater.		
Appropriation	**($2,624,189)**	**($2,624,189)**
2. **Shift Regulatory Positions from State to Federal Funding**		
Federal block grant funds will be used to fund fourteen regulatory positions previously supported by state appropriation within the division.		
Requirements	**-**	**-**
Receipts	**$900,000**	**$900,000**
Appropriation	**($900,000)**	**($900,000)**
3. **Seat Management Funding**		
The department discontinued outsourcing management of its workstation capabilities, including installation, operation and maintenance of hardware and software (i.e., Seat Management). The reduction redirects Seat Management funding to General Fund availability.		
Appropriation	**($38,125)**	**($38,125)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($2,662,314)	($2,662,314)
Receipts	900,000	900,000
Appropriation	($3,562,314)	($3,562,314)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **NC Pre-K**		
The North Carolina Pre-K Program provides high-quality educational experiences to enhance school readiness for eligible four-year-olds. This investment in the Pre-K program will serve 5,000 additional at-risk four-year-olds, which will bring the total number of permanent slots to approximately 29,400. Expansion funding is composed of lottery receipts and state appropriation.		
Requirements	**$26,200,000**	**$26,200,000**
Receipts	**$17,068,441**	**$17,068,441**
Appropriation	**$9,131,559**	**$9,131,559**
Positions	**9.000**	**9.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$26,200,000	$26,200,000
Receipts	17,068,441	17,068,441
Appropriation	$9,131,559	$9,131,559
Positions	9.000	9.000
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for Division of Child Development and Early Education (14420) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$23,537,686	$23,537,686
Receipts	17,968,441	17,968,441
Appropriation	$5,569,245	$5,569,245
Positions	9.000	9.000
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	$5,569,245	$5,569,245
Total Position Adjustments	9.000	9.000

Governor's Recommended Adjustments to Base Budget

Division of Public Health (14430)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$842,852,043	$842,852,043
Receipts	$686,067,541	$686,067,541
Appropriation	$156,784,502	$156,784,502
Adjustments		
Requirements	($13,948,000)	($13,948,000)
Receipts	-	-
Appropriation	($13,948,000)	($13,948,000)
Total		
Requirements	$828,904,043	$828,904,043
Receipts	$686,067,541	$686,067,541
Recommended Appropriation	$142,836,502	$142,836,502
Positions		
Base Budget Positions	2,105.790	2,105.790
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	2,105.790	2,105.790

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Early Intervention**		
Early Intervention serves children birth to age 3 with, or at risk for, developmental delays or developmental disabilities, and their families. This reduction is based on the program's actual spending over the past three years and does not reflect a decrease in services provided. Excess funding is repurposed for general fund availability.		
Appropriation	**($8,000,000)**	**($8,000,000)**
2. **ADAP Drug Purchases**		
AIDS Drugs Assistance Program (ADAP) provides pharmaceuticals to financially-eligible persons with AIDS. There are currently two sources of funding for ADAP, the federal Ryan White CARE Act and state appropriations. Funding is reduced to more accurately reflect current spending levels. Excess funding is repurposed for general fund availability.		
Appropriation	**($8,000,000)**	**($8,000,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($16,000,000)	($16,000,000)
Receipts	-	-
Appropriation	($16,000,000)	($16,000,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **State Laboratory of Public Health**		
The State Laboratory of Public Health provides medical and environmental laboratory services to public and private health providers and organizations to protect the health of North Carolina citizens. This action restores funding to correct Medicaid receipt loss during FY2010 when Medicaid reimbursement rates were reduced by nine percent for all public and private Medicaid providers and resulted in a permanent loss of $1.05 million in receipts for the State lab.		
Appropriation	**$1,052,000**	**$1,052,000**
2. **Health and Wellness/Tobacco Prevention**		
Funding is provided for teen tobacco prevention and cessation for all tobacco users who want to quit. This effort will continue evidence-based tobacco prevention and cessation for state and community interventions to prevent and reduce tobacco use and avoid preventable health care costs due to tobacco use.		
Appropriation	**$1,000,000**	**$1,000,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$2,052,000	$2,052,000
Receipts	-	-
Appropriation	$2,052,000	$2,052,000
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Division of Public Health (14430)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($13,948,000)	($13,948,000)
Receipts	-	-
Appropriation	($13,948,000)	($13,948,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($13,948,000)	($13,948,000)
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Division of Social Services (14440)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,617,337,640	$1,617,337,640
Receipts	$1,446,707,736	$1,446,707,736
Appropriation	$170,629,904	$170,629,904
Adjustments		
Requirements	($1,802,977)	($1,675,833)
Receipts	($8,050,995)	($8,050,995)
Appropriation	$6,248,018	$6,375,162
Total		
Requirements	$1,615,534,663	$1,615,661,807
Receipts	$1,438,656,741	$1,438,656,741
Recommended Appropriation	$176,877,922	$177,005,066
Positions		
Base Budget Positions	415.000	415.000
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	415.000	415.000

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Seat Management**		
The department discontinued outsourcing management of its workstation capabilities, including installation, operation and maintenance of hardware and software (i.e., Seat Management). The reduction redirects Seat Management funding to General Fund availability.		
Requirements	**($3,077,454)**	**($3,077,454)**
Receipts	**($2,470,759)**	**($2,470,759)**
Appropriation	**($606,695)**	**($606,695)**
2. **Contract and Administrative Savings**		
The division is discontinuing the Child Welfare Multiple Response System (MRS) Conference. The conference trained and supported counties while the MRS was being implemented statewide. The division has fully implemented the principles targeted as a part of MRS and as a result these funds are no longer needed. The forms and supply warehouse has closed, and the funding associated with the warehouse is no longer needed. Additionally, cost savings from Internet billing from Information Technology Services and other state administrative efficiencies result in savings.		
Requirements	**($1,820,013)**	**($1,820,013)**
Receipts	**($753,890)**	**($753,890)**
Appropriation	**($1,066,123)**	**($1,066,123)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($4,897,467)	($4,897,467)
Receipts	(3,224,649)	(3,224,649)
Appropriation	($1,672,818)	($1,672,818)
Positions	-	-

Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **NC Reach**		
Funding is provided to increase the number of foster youth aging out of the foster care system and special needs children adopted after age 12 who attend college within the NC University and Community College Systems. Students may also receive other scholarships or federal grants. NC Reach funds are the payer of last resort cover items such as books, supplies, transportation, and room and board not covered by other funding sources. This increase in funding will serve an estimated 200 additional students each year.		
Appropriation	**$1,094,490**	**$1,221,634**
2. **Replace Reduced Federal Funds for County Child Welfare Services**		
County Departments of Social Services will receive less federal funding for child welfare administration in the upcoming state fiscal year due to a change in the application of federal policy. The state supports county DSS agencies at an overall rate of 31% of the non-federal share of their county budgets for public assistance and service programs. This funding provides a third of the lost federal funding and is a non-recurring appropriation to support the counties while the North Carolina Families Accessing Services through Technology (NC FAST) information system is being developed and implemented. Once fully implemented NC FAST is projected to save administrative costs for county DSS agencies.		
Requirements - Nonrecurring	**-**	**-**
Receipts - Nonrecurring	**($4,826,346)**	**($4,826,346)**
Appropriation - Nonrecurring	**$4,826,346**	**$4,826,346**
3. **Food Banks**		
Funding is provided for North Carolina Food Banks.		
Requirements	**$2,000,000**	**$2,000,000**
Receipts	**-**	**-**
Appropriation	**$2,000,000**	**$2,000,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$3,094,490	$3,221,634
Receipts	-	-
Appropriation	$3,094,490	$3,221,634
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	(4,826,346)	(4,826,346)
Appropriation	$4,826,346	$4,826,346
Positions	-	-

Total Recommended Adjustments for Division of Social Services (14440) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($1,802,977)	($1,675,833)
Receipts	(3,224,649)	(3,224,649)
Appropriation	$1,421,672	$1,548,816
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	(4,826,346)	(4,826,346)
Appropriation	$4,826,346	$4,826,346
Positions	-	-
Total Appropriation Adjustments	$6,248,018	$6,375,162
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Division of Medical Assistance (14445)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$12,163,150,636	$12,163,150,636
Receipts	$9,093,573,826	$9,079,573,826
Appropriation	$3,069,576,810	$3,083,576,810
Adjustments		
Requirements	$1,022,696,708	$1,628,796,683
Receipts	$880,193,198	$1,275,949,447
Appropriation	$142,503,510	$352,847,236
Total		
Requirements	$13,185,847,344	$13,791,947,319
Receipts	$9,973,767,024	$10,355,523,273
Recommended Appropriation	$3,212,080,320	$3,436,424,046
Positions		
Base Budget Positions	428.250	428.250
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	428.250	428.250

Appropriation Items -- Recommended Adjustments

Continuation

	2013-14	2014-15
1. **Medicaid Rebase**		
The Medicaid program is evaluated every year to determine the funds required to continue the program at the current level without any state policy changes. Factors taken into consideration in completing the rebase include consumption of services, increased federal match, and annualization of the implementation of Managed Care Organizations for Mental Health Services. This year the rebase is also affected by the Affordable Care Act. Funding is included in the rebase for additional growth in eligibles due to the "woodwork" effect ($34M), and for the extension of Medicaid to former foster care children until age 26 beginning January 1, 2014.		
Requirements	**$928,722,433**	**$1,489,135,558**
Receipts	**$743,722,433**	**$1,099,135,558**
Appropriation	**$185,000,000**	**$390,000,000**
2. **Cost Settlements**		
Provides funds for Medicaid cost settlements. Medicaid cost settles with certain providers such as hospitals, skilled nursing facilities and Intermediate Care for the Mentally Retarded facilities (ICF-MRs). These providers are paid on a fee for service basis throughout the year. They turn in a cost report after their fiscal year has ended and then they are cost settled. The increase in funding is due to the increase in the number of Medicaid recipients for which these facilities receive a cost settlement.		
Requirements	**$73,439,412**	**$73,439,412**
Receipts	**$55,439,412**	**$55,439,412**
Appropriation	**$18,000,000**	**$18,000,000**
3. **Contracts**		
This increase provides adequate funding for Medicaid contracts to ensure the appropriate level of medical service is provided, including contracts that provide prior authorization, utilization reviews and assessments of individuals receiving medical care. The increase is due to estimated increases in the Medicaid population. Funding is also provided for the asset verification contract, which will ensure Medicaid recipients are within the asset limit for eligibility determination purposes.		
Requirements	**$22,000,000**	**$22,000,000**
Receipts	**$11,000,000**	**$11,000,000**
Appropriation	**$11,000,000**	**$11,000,000**

Total Recommended Continuation

	2013-14	2014-15
Recurring		
Requirements	$1,024,161,845	$1,584,574,970
Receipts	810,161,845	1,165,574,970
Appropriation	$214,000,000	$419,000,000
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Reductions

	2013-14	2014-15
1. **Private Duty Nursing Rates**		
Currently registered nurses (RN) and licensed practical (LPN) nurses are paid the same rate even though their salaries are not the same; this item establishes differentiated payment rates for RNs and LPNs for private duty nursing services effective January 1, 2014.		
Requirements	**($3,265,628)**	**($6,779,443)**
Receipts	**($2,122,658)**	**($4,406,638)**
Appropriation	**($1,142,970)**	**($2,372,805)**
2. **Cost Settle Hospital Outpatient Services to 70% of Cost**		
Hospitals are paid on a fee schedule and addition hospitals payments are adjusted through a cost settlement process. This item modifies the hospital cost settlements from 80% of cost to 70% of cost, effective October 1, 2013. This adjustment provides a short term savings option to contain costs while DHHS and the Division of Medical Assistance develop a Medicaid reform initiative.		
Requirements	**($73,409,750)**	**($101,599,093)**
Receipts	**($47,716,338)**	**($66,039,411)**
Appropriation	**($25,693,412)**	**($35,559,682)**

3. **Health Homes for the Chronically Ill**

This item budgets for enhanced federal matching funds for the Health Homes for the Chronically Ill Program. Medicaid recipients with co-occurring illnesses, including a chronic health condition and severe and

persistent mental health conditions, are served in this program. The program will continue, but the enhanced matching funds end September 30, 2013.

Requirements - Nonrecurring	**-**	
Receipts - Nonrecurring	**$3,757,682**	
Appropriation - Nonrecurring	**($3,757,682)**	**-**

4. **Mental Health Drug Management**

This item provides for prior authorization of mental health drugs, effective January 1, 2014, to ensure appropriate clinical outcomes for Medicaid recipients. This adjustment brings Mental Health drug policy in line with other drug classes that require prior authorization in the Medicaid program.

Requirements	**($15,444,257)**	**($32,062,278)**
Receipts	**($10,021,267)**	**($20,804,151)**
Appropriation	**($5,422,990)**	**($11,258,127)**

5. **Modify Hospital Assessment Retention to Align with Other Providers**

Hospitals receive enhanced Medicaid payments through the assessment program. Federal law allows hospital non-Medicare revenue to be assessed and allows states to retain a portion of the assessment. The remaining funds are matched with federal funds to provide enhanced payments to the hospitals. This changes the state retention from a set $43M to a 28.85% retention, effective July 1, 2013, aligning the state retention of hospital assessments with the state retention of other providers who have been recently assessed.

Requirements	**-**	**-**
Receipts	**$60,000,000**	**$60,000,000**
Appropriation	**($60,000,000)**	**($60,000,000)**

6. **Adjust Medicaid Copayments**

Increase copayments from $3.00 to $3.90 for most services, effective November 1, 2013. Copayments do not apply to emergency services, family planning services, pregnancy-related services, or preventive services for children.

Requirements	**($9,451,714)**	**($14,177,572)**
Receipts	**($6,143,614)**	**($9,215,422)**
Appropriation	**($3,308,100)**	**($4,962,150)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($101,571,349)	($154,618,386)
Receipts	(6,003,877)	(40,465,622)
Appropriation	($95,567,472)	($114,152,764)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	3,757,682	-
Appropriation	($3,757,682)	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **MMIS Implementation Contracts and Temporary Staff**		
When the new MMIS is implemented on July 1, 2013 the system will not have all the edits and audits that the current system has in place. This funding will allow DMA to minimize improper claims from being paid by hiring temporary staff and contractors to perform some of the edits and audits until all edits and audits have been programmed.		
Requirements - Nonrecurring	**$4,828,664**	
Receipts - Nonrecurring	**-**	
Appropriation - Nonrecurring	**$4,828,664**	**-**
2. **Transfer Children Under 133% of Poverty from Health Choice to Medicaid**		
Effective January 1, 2014 the Affordable Care Act requires children under 133% of poverty to be moved from Health Choice to Medicaid. The enhanced federal matching percentage from the Health Choice program is retained for these children. It is estimated that this change will affect approximately 51,000 children. Health Choice appropriation is redirected to Medicaid to support this expansion.		
Requirements	**$95,277,548**	**$198,840,099**
Receipts	**$72,277,548**	**$150,840,099**
Appropriation	**$23,000,000**	**$48,000,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$95,277,548	$198,840,099
Receipts	72,277,548	150,840,099
Appropriation	$23,000,000	$48,000,000
Positions	-	-
Nonrecurring		
Requirements	$4,828,664	-
Receipts	-	-
Appropriation	$4,828,664	-
Positions	-	-

Total Recommended Adjustments for Division of Medical Assistance (14445) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$1,017,868,044	$1,628,796,683
Receipts	876,435,516	1,275,949,447
Appropriation	$141,432,528	$352,847,236
Positions	-	-
Nonrecurring		
Requirements	$4,828,664	-
Receipts	3,757,682	-
Appropriation	$1,070,982	-
Positions	-	-
Total Appropriation Adjustments	$142,503,510	$352,847,236
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

NC Health Choice (14446)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$334,326,678	$334,326,678
Receipts	$254,195,652	$254,195,652
Appropriation	$80,131,026	$80,131,026
Adjustments		
Requirements	($42,725,699)	($79,517,351)
Receipts	($32,676,958)	($60,569,866)
Appropriation	($10,048,741)	($18,947,485)
Total		
Requirements	$291,600,979	$254,809,327
Receipts	$221,518,694	$193,625,786
Recommended Appropriation	$70,082,285	$61,183,541
Positions		
Base Budget Positions	5.000	5.000
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	5.000	5.000

Appropriation Items -- Recommended Adjustments

Continuation

	2013-14	2014-15
1. **Health Choice Rebase**		
Additional funds are provided to support anticipated growth in the Health Choice program.		
Requirements	**$23,970,876**	**$44,693,363**
Receipts	**$17,794,354**	**$33,514,433**
Appropriation	**$6,176,522**	**$11,178,930**

Total Recommended Continuation

	2013-14	2014-15
Recurring		
Requirements	$23,970,876	$44,693,363
Receipts	17,794,354	33,514,433
Appropriation	$6,176,522	$11,178,930
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Reductions

	2013-14	2014-15
1. **Cost Settle Hospital Outpatient Services to 70% of Cost**		
Hospitals are paid on a fee schedule and hospitals payments are adjusted through a cost settlement process. This item modifies the hospital cost settlements from 80% of cost to 70% of costs, effective October 1, 2013. This adjustment provides a short term savings option to contain costs while DHHS and the Division of Medical Assistance develop a Medicaid reform initiative.		
Requirements	**($2,191,431)**	**($3,015,409)**
Receipts	**($1,643,573)**	**($2,261,557)**
Appropriation	**($547,858)**	**($753,852)**

2. **Mental Health Drug Management**

This item provides for prior authorization of mental health drugs, effective January 1, 2014, to ensure appropriate clinical outcomes for Medicaid recipients. This adjustment brings Mental Health drug policy in line with other drug classes that are also prior authorized in the Medicaid program.

Requirements	**($1,109,618)**	**($2,290,251)**
Receipts	**($832,213)**	**($1,717,688)**
Appropriation	**($277,405)**	**($572,563)**

3. **Transfer Children Under 133% of Poverty from Health Choice to Medicaid**

Effective January 1, 2014 the Affordable Care Act requires children under 133% of poverty to be moved from Health Choice to Medicaid. The enhanced federal matching percentage from the Health Choice program is retained for these children. It is estimated that this change will affect approximately 51,000 children. Health Choice appropriation is redirected to Medicaid to support this expansion.

Requirements	**($52,195,526)**	**($107,705,054)**
Receipts	**($39,595,526)**	**($81,705,054)**
Appropriation	**($12,600,000)**	**($26,000,000)**

4. **Contract Budget Adjustment**

Adjusts budget to more accurately reflect need based on actual expenditures.

Requirements	**($11,200,000)**	**($11,200,000)**
Receipts	**($8,400,000)**	**($8,400,000)**
Appropriation	**($2,800,000)**	**($2,800,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($66,696,575)	($124,210,714)
Receipts	(50,471,312)	(94,084,299)
Appropriation	($16,225,263)	($30,126,415)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
NC Health Choice (14446)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($42,725,699)	($79,517,351)
Receipts	(32,676,958)	(60,569,866)
Appropriation	($10,048,741)	($18,947,485)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($10,048,741)	($18,947,485)
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Divisions of Services for the Blind, Deaf, and Hard of Hearing (14450)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$33,017,455	$33,017,455
Receipts	$24,838,837	$24,838,837
Appropriation	$8,178,618	$8,178,618
Adjustments		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Total		
Requirements	$33,017,455	$33,017,455
Receipts	$24,838,837	$24,838,837
Recommended Appropriation	$8,178,618	$8,178,618
Positions		
Base Budget Positions	313.750	313.750
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	313.750	313.750

Governor's Recommended Adjustments to Base Budget

Division of Mental Health/Developmental Disabilities/Substance Abuse Services (14460)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,395,660,322	$1,395,660,322
Receipts	$688,862,575	$688,862,575
Appropriation	$706,797,747	$706,797,747
Adjustments		
Requirements	$7,792,689	($10,140,123)
Receipts	$416,264	-
Appropriation	$7,376,425	($10,140,123)
Total		
Requirements	$1,403,453,011	$1,385,520,199
Receipts	$689,278,839	$688,862,575
Recommended Appropriation	$714,174,172	$696,657,624
Positions		
Base Budget Positions	11,712.200	11,712.200
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	11,712.200	11,712.200

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Fully Implement LME/MCO Administrative Methodology**		
The Local Management Entities (LME) transition to Managed Care Organizations (MCO) included a change in methodology to determine their administrative budgets. The methodology calculates the administrative budget as a percentage (12%) of the community services budget and includes a Risk Reserve (2%). With the LMEs completing the transition by July 1, 2013, the methodology will be fully implemented and result in a savings to the General Fund.		
Appropriation	**($15,228,245)**	**($15,228,245)**
2. **Budget Receipts from Gambling Fund Balance**		
General Statute 18C-163 authorizes the transfer of lottery proceeds to the Department of Health and Human Services for gambling addiction education and treatment programs. The recommendation is to budget, on a non-recurring basis, accumulated fund balance and take a corresponding reduction in General Fund appropriation. A reduction in the level of service is not anticipated.		
Requirements	**-**	
Receipts - Nonrecurring	**$416,264**	
Appropriation - Nonrecurring	**($416,264)**	**-**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($15,228,245)	($15,228,245)
Receipts	-	-
Appropriation	($15,228,245)	($15,228,245)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	416,264	-
Appropriation	($416,264)	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **New Broughton Hospital**		
In Session Law 2006-66, the General Assembly authorized financing to support construction of a new and expanded Broughton Hospital. The hospital is scheduled to open in December 2014. To make the hospital operational, funding is requested for medical equipment, furniture and information technology infrastructure.		
Appropriation - Nonrecurring	**$23,020,934**	**$5,088,122**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$23,020,934	$5,088,122
Receipts	-	-
Appropriation	$23,020,934	$5,088,122
Positions	-	-

Total Recommended Adjustments for Division of Mental Health/Developmental Disabilities/Substance Abuse Services (14460) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($15,228,245)	($15,228,245)
Receipts	-	-
Appropriation	($15,228,245)	($15,228,245)
Positions	-	-
Nonrecurring		
Requirements	$23,020,934	$5,088,122
Receipts	416,264	-
Appropriation	$22,604,670	$5,088,122
Positions	-	-
Total Appropriation Adjustments	$7,376,425	($10,140,123)
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Division of Health Service Regulation (14470)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$64,641,253	$64,641,253
Receipts	$47,879,261	$47,879,261
Appropriation	$16,761,992	$16,761,992
Adjustments		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Total		
Requirements	$64,641,253	$64,641,253
Receipts	$47,879,261	$47,879,261
Recommended Appropriation	$16,761,992	$16,761,992
Positions		
Base Budget Positions	555.500	555.500
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	555.500	555.500

Governor's Recommended Adjustments to Base Budget

Division of Vocational Rehabilitation Services (14480)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$140,184,692	$140,184,692
Receipts	$100,900,549	$100,900,549
Appropriation	$39,284,143	$39,284,143
Adjustments		
Requirements	($10,000)	($10,000)
Receipts	-	-
Appropriation	($10,000)	($10,000)
Total		
Requirements	$140,174,692	$140,174,692
Receipts	$100,900,549	$100,900,549
Recommended Appropriation	$39,274,143	$39,274,143
Positions		
Base Budget Positions	1,030.500	1,030.500
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	1,030.500	1,030.500

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Independent Living Program Administration**		
Reduces the administrative budget for the Independent Living Program.		
Appropriation	**($10,000)**	**($10,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($10,000)	($10,000)
Receipts	-	-
Appropriation	($10,000)	($10,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for Division of Vocational Rehabilitation Services (14480) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($10,000)	($10,000)
Receipts	-	-
Appropriation	($10,000)	($10,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($10,000)	($10,000)
Total Position Adjustments	-	-

Recommended Adjustments

Justice and Public Safety

Judicial Branch

Judicial Branch - Indigent Defense

Department of Justice

Department of Public Safety

- Juvenile Justice and Delinquency Prevention
- Correction
- Crime Control and Public Safety

Judicial Branch

Governor's Recommended Adjustments to Base Budget

Judicial Branch (12000)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$459,870,295	$459,870,295
Receipts	$1,453,299	$1,453,299
Appropriation	$458,416,996	$458,416,996
Adjustments		
Requirements	$591,146	$830,485
Receipts	-	-
Appropriation	$591,146	$830,485
Total		
Requirements	$460,461,441	$460,700,780
Receipts	$1,453,299	$1,453,299
Recommended Appropriation	$459,008,142	$459,247,481
Positions		
Base Budget Positions	5,809.330	5,809.330
Continuation	-	-
Reductions	(67.000)	(67.000)
Expansion	61.000	61.000
Recommended Positions	5,803.330	5,803.330

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Create Staffing Efficiencies**		
Implementation of a voluntary reduction in force and other resource reductions will create efficiencies within the judicial system.		
Appropriation	**($3,500,000)**	**($3,500,000)**
Positions	**(62.000)**	**(62.000)**
2. **Redirect State Bar Funds**		
Amount appropriated to the State Bar is redirected to support core court functions.		
Appropriation	**($671,250)**	**($671,250)**
3. **End Funding for Conferences**		
The Conference of District Attorneys and Clerk's Conference serve single constituencies within the Judicial Branch. Funds appropriated for that purpose are redirected to support the General Fund.		
Appropriation	**($387,812)**	**($387,812)**
Positions	**(5.000)**	**(5.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($4,559,062)	($4,559,062)
Receipts	-	-
Appropriation	($4,559,062)	($4,559,062)
Positions	(67.000)	(67.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. Invest in Drug Treatment Courts		
Drug abuse and addiction fracture relationships and can have life-altering consequences. Funds are requested for Drug Treatment Courts to provide effective and cost-efficient treatment and support to court-involved persons with substance abuse dependencies.		
Appropriation	**$3,364,456**	**$3,653,187**
Positions	**45.000**	**45.000**
2. Address Constitutional Requirements		
The Administrative Office of the Courts is required to pay interpreters, expert witnesses, and jury fees as needed to operate the state court system. Funds are requested to increase the budget to the prior year's actual expenditures.		
Appropriation	**$1,009,256**	**$1,009,256**
3. Improve Access to Magistrates		
Counties require an adequate number of magistrates to conduct core court functions. This request adds one magistrate in 16 counties that currently have only three magistrates each in order to provide staff to perform duties and minimize after-hours call-backs.		
Appropriation	**$727,104**	**$727,104**
Appropriation - Nonrecurring	**$49,392**	
Positions	**16.000**	**16.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$5,100,816	$5,389,547
Receipts	-	-
Appropriation	$5,100,816	$5,389,547
Positions	61.000	61.000
Nonrecurring		
Requirements	$49,392	-
Receipts	-	-
Appropriation	$49,392	-
Positions	-	-

Total Recommended Adjustments for
Judicial Branch (12000)
2013-15

	2013-14	2014-15
Recurring		
Requirements	$541,754	$830,485
Receipts	-	-
Appropriation	$541,754	$830,485
Positions	(6.000)	(6.000)
Nonrecurring		
Requirements	$49,392	-
Receipts	-	-
Appropriation	$49,392	-
Positions	-	-
Total Appropriation Adjustments	$591,146	$830,485
Total Position Adjustments	(6.000)	(6.000)

Governor's Recommended Adjustments to Base Budget

Judicial Branch - Indigent Defense (12001)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$127,535,258	$127,535,258
Receipts	$13,029,360	$13,029,360
Appropriation	$114,505,898	$114,505,898
Adjustments		
Requirements	$4,923,211	($18,900)
Receipts	-	-
Appropriation	$4,923,211	($18,900)
Total		
Requirements	$132,458,469	$127,516,358
Receipts	$13,029,360	$13,029,360
Recommended Appropriation	$119,429,109	$114,486,998
Positions		
Base Budget Positions	511.100	511.100
Continuation	-	-
Reductions	(3.250)	(3.250)
Expansion	6.000	6.000
Recommended Positions	513.850	513.850

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Streamline Public Defender and Administration Operations**		
Efficiencies gained through increased partnership with the School of Government for training, greater utilization of existing staff in lieu of contracted consultants, and more efficient distribution of workload will allow for the reduction of 3.25 positions.		
Appropriation	**($258,634)**	**($258,634)**
Positions	**(3.250)**	**(3.250)**
2. **Modify Prisoner Legal Services Contract**		
The contract amount with Prisoner Legal Services is altered to reflect the declining number of inmates incarcerated in the state's prison system.		
Appropriation	**($231,200)**	**($231,200)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($489,834)	($489,834)
Receipts	-	-
Appropriation	($489,834)	($489,834)
Positions	(3.250)	(3.250)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. **Increase Private Assigned Counsel Funds**		
This allocates additional funds to pay private counsel assigned to represent persons deemed indigent by the courts. The funds will reduce a budget shortfall accumulated over several years that creates a hardship for small business legal firms whose payments are suspended when state resources are exhausted before the end of the fiscal year.		
Appropriation - Nonrecurring	**$5,000,000**	

2. **Modernize Public Defender Case Management System**

Technology systems are critical to maintain the timely and efficient operation of the judicial system. Funding is requested to update and maintain the case management system used by public defenders in order to effectively monitor caseloads and schedules, and to track and report court dispositions.

Appropriation	**$369,965**	**$369,965**
Appropriation - Nonrecurring	**$43,080**	**$100,969**
Positions	**6.000**	**6.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$369,965	$369,965
Receipts	-	-
Appropriation	$369,965	$369,965
Positions	6.000	6.000
Nonrecurring		
Requirements	$5,043,080	$100,969
Receipts	-	-
Appropriation	$5,043,080	$100,969
Positions	-	-

Total Recommended Adjustments for
Judicial Branch - Indigent Defense (12001)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($119,869)	($119,869)
Receipts	-	-
Appropriation	($119,869)	($119,869)
Positions	2.750	2.750
Nonrecurring		
Requirements	$5,043,080	$100,969
Receipts	-	-
Appropriation	$5,043,080	$100,969
Positions	-	-
Total Appropriation Adjustments	$4,923,211	($18,900)
Total Position Adjustments	2.750	2.750

Department of Justice

Governor's Recommended Adjustments to Base Budget

Department of Justice (13600)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$121,979,714	$121,979,714
Receipts	$44,206,139	$41,206,139
Appropriation	$77,773,575	$80,773,575
Adjustments		
Requirements	($7,372,242)	($17,344,869)
Receipts	($5,963,202)	($10,617,603)
Appropriation	($1,409,040)	($6,727,266)
Total		
Requirements	$114,607,472	$104,634,845
Receipts	$38,242,937	$30,588,536
Recommended Appropriation	$76,364,535	$74,046,309
Positions		
Base Budget Positions	1,240.400	1,240.400
Continuation	-	-
Reductions	(223.630)	(223.630)
Expansion	54.000	54.000
Recommended Positions	1,070.770	1,070.770

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Shift Focus to Core Mission Functions**		
In order to allow the Department of Justice to focus on its core mission, attorneys and support staff who provide routine legal services are transferred to the state agencies they serve, effective October 1, 2013. A reserve account is established within the Office of State Budget and Management to facilitate an orderly transition of positions and funds to affected agencies.		
Requirements	**($15,413,521)**	**($20,551,362)**
Receipts	**($7,963,202)**	**($10,617,603)**
Appropriation	**($7,450,319)**	**($9,933,759)**
Positions	**(210.630)**	**(210.630)**
2. **Implement Staff Efficiencies**		
Through more efficient utilization of resources, the number of vacant positions in administrative/support functions within the agency is reduced.		
Appropriation	**($947,698)**	**($947,698)**
Positions	**(13.000)**	**(13.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($16,361,219)	($21,499,060)
Receipts	(7,963,202)	(10,617,603)
Appropriation	($8,398,017)	($10,881,457)
Positions	(223.630)	(223.630)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. Enhance Use of Expert Outside Counsel		
This request increases funds appropriated to the Department to defend the State in complex litigation where outside counsel can provide targeted and strategic expertise.		
Appropriation - Nonrecurring	**$500,000**	
2. Replace State Crime Lab Equipment		
Providing a one-time increase of funds to replace and modernize equipment in the State Crime Lab will improve staff efficiency and turnaround time for law enforcement agencies throughout the state.		
Appropriation - Nonrecurring	**$573,000**	
3. Enhance State Crime Lab DNA Testing		
This item expands DNA testing capability to the Triad and Western labs by adding positions, lab space, and equipment. Expanding this capability to all three labs will improve response and turnaround time to law enforcement agencies. Disbursing staff throughout the state will also improve staff efficiency by reducing travel time and expense when forensic scientists are required to testify in court.		
Requirements	**$2,714,680**	**$1,714,680**
Requirements - Nonrecurring	**$1,395,348**	
Receipts	**$1,000,000**	
Appropriation	**$3,110,028**	**$1,714,680**
Positions	**21.000**	**21.000**
4. Expand State Crime Lab Toxicology Capabilities		
This funding adds additional staff, lab space and equipment to enhance toxicology testing capabilities at the Triad and Western labs. This improved capability will allow for faster turnaround time and improved service to all geographic regions of the state.		
Requirements	**$2,565,223**	**$1,565,223**
Requirements - Nonrecurring	**$127,804**	
Receipts	**$1,000,000**	
Appropriation	**$1,693,027**	**$1,565,223**
Positions	**19.000**	**19.000**
5. Provide Tools to Combat Methamphetamine Abuse		
The number of seized meth labs has increased 135% in the last 5 years, from 195 in 2008 to 460 in 2012. Requested funds will invest in the safety of NC communities by increasing SBI agents and drug chemists to allow for more timely seizure, investigation, disabling of labs, gathering of evidence, and disposal of associated hazardous wastes.		

Appropriation	**$292,824**	**$292,824**
Appropriation - Nonrecurring	**$72,306**	
Positions	**5.000**	**5.000**

6. **Fight Prescription Drug Abuse**

Illegal access to prescription drugs continues to rise, and the network of prescription drug fraud rings is also escalating. Additional SBI agents are needed to address the growing complexity of these investigations and the growing number of unintentional deaths from prescription drugs.

Appropriation	**$191,458**	**$191,458**
Appropriation - Nonrecurring	**$76,884**	
Positions	**3.000**	**3.000**

7. **Protect Children from Internet Predators**

The use of technology by criminals poses a substantial risk to our youth. This request provides funds for more SBI agents to investigate and respond to cyber threats against children. The time-consuming, complex nature of tracking and monitoring computer-based crimes demands highly trained law enforcement officers and coordination among national, state, and local agencies. This appropriation also provides additional staff to review and disperse tips received from the National Center for Exploited and Missing Children.

Appropriation	**$390,006**	**$390,006**
Appropriation - Nonrecurring	**$89,444**	
Positions	**6.000**	**6.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$6,154,191	$4,154,191
Receipts	2,000,000	-
Appropriation	$4,154,191	$4,154,191
Positions	54.000	54.000
Nonrecurring		
Requirements	$2,834,786	-
Receipts	-	-
Appropriation	$2,834,786	-
Positions	-	-

Total Recommended Adjustments for
Department of Justice (13600)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($10,207,028)	($17,344,869)
Receipts	(5,963,202)	(10,617,603)
Appropriation	($4,243,826)	($6,727,266)
Positions	(169.630)	(169.630)
Nonrecurring		
Requirements	$2,834,786	-
Receipts	-	-
Appropriation	$2,834,786	-
Positions	-	-
Total Appropriation Adjustments	($1,409,040)	($6,727,266)
Total Position Adjustments	(169.630)	(169.630)

Department of Public Safety

Governor's Recommended Adjustments to Base Budget

Department of Public Safety (14550)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,958,291,174	$1,964,088,574
Receipts	$236,229,390	$231,229,390
Appropriation	$1,722,061,784	$1,732,859,184
Adjustments		
Requirements	($13,253,518)	($19,806,355)
Receipts	-	-
Appropriation	($13,253,518)	($19,806,355)
Total		
Requirements	$1,945,037,656	$1,944,282,219
Receipts	$236,229,390	$231,229,390
Recommended Appropriation	$1,708,808,266	$1,713,052,829
Positions		
Base Budget Positions	25,307.210	25,307.210
Continuation	-	-
Reductions	(784.400)	(784.400)
Expansion	155.000	266.000
Recommended Positions	24,677.810	24,788.810

Appropriation Items -- Recommended Adjustments

Continuation

	2013-14	2014-15
1. **Consolidate Funding Sources Supporting the Tarheel ChalleNGe Academy**		
The North Carolina Tarheel ChalleNGe program is part of the National Guard Youth Challenge Program and receives federal funds from this entity. The appropriation that provides the required matching funds was transferred to the Department of Public Instruction as a pass-through per Session Law 2009-451. National Guard federal funds are designated receipts to the Department of Public Safety where the program is implemented. Moving the state match to the Department of Public Safety will consolidate all funding sources in the agency where the program operates.		
Appropriation	**$767,719**	**$767,719**

Total Recommended Continuation

	2013-14	2014-15
Recurring		
Requirements	$767,719	$767,719
Receipts	-	-
Appropriation	$767,719	$767,719
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Reductions

	2013-14	2014-15
1. **Consolidate State Highway Patrol Communications Centers**		
This recommendation will increase efficiency of telecommunications operations by consolidating eight centers to five, and redeploying some positions to other locations in order to maintain service and response to citizens.		
Appropriation	**($1,887,305)**	**($1,887,305)**
Positions	**(36.000)**	**(36.000)**

2. **Maximize Efficient Use of Warehouse Space**

   This recommendation consolidates the number of warehouses used to store State Highway Patrol vehicles and equipment.

Appropriation	**($191,474)**	**($191,474)**

3. **Modify Number of Administrative/Support State Highway Patrol Positions**

   Based on current needs, the number of positions providing auxiliary support to the State Highway Patrol can be modified.

Appropriation	**($772,853)**	**($772,853)**
Positions	**(9.000)**	**(9.000)**

4. **Adjust Detention Center Beds**

   The declining need for youth detention center beds allows for the closure of Richmond Detention Center in order to more appropriately utilize state resources.

Appropriation	**($407,074)**	**($407,074)**
Positions	**(25.400)**	**(25.400)**

5. **Modify Youth Development Center Operating Budgets**

   Population at youth development centers is declining, and the operating budget is adjusted to more accurately reflect needs.

Appropriation	**($100,000)**	**($100,000)**

6. **Realign Youth Community Program Funds**

   This request redirects funds to contracted youth community program providers and to Juvenile Crime Prevention Councils with the intent of shifting expenditures from administration to direct services.

Appropriation	**($737,549)**	**($737,549)**

7. **Alter Funding for Administrative Sections**

   This adjustment more appropriately funds operating accounts for administrative/support sections within the Department.

Appropriation	**($579,244)**	**($579,244)**

8. **Adjust Budget for Supplies**

   Revised funding for educational supplies within in-prison substance abuse programs reflects existing needs and use.

Appropriation	**($36,000)**	**($36,000)**

9. **Revise Prison Capacity to Address Declining Inmate Population**

   The state's prison population has declined in recent years and is now less than the prison system's capacity. Capacity is adjusted by 1,912 by closing the five prisons for adult males below, several of which have extensive capital improvement needs.

Appropriation	**($20,323,121)**	**($34,103,080)**

   1. Wayne Correctional Institution

   428-bed medium security, 150 FTEs, Effective February 1, 2014
   FY 13-14:($3,014,444) FY 14-15: ($7,234,666)

   2. Bladen Correctional Center

   172-bed minimum security, 52 FTEs, Effective October 1, 2013

FY 13-14 ($1,969,779) FY 14-15 ($2,499,168)

3. Duplin Correctional Center

328-bed minimum security, 80 FTEs, Effective August 1, 2013.
FY 13-14: ($3,759,729) FY 14-15: ($4,101,522)

4. Robeson Correctional Center

276-bed minimum security, 80 FTEs, Effective August 1, 2013.
FY 13-14: ($3,625,960) FY 14-15: ($3,955,592)

5. Western Youth Institution

708-bed mixed security, 323 FTEs, Effective January 1, 2014.
FY 13-14: ($7,953,209) FY 14-15: ($16,312,132)

Positions	**(685.000)**	**(685.000)**

10. **Utilize Technology to Increase Security**

Completion of an electronic intrusion system at Morrison Correctional Institution in April 2014 provides enhanced security and allows more efficient use of state resources.

Appropriation	**($24,202)**	**($404,911)**
Positions	**(12.000)**	**(12.000)**

11. **Adjust Contract Services for Supervised Adult Offenders**

Transition to a new service delivery model directed by the Justice Reinvestment Act requires more time to be fully implemented. Therefore, a non-recurring adjustment to contract services is appropriate.

Appropriation - Nonrecurring	**($1,500,000)**	

12. **Reflect Inmate Health Care Savings**

Completion of prison health care facilities so that more procedures can be done on-site, together with Medicaid reimbursement for qualifying treatment of eligible inmates, allow for an adjustment of funds budgeted to pay contracted medical providers.

Appropriation	**($6,000,000)**	**($6,000,000)**

13. **Revise Operating Funds for New Prison Dormitory**

This recommendation adjusts operating accounts on a non-recurring basis due to a delay in completion of a new minimum-security dormitory at Tabor Correctional Institution.

Appropriation - Nonrecurring	**($529,424)**	

14. **Reorganize and Streamline Secretary's Office**

Reorganizing the Secretary's Office and altering reporting relationships allows for an adjustment to the number of positions needed.

Appropriation	**($292,886)**	**($292,886)**
Positions	**(2.000)**	**(2.000)**

15. **Identify Efficiencies Related to Department of Public Safety Consolidation**

Public Safety leadership continues to explore ways to streamline operations and staffing following the merger of three former criminal justice agencies in 2012. In addition, the Department is able to utilize its size and scope to leverage savings when buying in bulk. This request provides a targeted amount for operational and personnel efficiencies.

Appropriation	**($2,000,000)**	**($2,000,000)**

16. **Adjust Staffing Levels**

Through more efficient deployment of resources, vacant positions can be reduced without jeopardizing the agency's public safety mission.

Appropriation	**($952,582)**	**($952,582)**
Positions	**(15.000)**	**(15.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($34,304,290)	($48,464,958)
Receipts	-	-
Appropriation	($34,304,290)	($48,464,958)
Positions	(784.400)	(784.400)
Nonrecurring		
Requirements	($2,029,424)	-
Receipts	-	-
Appropriation	($2,029,424)	-
Positions	-	-

Expansion

	2013-14	2014-15

1. **Protect North Carolina's Communities**

The recommendation provides officers and front-line supervisors needed to fully implement the 2011 Justice Reinvestment Act. Funds provide for probation/parole officers to reduce caseloads to 60 offenders per officer, and add other officer positions to provide adequate offender supervision when positions are vacant or employees are unavailable to manage caseloads due to extended military or sick leave, and training. Also, reallocates 205 surveillance officer positions to caseload carrying officers in order to maximize efficiency of the state workforce.

Appropriation	**$6,117,802**	**$13,211,024**
Appropriation - Nonrecurring	**$1,013,226**	**$1,079,697**
Positions	**106.000**	**217.000**

2. **Enact Supervision of Felons Leaving Prison**

   Funds provide new staff for the Post-Release Supervision and Parole Commission, which will set supervision conditions for thousands of felons who will be supervised after leaving prison under the Justice Reinvestment Act.

Appropriation	**$607,163**	**$858,490**
Appropriation - Nonrecurring	**$99,786**	
Positions	**16.000**	**16.000**

3. **Expand Electronic Monitoring**

   Global Positioning Satellite (GPS) technology assists probation officers with monitoring the location of offenders on supervision. Expanding use of this technology increases public safety.

Appropriation	**$3,662,191**	**$3,662,191**

4. **Enhance Data Access for Troopers**

   State Troopers require access to multiple computer databases in order to respond quickly and appropriately when encountering potentially dangerous situations along NC highways. This request provides funds to update technology in vehicles that provide links to this valuable information.

Appropriation	**$626,000**	**$626,000**

5. **Improve State Highway Patrol Technology Resources**

   State Troopers require stable and reliable road-side access to data from their vehicles. The requested non-recurring funds will improve the replacement schedule for in-vehicle computers and related equipment.

Appropriation - Nonrecurring	**$1,050,640**	

6. **Keep Troopers On The Road**

   The increasing cost of gasoline is taxing the State Highway Patrol's ability to keep troopers on the road and keep the motoring public safe. Funds are requested to increase the gasoline budget to the prior year's actual expenditures.

Appropriation	**$3,677,292**	**$3,677,292**

7. **Upgrade National Guard Armories**

   This request provides funds to address critical maintenance needs at NC National Guard Readiness Centers statewide.

Appropriation	**$850,000**	**$850,000**

8. **Improve Safety in State Government Complex**

   State Capitol Police is responsible for maintaining safety and security for employees and visitors in the State Government complex. Current resources do not allow for an adequate level of staff presence in buildings or to provide 24/7 telecommunicators to respond to safety alarm calls statewide. This request provides staff needed to address current critical needs. The Department is conducting a risk assessment to determine what additional resources may be needed on a long-term basis.

Appropriation	**$681,866**	**$681,866**
Appropriation - Nonrecurring	**$96,987**	
Positions	**16.000**	**16.000**

9. **Improve Communication Support for First Responders**

The Voice Interoperability Plan for Emergency Responders (VIPER) network is a vital communications link for first responders throughout NC. Additional staff are requested to support the 200 sites that are now operational.

Appropriation	**$2,825,471**	**$2,825,471**
Appropriation - Nonrecurring	**$580,000**	
Positions	**13.000**	**13.000**

10. **Protect Children Through Safer Schools Initiative**

Children deserve to feel safe at school, just as teachers and administrators deserve tools and training to respond to emergencies. Funds will establish the Center for Safer Schools to provide training and technical support to educators, law enforcement agencies and parents statewide.

Appropriation	**$311,572**	**$311,572**
Appropriation - Nonrecurring	**$5,200**	
Positions	**4.000**	**4.000**

11. **Support Tarheel ChalleNGe Program**

This request provides additional state funds to Tarheel ChalleNGe, a National Guard youth program that seeks to improve life-coping skills and employment potential for high school dropouts or expellees, in order to maximize drawdown of matching federal funds.

Appropriation	**$107,281**	**$107,281**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$19,466,638	$26,811,187
Receipts	-	-
Appropriation	$19,466,638	$26,811,187
Positions	155.000	266.000
Nonrecurring		
Requirements	$2,845,839	$1,079,697
Receipts	-	-
Appropriation	$2,845,839	$1,079,697
Positions	-	-

Total Recommended Adjustments for
Department of Public Safety (14550)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($14,069,933)	($20,886,052)
Receipts	-	-
Appropriation	($14,069,933)	($20,886,052)
Positions	(629.400)	(518.400)
Nonrecurring		
Requirements	$816,415	$1,079,697
Receipts	-	-
Appropriation	$816,415	$1,079,697
Positions	-	-
Total Appropriation Adjustments	($13,253,518)	($19,806,355)
Total Position Adjustments	(629.400)	(518.400)

Recommended Adjustments

Natural and Economic Resources

Department of Agriculture and Consumer Services

Department of Labor

Department of Environment and Natural Resources

DENR - Clean Water Management Trust Fund

Wildlife Resources Commission

Department of Commerce

Commerce - General State Aid

NC Education Lottery Proceeds

NC Education Lottery Commission

Department of Agriculture and Consumer Services

Governor's Recommended Adjustments to Base Budget

Department of Agriculture and Consumer Services (13700)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$163,526,567	$163,526,567
Receipts	$54,608,233	$54,608,233
Appropriation	$108,918,334	$108,918,334
Adjustments		
Requirements	($2,000,578)	($2,001,378)
Receipts	-	-
Appropriation	($2,000,578)	($2,001,378)
Total		
Requirements	$161,525,989	$161,525,189
Receipts	$54,608,233	$54,608,233
Recommended Appropriation	$106,917,756	$106,916,956
Positions		
Base Budget Positions	1,831.830	1,831.830
Continuation	-	-
Reductions	(24.000)	(24.000)
Expansion	8.000	8.000
Recommended Positions	1,815.830	1,815.830

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Department-wide		
1. **Management Flexibility Reserve**		
This item establishes a management flexibility reserve, allowing the Department to determine where efficiencies can be achieved.		
Appropriation	**($2,000,000)**	**($2,000,000)**
2. **Adjust the Number of Positions Vacant More than Six Months**		
This item adjusts the number of positions within the Department of Agriculture and Consumer Services that have been vacant more than six months.		
Appropriation	**($1,427,946)**	**($1,427,946)**
Positions	**(24.000)**	**(24.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($3,427,946)	($3,427,946)
Receipts	-	-
Appropriation	($3,427,946)	($3,427,946)
Positions	(24.000)	(24.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15
1. Establish a Food Compliance Officer Position		
To expand the capabilities of the Food Inspection and Compliance Program, a Food Compliance Officer position will be established. This position will help integrate the regulatory oversight of the Grade A Milk Program transferred from the Department of Environment and Natural Resources into the compliance function within the food program.		
Appropriation	**$64,338**	**$64,338**
Appropriation - Nonrecurring	**$800**	**-**
Positions	**1.000**	**1.000**
2. Restore Funding for Agriculture Water Resources Assistance Program		
The request provides recurring funding for the Agriculture Water Resources Assistance Program. This program was established to assist farmers and landowners in identifying opportunities to increase water use efficiency, availability and storage; implement best management practices (BMPs) to conserve and protect water resources; and increase water storage and availability for agricultural purposes. Funding was designated as nonrecurring by the 2012 General Assembly, S.L. 2012-142.		
Appropriation	**$500,000**	**$500,000**
3. Restore Funding for the Southeastern North Carolina Agriculture Center and Farmers Market		
This recommendation restores recurring funding for the Southeastern North Carolina Agriculture Center and Farmer's Market located in Lumberton. This state of the art, multi-faceted facility has a 10,380 square foot climate controlled Meeting Center Exposition Hall and the recently completed 55,000 square foot Pavilion that includes a 32,660 square foot show ring, vending concourse and seating area, show office, concession area and hospitality suite. The facility is adaptable to a wide range of events, including horse shows, livestock events, trade shows and motor sports events. Funding was designated as nonrecurring by the 2012 General Assembly, S.L. 2012-142.		
Appropriation	**$362,230**	**$362,230**
Positions	**6.000**	**6.000**
4. Restore Funding for the Wine and Grape Growers Council		
This request provides recurring funding for the Wine and Grape Growers Council. The Council's mission is to facilitate the development of North Carolina grape and wine industries by enhancing product quality for consumers, and encouraging economic viability and opportunity for growers and processors through education, marketing, and research. Funding was designated as nonrecurring by the 2012 General Assembly, S.L. 2012-142.		
Appropriation	**$500,000**	**$500,000**
Positions	**1.000**	**1.000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$1,426,568	$1,426,568
Receipts	-	-
Appropriation	$1,426,568	$1,426,568
Positions	8.000	8.000
Nonrecurring		
Requirements	$800	-
Receipts	-	-
Appropriation	$800	-
Positions	-	-

Total Recommended Adjustments for Department of Agriculture and Consumer Services (13700) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($2,001,378)	($2,001,378)
Receipts	-	-
Appropriation	($2,001,378)	($2,001,378)
Positions	(16.000)	(16.000)
Nonrecurring		
Requirements	$800	-
Receipts	-	-
Appropriation	$800	-
Positions	-	-
Total Appropriation Adjustments	($2,000,578)	($2,001,378)
Total Position Adjustments	(16.000)	(16.000)

Department of Labor

Governor's Recommended Adjustments to Base Budget

Department of Labor (13800)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$33,574,252	$33,574,252
Receipts	$17,377,913	$17,377,913
Appropriation	$16,196,339	$16,196,339
Adjustments		
Requirements	-	-
Receipts	$500,000	$500,000
Appropriation	($500,000)	($500,000)
Total		
Requirements	$33,574,252	$33,574,252
Receipts	$17,877,913	$17,877,913
Recommended Appropriation	$15,696,339	$15,696,339
Positions		
Base Budget Positions	405.250	405.250
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	405.250	405.250

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Budget Overrealized Receipts**		
This request budgets overrealized receipts generated through elevator inspections, boiler inspections and amusement inspections, reducing the need for appropriation. Actual receipts have exceeded the budgeted amount for the past two years.		
Requirements	**-**	**-**
Receipts	**$500,000**	**$500,000**
Appropriation	**($500,000)**	**($500,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	500,000	500,000
Appropriation	($500,000)	($500,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Department of Labor (13800)
2013-15

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	500,000	500,000
Appropriation	($500,000)	($500,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($500,000)	($500,000)
Total Position Adjustments	-	-

Department of Environment and Natural Resources

Governor's Recommended Adjustments to Base Budget

Department of Environment and Natural Resources (14300)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$215,343,785	$215,423,876
Receipts	$106,203,194	$106,203,194
Appropriation	$109,140,591	$109,220,682
Adjustments		
Requirements	$8,649,877	$2,394,157
Receipts	$528,943	$1,828,943
Appropriation	$8,120,934	$565,214
Total		
Requirements	$223,993,662	$217,818,033
Receipts	$106,732,137	$108,032,137
Recommended Appropriation	$117,261,525	$109,785,896
Positions		
Base Budget Positions	2,335.050	2,335.050
Continuation	-	-
Reductions	(35.100)	(35.100)
Expansion	2.000	2.000
Recommended Positions	2,301.950	2,301.950

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Department-wide		
1. **Adjust the Number of Positions Vacant More than Six Months**		
This recommendation adjusts the number of positions within the Department that have been vacant more than six months.		
Appropriation	**($1,008,610)**	**($1,008,610)**
Positions	**(20.000)**	**(20.000)**
2. **Achieve Agency-wide Operating Budget Efficiencies**		
Agency-wide efficiencies can be achieved by re-evaluating the level of need in various operating accounts, travel, office supplies and maximizing lease opportunities.		
Appropriation	**($365,293)**	**($365,293)**
3. **Achieve Operating Efficiencies in Information Technology**		
This request achieves operating efficiencies in the information technology fund as a result of reduced costs associated with Active Directory and NCID charges.		
Appropriation	**($284,262)**	**($284,262)**
Positions	**(3.400)**	**(3.400)**
Aquariums		
1. **Budget Overrealized Admission Fee Receipts**		
This budgets overrealized admission fee receipts to offset the cost of electrical expenditures at Roanoke Island, Fort Fisher and Pine Knoll Shores aquariums.		
Requirements	**-**	**-**
Receipts	**$100,000**	**$100,000**
Appropriation	**($100,000)**	**($100,000)**
Conservation, Planning, and Community Affairs		
1. **Achieve Operating Efficiencies within the Sustainable Communities Task Force**		
In an effort to achieve operating efficiencies, work performed by the Sustainable Communities Task Force's community planner position will be reallocated to existing staff.		
Appropriation	**($95,331)**	**($95,331)**
Positions	**(1.000)**	**(1.000)**

Environmental Assistance and Outreach

1. **Fund Shift FTE to Receipt Support**

   To maximize the use of receipts, it is recommended that .30 FTE of a senior environmentalist position be fund shifted to receipt support. This position supports the Small Business Assistance Program, which helps small businesses comply with the requirements of the Clean Air Act.

Requirements	**-**	**-**
Receipts	**$19,422**	**$19,422**
Appropriation	**($19,422)**	**($19,422)**
Positions	**(.300)**	**(.300)**

Marine Fisheries

1. **Achieve Operational Efficiencies within Marine Fisheries**

   Marine Fisheries will achieve various operational efficiencies by re-evaluating the NCSU Sea Grant Program and making adjustments to temporary wages, various operating line items and staffing needs.

Appropriation	**($364,788)**	**($364,788)**
Positions	**(1.000)**	**(1.000)**

Water Quality

1. **Amend Need for the Ground Water Investigation Unit**

   Session Law 2011-145, Section 13.4 required DENR to use the Division of Water Quality's Groundwater Investigation Unit's well drilling services in other divisions for Fiscal Years 2011-12 and 2012-13. At the end of FY 2012-13, this requirement will no longer be in effect and funding will not be needed.

Appropriation	**($251,236)**	**($251,236)**
Positions	**(4.000)**	**(4.000)**

Water Resources

1. **Fund Shift Existing Staff to Receipt Support and Promote Operational Efficiency**

   This request fund shifts a total of 4.4 FTEs from appropriation to receipt support, and achieves other efficiencies by re-evaluating the well-drilling contract and abolishing a vacant position.

Requirements	**($75,000)**	**($75,000)**
Receipts	**$409,521**	**$409,521**
Appropriation	**($484,521)**	**($484,521)**
Positions	**(5.400)**	**(5.400)**

Zoological Park

1. **Achieve Operational Efficiencies within the Zoological Park**

   This item reallocates existing resources to fund temporary wages, worker's compensation and equipment needs.

Appropriation	**($211,323)**	**($211,323)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($2,655,843)	($2,655,843)
Receipts	528,943	528,943
Appropriation	($3,184,786)	($3,184,786)
Positions	(35.100)	(35.100)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Expansion

	2013-14	2014-15

1. **Drinking Water State Revolving Fund Match**

   To satisfy the 20% state match requirement to draw down approximately $23.54 million in federal funds for the Drinking Water State Revolving Fund, a nonrecurring appropriation of $1,225,720 is recommended. The total match requirement is approximately $4.71 million. The Department has identified approximately $3.8 million in available funds to help meet the match requirement. Funds within this program are used primarily to provide low and zero interest loans to water systems in order to provide safe and adequate water supplies for citizens and visitors to the state served by public water systems. In addition, the federal funds support activities for technical assistance, wellhead protection, capacity development and loan program administration. State funds are available solely for infrastructure needs.

Appropriation - Nonrecurring	**$1,255,720**	**-**

2. **Clean Water State Revolving Fund Match**

This request provides the required 20% state match for the Clean Water State Revolving Fund Program. In order to leverage $25 million in federal funds, $5 million in state funds is required. Funds within this program are used to help finance projects that specifically address water pollution problems and focus on upgrading surface waters, eliminating pollution, and protecting, preserving, and conserving unpolluted surface waters, including enhancement or development of drinking water supplies.

Appropriation - Nonrecurring	**$5,000,000**	**-**

3. **Conduct a Data Management and Monitoring Study for Inactive Hazardous Sites**

This recommendation appropriates funds to conduct a data management and monitoring study for inactive hazardous sites. These funds will support two positions responsible for evaluating areas with known water supply well contamination and areas with wells in close proximity to contaminated sites, and determine response actions needed. In addition, this request includes operating funds for contaminant testing expenses and emergency alternative drinking water.

Appropriation	**$250,000**	**$250,000**
Positions	**2.000**	**2.000**

4. **Funding for the Non-Commercial Underground Storage Tank Program**

This provision of recurring funds replaces funding eliminated in S.L. 2011-145 for the Non-Commercial Underground Storage Tank program. Funds were previously provided from a portion of the gasoline inspection tax revenue that is deposited in the Highway Fund.

Appropriation	**$3,500,000**	**$3,500,000**

5. **Nonrecurring Funding for the At-Sea Observer Program**

This item provides a nonrecurring appropriation for the At-Sea Observer Program for FY 2013-14. Additional revenue will be generated for the program in FY 2014-15 by increasing existing fees and establishing new fees. The proposed fee changes will generate approximately $1.3 million in fiscal year 2014-15, allowing the program to be totally receipt supported.

Requirements		**$1,300,000**
Requirements - Nonrecurring	**$1,300,000**	**-**
Receipts		**$1,300,000**
Appropriation - Nonrecurring	**$1,300,000**	**-**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$3,750,000	$5,050,000
Receipts	-	1,300,000
Appropriation	$3,750,000	$3,750,000
Positions	2.000	2.000

Nonrecurring		
Requirements	$7,555,720	-
Receipts	-	-
Appropriation	$7,555,720	-
Positions	-	-

Total Recommended Adjustments for Department of Environment and Natural Resources (14300) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$1,094,157	$2,394,157
Receipts	528,943	1,828,943
Appropriation	$565,214	$565,214
Positions	(33.100)	(33.100)
Nonrecurring		
Requirements	$7,555,720	-
Receipts	-	-
Appropriation	$7,555,720	-
Positions	-	-
Total Appropriation Adjustments	$8,120,934	$565,214
Total Position Adjustments	(33.100)	(33.100)

Governor's Recommended Adjustments to Base Budget

DENR - Clean Water Management Trust Fund (14301)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Adjustments		
Requirements	$6,750,000	-
Receipts	-	-
Appropriation	$6,750,000	-
Total		
Requirements	$6,750,000	-
Receipts	-	-
Recommended Appropriation	$6,750,000	-
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Expansion

	2013-14	2014-15
1. **Provide Nonrecurring Appropriation for the Clean Water Management Trust Fund**		
This request provides a nonrecurring appropriation for the Clean Water Management Trust Fund, which helps finance projects that specifically address water pollution problems and focus on upgrading surface waters, eliminating pollution, and protecting, preserving and conserving unpolluted surface waters.		
Appropriation - Nonrecurring	**$6,750,000**	**-**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$6,750,000	-
Receipts	-	-
Appropriation	$6,750,000	-
Positions	-	-

Total Recommended Adjustments for
DENR - Clean Water Management Trust Fund (14301)
2013-15

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$6,750,000	-
Receipts	-	-
Appropriation	$6,750,000	-
Positions	-	-
Total Appropriation Adjustments	$6,750,000	-
Total Position Adjustments	-	-

Wildlife Resources Commission

Governor's Recommended Adjustments to Base Budget

Wildlife Resources Commission (14350)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$61,851,417	$61,851,417
Receipts	$43,374,829	$43,374,829
Appropriation	$18,476,588	$18,476,588
Adjustments		
Requirements	($1,460,559)	($1,460,559)
Receipts	($870,950)	($870,950)
Appropriation	($589,609)	($589,609)
Total		
Requirements	$60,390,858	$60,390,858
Receipts	$42,503,879	$42,503,879
Recommended Appropriation	$17,886,979	$17,886,979
Positions		
Base Budget Positions	649.000	649.000
Continuation	-	-
Reductions	(26.000)	(26.000)
Expansion	-	-
Recommended Positions	623.000	623.000

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Adjust the Number of Positions Vacant More than Six Months**		
This recommendation adjusts the number of positions within the Wildlife Resources Commission that have been vacant more than six months.		
Requirements	**($1,460,559)**	**($1,460,559)**
Receipts	**($870,950)**	**($870,950)**
Appropriation	**($589,609)**	**($589,609)**
Positions	**(26.000)**	**(26.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($1,460,559)	($1,460,559)
Receipts	(870,950)	(870,950)
Appropriation	($589,609)	($589,609)
Positions	(26.000)	(26.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Wildlife Resources Commission (14350)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($1,460,559)	($1,460,559)
Receipts	(870,950)	(870,950)
Appropriation	($589,609)	($589,609)
Positions	(26.000)	(26.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($589,609)	($589,609)
Total Position Adjustments	(26.000)	(26.000)

Department of Commerce

Governor's Recommended Adjustments to Base Budget

Department of Commerce (14600)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$96,308,495	$94,068,495
Receipts	$62,839,053	$60,599,053
Appropriation	$33,469,442	$33,469,442
Adjustments		
Requirements	$11,167,034	$12,679,204
Receipts	$5,268,152	$5,268,152
Appropriation	$5,898,882	$7,411,052
Total		
Requirements	$107,475,529	$106,747,699
Receipts	$68,107,205	$65,867,205
Recommended Appropriation	$39,368,324	$40,880,494
Positions		
Base Budget Positions	515.430	515.430
Continuation	-	-
Reductions	(8.000)	(8.000)
Expansion	13.000	23.000
Recommended Positions	520.430	530.430

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Department-wide		
1. **Amend the Number of Positions within Commerce**		
Amends the total number of positions within Commerce to include the Director of Internal Operations, an Economic Developer, Commissioner and Processing Assistant.		
Appropriation	**($408,758)**	**($408,758)**
Positions	**(4.000)**	**(4.000)**
2. **Maximize Use of Indirect Cost Receipts**		
Maximizes the use of indirect costs receipts to help offset the use of appropriation in the Administrative Services and Labor and Economic Analysis Divisions.		
Requirements	**-**	**-**
Receipts	**$205,786**	**$205,786**
Appropriation	**($205,786)**	**($205,786)**
3. **Maximize the Use of the JDIG Utility Account Fund Balance**		
Substitutes general fund appropriation with a transfer from the JDIG Utility Account on a nonrecurring basis.		
Requirements - Nonrecurring	**-**	**-**
Receipts - Nonrecurring	**$5,000,000**	**$5,000,000**
Appropriation - Nonrecurring	**($5,000,000)**	**($5,000,000)**
4. **Achieve Agency-wide Operating Budget Efficiencies**		
Achieves agency-wide operating efficiencies by re-evaluating the level of need in various operating accounts to include travel, phones, motor fleet, office equipment, miscellaneous contracts, etc. These realignments bring the budgets more in line with FY 2012 actual expenditures.		
Appropriation	**($395,674)**	**($395,674)**
Community Assistance		
1. **Adjust Staffing Level and Operating Budget Needs**		
This request adjusts the staffing level in the Community Assistance program and operating budget needs. This adjustment includes converting a full-time position to part-time, adjusting the operating budget to be more in line with actual expenditures and re-evaluating other staffing needs.		
Appropriation	**($43,481)**	**($43,481)**
Positions	**(1.000)**	**(1.000)**

Wanchese Seafood Industrial Park

1. **Amend Funding for the Wanchese Seafood Industrial Park**

   This recommendation removes all recurring funding provided for the Wanchese Seafood Industrial Park.

Requirements	**($527,715)**	**($527,715)**
Receipts	**($387,634)**	**($387,634)**
Appropriation	**($140,081)**	**($140,081)**
Positions	**(3.000)**	**(3.000)**

International Trade

1. **Achieve Advertising Efficiencies for Trade Shows**

   Achieves efficiencies in advertising expenses for trade show activities. This change in funding brings the budget more in line with prior year actual expenditures.

Appropriation	**($48,347)**	**($48,347)**

Travel and Tourism

1. **Achieve Advertising Efficiencies for Travel and Tourism**

   Achieves efficiencies in advertising for travel and tourism related activities.

Appropriation	**($815,966)**	**($815,966)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($2,239,941)	($2,239,941)
Receipts	(181,848)	(181,848)
Appropriation	($2,058,093)	($2,058,093)
Positions	(8.000)	(8.000)
Nonrecurring		
Requirements	-	-
Receipts	5,000,000	5,000,000
Appropriation	($5,000,000)	($5,000,000)
Positions	-	-

Expansion

	2013-14	2014-15
1. **Job Maintenance and Capital Development Program (JMAC)**		
Provides funds to support grant payments under the JMAC Program to three eligible grantees (Goodyear, Bridgestone, and Domtar) pursuant to their agreement with the Department. The purpose of the JMAC grant funds is to encourage businesses to maintain high-paying jobs and make further capital investments in the state.		
Appropriation - Nonrecurring	**$6,705,473**	**$7,500,000**
2. **Resume Funding for the One North Carolina Small Business Program**		
Restores funding for the One NC Small Business Program. This program is designed to help small businesses obtain and leverage highly competitive federal funding from the Small Business Innovative Research Program and the Small Business Technology Transfer Program.		
Appropriation - Nonrecurring	**$900,000**	**$900,000**
3. **Recapitalization of Main Street Solutions Fund**		
Provides additional funds to recapitalize the Main Street Solutions Fund and to continue funding a time-limited position responsible for the administration of the program. The Main Street Solutions Fund helps small business growth and development in small cities.		
Appropriation - Nonrecurring	**$900,000**	**$900,000**
4. **Resume Funding for Broadband Connectivity Incentive Grant Program**		
Provides funding to incentivize private sector broadband providers to extend connectivity to unserved areas that are otherwise not economically feasible for deployment.		
Appropriation - Nonrecurring	**-**	**$350,000**
5. **Development of Strategic Economic Growth Plan**		
Provides funds to develop a strategic economic growth plan for North Carolina. The plan will include an agency reorganization of the department into a public/private partnership with the assistance of a consultant.		
Appropriation - Nonrecurring	**$200,000**	**$200,000**
6. **Development of a Comprehensive Branding Strategy**		
Provides funding for the Department of Commerce to develop a comprehensive branding strategy to promote North Carolina as the best place to live, work and play.		
Appropriation	**$2,500,000**	**$2,500,000**
7. **2014 Southeastern U.S. Canadian Strategic Trade and Investment Partnership Event**		
Provides funds for the 2014 Southeastern U.S. Canadian Strategic Trade and Investment Partnership Event. In an agreement signed in 2006, North Carolina agreed to host the event, which will identify opportunities to grow trade and investment between six southeastern U.S. States and seven Canadian provinces. The total cost is estimated at $400,000, and it is expected that the remaining $250,000 will be raised from private sponsors.		
Appropriation - Nonrecurring	**$150,000**	**-**

8. **Provide Recurring Funding for the Common Follow-Up System for Accountability**

Provides recurring funding for the Common Follow-Up System managed by the Labor and Economic Analysis Division (LEAD). The system is used to track performance measures related to current and former participants in State job training, education and placement programs. The system provides for the automated collection, organization, dissemination and analysis of data obtained from State-funded programs that provide job training, education and job placement services to program participants. Previously, the Worker Training Trust Fund provided the funding for the system; however, House Bill 4 (S.L. 2013-2) redirected those funds to help resolve the unemployment insurance insolvency issue.

Appropriation	**$500,000**	**$500,000**

9. **Restore Funding for Office of Information Technology Services (OITS) Charges**

Restores funding to pay for ITS provided services by reinstatement of lost salary and fringes for positions transferred to ITS as part of consolidation. Under consolidation, the positions were to be transferred and agencies were allowed to keep the funds budgeted for the position to be utilized to pay for services. These funds were inadvertently taken and should be reinstated.

Appropriation	**$75,000**	**$75,000**

10. **Administrative Cap Increase for the Community Development Block Grant Program (CDBG)**

Permits the Department of Commerce to utilize $450,000 from federal block grant funds for State technical assistance within the Community Development Block Grant Program that was eliminated by S.L. 2012-142.

Requirements	**$450,000**	**$450,000**
Receipts	**$450,000**	**$450,000**
Appropriation	**-**	**-**

11. **Data Integration and Insurance Compliance Program for the Industrial Commission**

Provides funds to the Industrial Commission to implement policies, procedures and processes similar to other states to proactively identify noncompliant businesses and ensure these businesses obtain and maintain the required worker's compensation coverage.

Appropriation	**$901,502**	**$1,469,145**
Positions	**13.000**	**23.000**

12. **Advanced Analytics Platform Solution for the Industrial Commission**

Provides funding for the Industrial Commission to develop an advanced analytics platform solution to allow comparison and analysis of data with data from other agencies. This technology will help identify potential compliance enforcement cases, provide better evidence to support sanctions or prosecution of non-compliant employers, compare existing available coverage data with data about employers from other agencies and provide a more efficient use of staff resources.

Appropriation	**$75,000**	**$75,000**
Appropriation - Nonrecurring	**$50,000**	**-**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$4,501,502	$5,069,145
Receipts	450,000	450,000
Appropriation	$4,051,502	$4,619,145
Positions	13.000	23.000
Nonrecurring		
Requirements	$8,905,473	$9,850,000
Receipts	-	-
Appropriation	$8,905,473	$9,850,000
Positions	-	-

Total Recommended Adjustments for Department of Commerce (14600) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$2,261,561	$2,829,204
Receipts	268,152	268,152
Appropriation	$1,993,409	$2,561,052
Positions	5.000	15.000
Nonrecurring		
Requirements	$8,905,473	$9,850,000
Receipts	5,000,000	5,000,000
Appropriation	$3,905,473	$4,850,000
Positions	-	-
Total Appropriation Adjustments	$5,898,882	$7,411,052
Total Position Adjustments	5.000	15.000

Governor's Recommended Adjustments to Base Budget

Commerce - General State Aid (14601)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$61,954,814	$61,954,814
Receipts	$2,240,000	-
Appropriation	$59,714,814	$61,954,814
Adjustments		
Requirements	($31,262,172)	($35,718,590)
Receipts	-	-
Appropriation	($31,262,172)	($35,718,590)
Total		
Requirements	$30,692,642	$26,236,224
Receipts	$2,240,000	-
Recommended Appropriation	$28,452,642	$26,236,224
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
State Aid		
1. **Pass-Through Funding Adjustment**		
Adjusts state appropriations to the various non-state entities as shown below:		
1. Regional Economic Development Commissions	(389,394)	(389,394)
2. Wake Forest Institute of Regenerative Medicine	(3,824,949)	(7,649,897)
3. High Point Furniture Market	(55,472)	(355,472)
4. NC Minority Support Center	(250,000)	(250,000)
5. NC Association of Community Development Corporations	(797,102)	(797,102)
6. NC Community Development Initiative	(3,806,180)	(3,806,180)
7. Land Loss Prevention Project	(575,050)	(575,050)
8. NC Institute of Minority Economic Development	(200,000)	(200,000)
9. Council of Governments	(82,026)	(164,053)
10. North Carolina Agricultural Foundation, Inc.	(35,855)	(35,855)
11. NC Farm Bureau Foundation for Agriculture in the Classroom, Inc.	(21,175)	(21,175)
12. NC Indian Economic Development Initiatives, Inc.	(86,004)	(86,004)
13. Partnership for the Sounds	(195,704)	(391,408)
14. Grassroot Science Museums	(693,261)	(747,000)
Appropriation	**($11,012,172)**	**($15,468,590)**
1. NC Biotechnology Center	(10,000,000)	(10,000,000)
2. NC Rural Economic Development Center	(10,000,000)	(10,000,000)
3. Biofuels Center of NC	(1,000,000)	(1,000,000)
Appropriation - Nonrecurring	**($21,000,000)**	**($21,000,000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($11,012,172)	($15,468,590)
Receipts	-	-
Appropriation	($11,012,172)	($15,468,590)
Positions	-	-
Nonrecurring		
Requirements	($21,000,000)	($21,000,000)
Receipts	-	-
Appropriation	($21,000,000)	($21,000,000)
Positions	-	-

Expansion

	2013-14	2014-15
1. **Johnson and Wales University**		
Provides nonrecurring funding to Johnson and Wales University. A $10 million incentive grant was awarded to help offset the costs associated with constructing facilities for a campus located in Charlotte. The current outstanding commitment is $1,365,000. Providing this level of funding will reduce the remaining commitment by $1 million leaving a balance of $365,000. Funding was designated as nonrecurring by the 2012 General Assembly, S.L. 2012-142.		
Appropriation - Nonrecurring	**$500,000**	**$500,000**
2. **Research Triangle Institute International**		
Provides nonrecurring funding to the Research Triangle Institute (RTI) International. Funding received from the State will be used to leverage federal funding to help RTI advance energy research in North Carolina and create green jobs. Funding was designated as nonrecurring by the 2012 General Assembly, S.L. 2012-142.		
Appropriation - Nonrecurring	**$250,000**	**$250,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Nonrecurring		
Requirements	$750,000	$750,000
Receipts	-	-
Appropriation	$750,000	$750,000
Positions	-	-

Total Recommended Adjustments for Commerce - General State Aid (14601) 2013-15

	2013-14	2014-15
Recurring		
Requirements	($11,012,172)	($15,468,590)
Receipts	-	-
Appropriation	($11,012,172)	($15,468,590)
Positions	-	-
Nonrecurring		
Requirements	($20,250,000)	($20,250,000)
Receipts	-	-
Appropriation	($20,250,000)	($20,250,000)
Positions	-	-
Total Appropriation Adjustments	($31,262,172)	($35,718,590)
Total Position Adjustments	-	-

NC Education Lottery

Governor's Recommended Adjustments to Base Budget

NC Education Lottery Proceeds (54641)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,605,825,000	$1,605,825,000
Receipts	$1,605,825,000	$1,605,825,000
Appropriation	-	-
Adjustments		
Requirements	($350,000)	($350,000)
Receipts	($350,000)	($350,000)
Appropriation	-	-
Total		
Requirements	$1,605,475,000	$1,605,475,000
Receipts	$1,605,475,000	$1,605,475,000
Recommended Appropriation	-	-
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Adjust Retailer Incentives**		
Adjusts retailer incentives to be more in line with FY 2012 actual expenditures.		
Requirements	**($350,000)**	**($350,000)**
Receipts	**($350,000)**	**($350,000)**
Appropriation	**-**	**-**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($350,000)	($350,000)
Receipts	(350,000)	(350,000)
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
NC Education Lottery Proceeds (54641)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($350,000)	($350,000)
Receipts	(350,000)	(350,000)
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	-	-
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

NC Education Lottery Commission (54670)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$76,270,000	$76,270,000
Receipts	$76,270,000	$76,270,000
Appropriation	-	-
Adjustments		
Requirements	($9,871,892)	($9,871,892)
Receipts	($9,871,892)	($9,871,892)
Appropriation	-	-
Total		
Requirements	$66,398,108	$66,398,108
Receipts	$66,398,108	$66,398,108
Recommended Appropriation	-	-
Positions		
Base Budget Positions	237.000	237.000
Continuation	-	-
Reductions	(4.000)	(4.000)
Expansion	-	-
Recommended Positions	233.000	233.000

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
1. **Adjust Personnel Expenditures**		
Adjusts the number of positions within the Agency that have been vacant more than six months.		
Requirements	**($201,150)**	**($201,150)**
Receipts	**($201,150)**	**($201,150)**
Appropriation	**-**	**-**
Positions	**(4.000)**	**(4.000)**
2. **Adjust Gaming System Services**		
Makes adjustments to gaming system services expenditures.		
Requirements	**($59,264)**	**($59,264)**
Receipts	**($59,264)**	**($59,264)**
Appropriation	**-**	**-**
3. **Adjusts Advertising Costs**		
Currently, North Carolina Education Lottery advertising expenses cannot exceed one percent (1%) of the total annual revenues as outlined in the G.S. 18C-162(a)(3). This item recommends that advertising expenses be limited to no more than one-half percent (.50%) of total annual revenues and adjusts the advertising budget accordingly.		
Requirements	**($7,426,892)**	**($7,426,892)**
Receipts	**($7,426,892)**	**($7,426,892)**
Appropriation	**-**	**-**
4. **Adjusts Marketing Budget**		
Adjusts the level of funds provided for marketing expenses.		
Requirements	**($800,000)**	**($800,000)**
Receipts	**($800,000)**	**($800,000)**
Appropriation	**-**	**-**

5. **Adjusts Budget for License and Permit Costs**

Adjusts the budget for license and permit costs related to instant tickets.

Requirements	**($4,477)**	**($4,477)**
Receipts	**($4,477)**	**($4,477)**
Appropriation	**-**	**-**

6. **Achieve Agency-wide Operating Budget Efficiencies**

Achieves agency-wide operating budget efficiencies by re-evaluating the level of need in various operating accounts to include other services, furniture, fixtures, equipment, vehicle replacement, and other general and administrative expenses.

Requirements	**($1,380,109)**	**($1,380,109)**
Receipts	**($1,380,109)**	**($1,380,109)**
Appropriation	**-**	**-**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($9,871,892)	($9,871,892)
Receipts	(9,871,892)	(9,871,892)
Appropriation	-	-
Positions	(4.000)	(4.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
NC Education Lottery Commission (54670)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($9,871,892)	($9,871,892)
Receipts	(9,871,892)	(9,871,892)
Appropriation	-	-
Positions	(4.000)	(4.000)
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	-	-
Total Position Adjustments	(4.000)	(4.000)

Recommended Adjustments

Transportation

Highway Fund

Highway Trust Fund

Turnpike Authority

Department of Transportation

Governor's Recommended Adjustments to Base Budget

Highway Fund Budget Changes (84210)

Recommended Highway Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$6,452,218,400	$6,438,221,254
Receipts	$4,756,021,276	$4,745,898,795
Appropriation	$1,696,197,124	$1,692,322,459
Adjustments		
Requirements	$241,243,172	$200,317,837
Receipts	$240,296	$240,296
Appropriation	$241,002,876	$200,077,541
Total		
Requirements	$6,693,461,572	$6,638,539,091
Receipts	$4,756,261,572	$4,746,139,091
Recommended Appropriation	$1,937,200,000	$1,892,400,000
Positions		
Base Budget Positions	13,077.000	13,055.000
Continuation	-	-
Reductions	(10.000)	(10.000)
Expansion	6.000	6.000
Recommended Positions	13,073.000	13,051.000

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Statutory Adjustments Based on Revised Forecast		
1. **State Aid to Municipalities**		
A statutory adjustment was required to the appropriation for State Aid to Municipalities based on the revised February 2013 revenue estimate for the Highway Fund. The allocation to the program is $1.75 per gallon of net motor fuel sold. The new forecast estimated a lower consumption of motor fuel gallons, requiring an adjustment to bring the program in line with available revenue for the 2013-15 biennium.		
Appropriation	**($1,486,064)**	**($1,990,013)**
2. **Secondary Construction Program**		
A statutory adjustment was required to the appropriation for the Secondary Construction Program based on the revised February 2013 revenue estimate for the Highway Fund. The allocation to the program is $1.75 per gallon of net motor fuel sold. The new forecast estimated a lower consumption of motor fuel gallons, requiring an adjustment to bring the program in line with available revenue for the 2013-15 biennium.		
Appropriation	**($1,486,064)**	**($1,990,013)**
3. **System Preservation**		
A statutory adjustment was required to the System Preservation Program based on the revised February 2013 revenue estimate for the Highway Fund. This program receives the balance of funds generated from the Gasoline Inspection Fee after deducting expenses for the Department of Revenue for collecting the tax and the expenses for the Department of Agriculture for fuel inspection. This adjustment will bring the appropriation in line with the latest forecast.		
Appropriation	**($500,000)**	**($1,400,000)**
4. **Department of Public Instruction - Driver Education**		
The new forecast for 9th grade Average Daily Membership (ADM) is less than originally estimated. Therefore, the present base budget requires a reduction to bring the level of funding in-line with expected requirements. Funding will be reallocated to other priorities within the Department.		
Appropriation	**($625,322)**	**($595,583)**

Maintenance

1. **General Maintenance Reserve**

A 5% appropriation adjustment was made to the General Maintenance Reserve based on the 2012-13 authorized budget. The reserve provides flexible funding that can be allocated by system (primary and secondary) based on need for specific highway maintenance activities that preserve or improve the overall condition of the highway system. This adjustment will

bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($7,104,931)**	**($7,104,931)**

2. **Primary Maintenance Funds**

An 8% appropriation adjustment was made to the Primary Maintenance Fund based on the 2012-13 authorized budget. Funds for the program are used for routine highway and bridge maintenance activities such as patching, mowing, snow removal, signing, pavement marking, rest area operations, and bridge repair on the state primary system comprised of all Interstate, US, and NC designated highways. This adjustment will bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($16,488,083)**	**($19,308,083)**

3. **Secondary Maintenance**

A 4% appropriation adjustment was made to funds for the Secondary Maintenance Program based on the 2012-13 authorized budget. Secondary maintenance funds are used for routine highway and bridge maintenance activities such as patching, mowing, snow removal, signing, pavement marking, bridge repair, machining, and stabilization on the state secondary system comprised of all paved and unpaved routes carrying the "SR" designation. This adjustment will bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($12,755,795)**	**($14,635,795)**

Construction

1. **Small Urban Construction Funds**

Reallocates recurring appropriation for the Division's Small Urban Construction Program. Approximately $2 million dollars will go to the Contingency Program; $1.4 million in 2013-14 and $964,000 in 2014-15 will go toward improved service at the Division of Motor Vehicles. Additionally, $3.6 million in 2013-14 and $4 million in 2014-15 will go toward Economic Development funding.

Appropriation	**($7,000,000)**	**($7,000,000)**

2. **Public Service Roads Program**

A 2% adjustment was made to funds for the Public Service Roads Construction Program. Funds are used to construct roads to new industrial or public facilities such as office and medical complexes, pave entrance aprons for volunteer fire departments, and construct driveways and parking areas for school buses at public schools. This adjustment will bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($35,178)**	**($35,178)**

3. **Spot Safety Program**

A 2% appropriation modification was made to the Spot Safety Program. Program funds are used to reduce crashes and injuries in North Carolina through the design and construction of cost-effective safety measures on the state highway system. Examples of projects include installation or improvement of traffic signals, improving roadway geometrics and

channelization, installing guardrails, adding rumble strips, and constructing turn lanes. This adjustment will bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($242,000)**	**($242,000)**

Multi-Modal Transportation

1. **Aviation, Ferry, Public Transportation, and Rail Program Funds**

A 2% adjustment in Highway Fund appropriations was made to the multi-modal programs based on the 2012-13 authorized budget. This adjustment will bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($3,383,868)**	**($3,383,868)**

2. **High Point Furniture Market Transportation Funding**

Grant funding for the High Point Furniture Market is being modified from an annual recurring appropriation to non-recurring for both years of the biennium. In 2014-15 the grant will be adjusted from $1,000,000 to $500,000 non-recurring. The funding not granted to the event in the second year will be reallocated toward other Department priorities.

Appropriation	**($1,000,000)**	**($1,000,000)**
Appropriation - Nonrecurring	**$1,000,000**	**$500,000**

Other Programs

1. **Occupational Safety and Health (OSHA) Program**

A 2% modification in the appropriation for the OSHA Program based on the 2012-13 authorized budget. The program provides departmental funding to address safety deficiencies that impact the workplace environment. Eligible projects include mitigation of deficiencies discovered in routine inspections by OSHA, building code, or health code inspectors and employee safety training. This adjustment will bring the appropriation in-line with available funding based on the February 2013 forecast.

Appropriation	**($7,455)**	**($7,455)**

Division of Highways Administration

1. **Staffing Efficiencies**

The Department has streamlined administrative position counts by removing 10 positions and associated salary and fringe benefit costs that have been vacant for more than 180 days. These positions are not directly related to customer service delivery or any related functions to citizens of the state.

Appropriation	**($426,429)**	**($426,429)**
Positions	**(10.000)**	**(10.000)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($52,541,189)	($59,119,348)
Receipts	-	-
Appropriation	($52,541,189)	($59,119,348)
Positions	(10.000)	(10.000)
Nonrecurring		
Requirements	$1,000,000	$500,000
Receipts	-	-
Appropriation	$1,000,000	$500,000
Positions	-	-

Expansion

	2013-14	2014-15
Maintenance		
1. **Reserve for Maintenance**		
Additional funds for the maintenance program will restore non-recurring funds and bring the overall requirements for the Highway Fund in line with the availability for the biennium. Also, increases the appropriation with funds reallocated from recommended agency reductions.		
Appropriation	**$59,094,845**	**$14,865,469**
2. **System Preservation**		
Additional funding for the System Preservation component of the maintenance program will restore non-recurring funds removed from the base budget and will bring the overall requirements for the Highway Fund in line with the availability for the biennium.		
Appropriation	**$102,000,000**	**$102,000,000**
3. **Contract Resurfacing**		
Additional funding for the Contract Resurfacing component of the maintenance program will restore non-recurring funds and bring the overall requirements for the Highway Fund in line with the availability for the biennium.		
Appropriation	**$81,000,000**	**$81,000,000**

Construction

1. **Reallocation of Funds to the Contingency Program**

   Reallocates funding from the Division's Small Urban Program to the Contingency Program, which will bring the revised recommended appropriation for this program to $14 million ($1 million per Division). Requests from Board Members will be coordinated with the Secretary of Transportation.

Appropriation	**$2,000,000**	**$2,000,000**

2. **Economic Development Fund**

   Reallocates funding from the Division's Small Urban Program to establish the Economic Development Fund. This program will provide funding to promote economic factors for job growth by facilitating increased business activity for transportation efforts throughout the State. The funds will be used for highway improvements and infrastructure that promotes safety and mobility initiatives with an emphasis on job creation.

Appropriation	**$3,569,535**	**$4,036,171**

Motor Vehicle Services

1. **Statesville Regional Driver License Skills Testing Facility**

   Funding is provided for four driver's license examiners to operate the dedicated Statesville Regional Commercial Driver License (CDL) Skills Testing facility.

Appropriation	**$231,190**	**$231,190**
Appropriation - Nonrecurring	**$16,400**	
Positions	**4.000**	**4.000**

2. **Vehicle Registration - Fees for Acceptance of Credit Card Payments**

   Funds appropriated to cover fees associated with the acceptance of credit cards for transactions at DMV. DMV will begin accepting credit cards for in-person transactions beginning July 1, 2014. Previously credit cards were only accepted for internet renewal transactions.

Appropriation	**$6,380,290**	**$6,380,290**

3. **Information Technology Mainframe Application Modernization**

   Funding to replace several critical DMV mainframe applications. The Department was instructed in the 2011-12 budget bill to develop a plan to replace the systems. This appropriation will provide funds to move to the implementation phase. The current mainframe systems are written in outdated programming language, are not easily changed to meet current needs, and are costly to maintain.

Appropriation		**$5,000,000**
Appropriation - Nonrecurring	**$8,832,000**	**$8,798,400**

4. **Division of Motor Vehicles (DMV) Customer Improvement Initiative**

Funding is being reallocated from the Division's Small Urban Program to enhance customer service at 30 Division of Motor Vehicle offices by the end of the biennium. The plan will add an extra day of service, Saturdays, at 20 offices in 2013-14 and an additional 10 offices (30 in total) in 2014-15. The request also includes additional funding to replace three outdated digital scanners and funding for public service announcements to alert the public about the weekend service.

Appropriation	**$889,782**	**$963,829**
Appropriation - Nonrecurring	**$540,683**	

Capital, Repair and Renovation

1. **Capital, Repair and Renovation - Biennial Plan**

Funds repairs, renovations and capital improvement projects for the Department of Transportation-owned facilities for the biennium.

Appropriation - Nonrecurring	**$18,055,500**	**$19,937,700**

Multi-Modal Transportation

1. **Ferry - Spoils Site Capability Enhancement for Ferry Vessels**

Provides non-recurring funding for several projects designed to enhance, maintain, or extend the life of the aging ferry fleet. Projects include the purchase of a new river-class ferry, replacement of a dredge and dredge support vehicle, purchase of spare main engines, repair to a water tower, replacement of a ramp, and refurbishment of a ramp.

Appropriation - Nonrecurring	**$1,150,000**	

Department of Transportation Administration

1. **IT - Personnel for Combined Registration and Tax Collection System**

Provides IT staff to support the maintenance of the Combined Registration and Tax Collection System that came on-line in 2012-2013. This is a totally receipt supported activity from transaction fees that will be collected from the counties.

Requirements	**$240,296**	**$240,296**
Receipts	**$240,296**	**$240,296**
Appropriation	**-**	**-**
Positions	**2.000**	**2.000**

2. **Facility Security**

Funding to maintain the existing level of contract security for seven DOT buildings. Funds were previously provided from the department's available year-end credit balance. Legislative changes implemented during the 2012-13 Session have limited the ability of the department to continue to utilize credit balance funds for this purpose.

Appropriation	**$303,896**	**$303,896**

3. **Appalachian Regional Commission Assessment - Fiscal Division**

Funding to pay for the department's share of the Appalachian Regional Commission Assessment. Funds were previously provided from the department's available year-end credit balance. Legislative changes implemented during the 2012-13 Session have limited the ability of department to continue to utilize credit balance funds for this purpose.

Appropriation	**$278,099**	**$278,099**

Reserves and Transfers

1. **Employee Legislative Increase - Supported by Highway Fund**

Provides a 1% salary increase for employees in the Department of Transportation and other state agencies supported from Highway Fund appropriations. The increase will be effective July 1, 2013.

Appropriation	**$3,801,845**	**$3,801,845**

2. **Retiree Cost of Living - Retirees Supported by the Highway Fund**

Provides for a 1% cost-of-living adjustment for retirees of the Teachers' and State Employees' Retirement System effective July 1, 2013. The amount listed represents the cost of living for employees in the Department of Transportation and other state agencies supported by Highway Fund appropriations.

Appropriation	**$1,000,000**	**$1,000,000**

3. **Retirement System Contributions - Supported by Highway Fund**

Provides funds to increase the State's contribution to the Teachers' and State Employees' Retirement System for the 2013-15 biennium as recommended by the System's actuary. The funding listed represents retirement contributions for employees in the Department of Transportation and other state agencies supported by Highway Fund appropriations.

Appropriation	**$1,200,000**	**$1,200,000**

4. **State Health Plan -- Supported by Highway Fund**

Funding to cover the employer contribution to the Teachers' and State Employees' Comprehensive Major Medical Plan for employees in the Department of Transportation and other state agencies supported by Highway Fund appropriations.

Appropriation	**$2,200,000**	**$6,900,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$264,189,778	$230,201,085
Receipts	240,296	240,296
Appropriation	$263,949,482	$229,960,789
Positions	6.000	6.000
Nonrecurring		
Requirements	$28,594,583	$28,736,100
Receipts	-	-
Appropriation	$28,594,583	$28,736,100
Positions	-	-

Total Recommended Adjustments for Highway Fund Budget Changes (84210) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$211,648,589	$171,081,737
Receipts	240,296	240,296
Appropriation	$211,408,293	$170,841,441
Positions	(4.000)	(4.000)
Nonrecurring		
Requirements	$29,594,583	$29,236,100
Receipts	-	-
Appropriation	$29,594,583	$29,236,100
Positions	-	-
Total Appropriation Adjustments	$241,002,876	$200,077,541
Total Position Adjustments	(4.000)	(4.000)

Governor's Recommended Adjustments to Base Budget

Highway Trust Fund Budget Changes (84290)

Recommended Highway Trust Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$1,118,600,000	$1,152,000,000
Receipts	-	-
Appropriation	$1,118,600,000	$1,152,000,000
Adjustments		
Requirements	($12,900,000)	($46,600,000)
Receipts	-	-
Appropriation	($12,900,000)	($46,600,000)
Total		
Requirements	$1,105,700,000	$1,105,400,000
Receipts	-	-
Recommended Appropriation	$1,105,700,000	$1,105,400,000
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Reductions

	2013-14	2014-15
Statutory Adjustments Based on Revised Forecast		
1. **Intrastate Program**		
An additional statutory adjustment was required to the Intrastate Program based on the revised revenue estimate for the Highway Trust Fund issued on February 11, 2013. The allocation is 61.95% of the remaining revenue after deduction of the direct $15 title fee for Secondary Roads.		
Appropriation	**($8,390,482)**	**($27,849,812)**
2. **Urban Loops Program**		
An additional statutory adjustment was required for the Urban Loops Program based on the revised revenue estimate for the Highway Trust Fund issued on February 11, 2013. The allocation is 25.05% of the remaining revenue after deduction of the direct $15 title fee for Secondary Roads.		
Appropriation	**($3,392,762)**	**($11,261,304)**
3. **State Aid to Municipalities**		
An additional statutory adjustment was required for State Aid to Municipalities based on the revised revenue estimate for the Highway Trust Fund issued on February 11, 2013. The allocation is 6.5% of the remaining revenue after deduction of the direct $15 title fee for Secondary Roads.		
Appropriation	**($880,357)**	**($2,922,094)**
4. **Secondary Roads Program**		
An additional statutory adjustment was required for the Secondary Roads Program based on the revised revenue estimate for the Highway Trust Fund issued on February 11, 2013. The program receives a direct allocation of $15 of each title issued. Additionally, there is a 6.5% allocation on the remaining revenue after deducting the initial $15 direct fee.		
Appropriation	**$382,801**	**($2,329,990)**
5. **Program Administration**		
An additional statutory adjustment was required to Program Administration based on the revised revenue estimate for the Highway Trust Fund issued on February 11, 2013. The allocation is 4.8% of the remaining revenue after deduction of the $15 title fee direct appropriation for Secondary Roads and the revenue earned by the fund from investments.		
Appropriation	**($619,200)**	**($2,236,800)**

Total Recommended Reductions

	2013-14	2014-15
Recurring		
Requirements	($12,900,000)	($46,600,000)
Receipts	-	-
Appropriation	($12,900,000)	($46,600,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-

Total Recommended Adjustments for
Highway Trust Fund Budget Changes (84290)
2013-15

	2013-14	2014-15
Recurring		
Requirements	($12,900,000)	($46,600,000)
Receipts	-	-
Appropriation	($12,900,000)	($46,600,000)
Positions	-	-
Nonrecurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Total Appropriation Adjustments	($12,900,000)	($46,600,000)
Total Position Adjustments	-	-

Governor's Recommended Adjustments to Base Budget

Turnpike Authority Budget Changes (64208)

Recommended Turnpike Authority Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$151,879,602	$1,404,739,602
Receipts	$151,879,602	$1,404,739,602
Chng Fund Bal	-	-
Adjustments		
Requirements	-	-
Receipts	-	-
Chng Fund Bal	-	-
Total		
Requirements	$151,879,602	$1,404,739,602
Receipts	$151,879,602	$1,404,739,602
Recommended Appropriation	-	-
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Recommended Adjustments

Capital Improvements

General Fund

Non-General Fund

Capital Improvements - General Fund (19600)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Recommended Adjustments		
Requirements	$32,067,122	$150,000,000
Receipts	-	-
Appropriation	$32,067,122	$150,000,000
Total		
Requirements	$32,067,122	$150,000,000
Receipts	-	-
Recommended Appropriation	$32,067,122	$150,000,000
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	-	-
Recommended Positions	-	-

Appropriation Items -- Recommended Adjustments

Expansion

	2013-14	2014-15
Repair and Renovation Reserve		
1. **Repair and Renovation Reserve**		
$118 million is earmarked from the year-end credit balance to the Repair and Renovation Reserve account. An additional $32 million is appropriated for FY 2013-14. This addition brings the total transfer to the Repair and Renovation Reserve account to $150 million for FY 2013-14. For FY 2014-15, $150 million is appropriated to the Repair and Renovation Reserve account. For each year of the biennium, $50 million of the total allocation of $150 million is allocated to the University of North Carolina.		
Appropriation - Nonrecurring	**$32,067,122**	**$150,000,000**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$32,067,122	$150,000,000
Receipts	-	-
Appropriation	$32,067,122	$150,000,000
Positions	-	-

Total Recommended Adjustments for
Capital Improvements - General Fund (19600)
2013-15

	2013-14	2014-15
Recurring		
Requirements	-	-
Receipts	-	-
Appropriation	-	-
Positions	-	-
Nonrecurring		
Requirements	$32,067,122	$150,000,000
Receipts	-	-
Appropriation	$32,067,122	$150,000,000
Positions	-	-
Total Appropriation Adjustments	$32,067,122	$150,000,000
Total Position Adjustments	-	-

Capital Improvements - Non-General Fund (19600)

Summary of Recommended Changes: Capital projects funded entirely from non-General Fund sources must be authorized by the General Assembly pursuant to G.S. 143C-8-7.

Appropriation Items -- Recommended Adjustments

Expansion

	2013-14	2014-15
Department of Public Safety		
1. **Adult Correction - Tabor Correctional Institute - Visitor Registration Center**		
Inmate welfare funds are recommended to construct a 1,000 square foot Visitor Registration Center at Tabor Correctional Institute. This building will provide needed facilities to process prison visitors. It will also provide protection from the elements for visitors and staff, a separate and secure intake processing space, restroom facilities, and limited storage areas.		
Requirements - Nonrecurring	**$121,754**	
Receipts - Nonrecurring	**$121,754**	
Appropriation - Nonrecurring	**-**	**-**
2. **Adult Correction - Correction Enterprise - Storage Buildings, Statewide**		
Correction Enterprise receipts are recommended to develop a site plan and purchase pre-fabricated storage sheds, or materials to build sheds onsite, at various facilities as the need arises for additional storage of equipment and materials. Each shed would cost less than $50,000.		
Requirements - Nonrecurring	**$75,000**	**$75,000**
Receipts - Nonrecurring	**$75,000**	**$75,000**
Appropriation - Nonrecurring	**-**	**-**
3. **NC National Guard - Albemarle Readiness Center - Transformation to accommodate Special Forces**		
Federal funds are recommended to renovate the Albemarle Readiness Center to accommodate the Special Forces Unit that will occupy the facility beginning in FY 2013. The project scope includes the renovation of approximately 4,800 square feet of existing space to create team rooms and provide private storage spaces for each Special Forces Team.		
Requirements - Nonrecurring	**$410,000**	
Receipts - Nonrecurring	**$410,000**	
Appropriation - Nonrecurring	**-**	**-**
4. **NC National Guard - Fort Fisher Training Site - Improvements to accommodate SCIF**		
Federal funds are recommended to renovate 2,100 square feet of the 2nd floor of Building 116 at the Fort Fisher Training Site, to accommodate a		

Secret Compartmentalized Information Facility (SCIF) for military intelligence training. The project scope includes HVAC improvements, as well as electrical, data, infrastructure, and security upgrades to meet the stringent requirements for a secure room. Uninterrupted back-up power and other improvements necessary to accommodate the SCIF will also be provided.

Requirements - Nonrecurring	**$1,138,000**	
Receipts - Nonrecurring	**$1,138,000**	
Appropriation - Nonrecurring	**-**	**-**

5. **NC National Guard - Fort Bragg Regional Training Institute - Motor Pool Expansion**

Federal Funds are recommended to enlarge the existing motor pool area at Fort Bragg Regional Training Institute to accommodate a larger inventory of equipment. The project scope includes all required site preparation and the installation of a 3-inch gravel cap for the new military vehicle storage area. Also, a new security fence will be required to enclose the expanded area that will extend to the existing property line.

Requirements - Nonrecurring	**$250,000**	
Receipts - Nonrecurring	**$250,000**	
Appropriation - Nonrecurring	**-**	**-**

6. **NC National Guard - USPFO Administration Building Renovation**

Federal funds are recommended to renovate 1,800 square feet of existing warehouse space within the USPFO (United States Property and Fiscal Office) Administration Building to provide office space and a small conference room to accommodate additional personnel. This project will create a new office for the warehouse supervisor and SARSS-1 administrator, and create smaller offices for a program analyst, a stock control analyst, and a hazardous materials coordinator. The project scope includes both the design and construction of additional offices and other spaces, as well as upgraded HVAC and electrical systems.

Requirements - Nonrecurring	**$350,000**	
Receipts - Nonrecurring	**$350,000**	
Appropriation - Nonrecurring	**-**	**-**

7. **NC National Guard - Camp Butner West Perimeter Road**

Federal funds are recommended to construct West Perimeter Road at Camp Butner. This road will be a new, interior road that will allow travel from the West Cantonment Area to the MOUT (Military Operations on Urban Terrain) Site without utilizing public roads. The new road will be approximately 3 miles long, 25 feet wide, and have a 2-4 inch gravel cap. It will include one double box culvert stream crossing and four access control gates where it intersects with existing Range Road. The estimated cost for planning and design of the project is $45,000; actual construction is estimated at $450,000.

Requirements - Nonrecurring	**$495,000**	
Receipts - Nonrecurring	**$495,000**	
Appropriation - Nonrecurring	**-**	**-**

8. **NC National Guard J4 Annex, Transportation Motor Pool - New Latrine**

   Federal funds are recommended to construct a second latrine in the administrative area of the Transportation Motor Pool at the North Carolina National Guard J4 Annex. The Transportation Motor Pool is the facility from which all GSA (General Services Administration) federal vehicles are dispatched and maintained. Existing closet space will be renovated to accommodate latrine construction.

Requirements - Nonrecurring	**$30,000**	
Receipts - Nonrecurring	**$30,000**	
Appropriation - Nonrecurring	**-**	**-**

9. **NC National Guard - High Point Readiness Center Field Maintenance Shop - New Storage Building**

   Federal funds are recommended to construct a new 36' x 21' concrete pad and metal storage building for centralized parts and tool storage at the High Point Readiness Center Field Maintenance Shop.

Requirements - Nonrecurring	**$70,000**	
Receipts - Nonrecurring	**$70,000**	
Appropriation - Nonrecurring	**-**	**-**

10. **NC National Guard - Camp Butner - Classroom Building, Phase 1 Design**

    Federal funds are recommended to provide Phase 1 Design of a new, 1,600 square foot permanent classroom building located at the Camp Butner Training Site. Phase 1 will include project design, along with all necessary environmental work and permitting. The new building will serve as a multi-purpose classroom, capable of seating at least 60 people with movable worktables. It will require insulated walls and ceilings, HVAC systems, and at least two doors, one of which must be either extra wide or roll-up to allow the movement of oversized materials in and out of the facility.

Requirements - Nonrecurring	**$50,000**	
Receipts - Nonrecurring	**$50,000**	
Appropriation - Nonrecurring	**-**	**-**

Information Technology Services

1. **Lighting Upgrades - 3700 Wake Forest Road Facility.**

   Cash Reserves from the Office of Information Technology Services Internal Services Fund will be used to replace the lighting infrastructure at the 3700 Wake Forest Road building, which was originally installed in 1971 when the building was constructed. The current lights will soon be out of

manufacture. Also, there are no lighting controls other than on and off switches, which are extremely non-energy efficient. The scope of work will include new wiring, engineering services to re-lamp the building, and a control system to reduce the amount of electricity that is wasted due to lights being constantly on.

Requirements - Nonrecurring		**$780,000**
Receipts - Nonrecurring		**$780,000**
Appropriation - Nonrecurring	**-**	**-**

Department of Environment and Natural Resources

1. **Zoo Ocelot**

This request will provide new space for the Zoo's ocelots to improve their quality of life and provide Zoo visitors with a better view of the animals in a more natural setting. The NC Zoo Society Donors will fund this request.

Requirements	**$642,000**	
Receipts	**$642,000**	
Appropriation	**-**	**-**

Wildlife Resources Commission

1. **Wildlife Resources Commission Land Purchases**

This recommendation will allow the Wildlife Resources Commission to continue to acquire tracts of land for inclusion in the agency's game land management program. These land purchases will be funded through grants and other receipts available to the Commission.

Requirements - Nonrecurring	**$3,750,000**	**$3,750,000**
Receipts - Nonrecurring	**$3,750,000**	**$3,750,000**
Appropriation - Nonrecurring	**-**	**-**

2. **Table Rock Hatchery Building Replacement**

U.S. Department of the Interior grant funds and other agency receipts will be used to replace two buildings at Table Rock State Fish Hatchery. This project will replace two old and inefficient buildings with one new hatchery building. The new design will allow for more efficient use of space, water and technologies to meet production goals at this hatchery.

Requirements	**$500,000**	
Receipts	**$500,000**	
Appropriation	**-**	**-**

3. **Construction of New Fishing Access Areas**

U.S. Department of the Interior grant funds and other agency receipts will be used to construct new fishing access areas to meet public demand.

Requirements	**$240,000**	**$240,000**
Receipts - Nonrecurring	**$240,000**	**$240,000**
Appropriation	**-**	**-**

4. **Construction of New Boating Access Areas**

   Other agency receipts will be used to construct new boating access areas to meet public demand for access to the state's waters.

Requirements	**$800,000**	**$800,000**
Receipts - Nonrecurring	**$800,000**	**$800,000**
Appropriation	**-**	**-**

5. **Construction of Miscellaneous Shooting Ranges**

   Fish and Wildlife Service grant receipts and license fee receipts are recommended to construct shooting ranges within existing Wildlife Resources Commission game lands. These ranges will be used by outdoor recreationalists, sports enthusiasts and hunters.

Requirements - Nonrecurring	**$1,500,000**	
Receipts - Nonrecurring	**$1,500,000**	
Appropriation - Nonrecurring	**-**	**-**

6. **New Cold Water Hatchery - Advance Planning**

   License fee receipts are recommended to preplan a new cold water fish hatchery. The advance planning process will assess the trout and non-game species production capability of existing facilities, identify future trout and non-game production needs, determine economic feasibility, and establish site selection criteria for construction of a new cold water hatchery.

Requirements - Nonrecurring	**$100,000**	
Receipts - Nonrecurring	**$100,000**	
Appropriation - Nonrecurring	**-**	**-**

7. **Holly Shelter Gamelands - Maintenance Building Replacement**

   Agency receipts are recommended to replace an old, inefficient maintenance building at Holly Shelter Gamelands. The new facility will allow for better use of space and resources and accommodate additional staff, equipment, and work done at this location.

Requirements - Nonrecurring	**$250,000**	
Receipts - Nonrecurring	**$250,000**	
Appropriation - Nonrecurring	**-**	**-**

8. **Sandhills Depot - Building Replacement**

Fish and Wildlife Service grant receipts and license fee receipts are recommended to replace an old, inefficient maintenance building at Sandhills Gamelands. The new facility will allow for better use of space and resources and accommodate additional staff, equipment, and work done at this location.

Requirements - Nonrecurring	**$600,000**	
Receipts - Nonrecurring	**$600,000**	
Appropriation - Nonrecurring	**-**	**-**

Department of Transportation

1. **Lexington Equipment Subshop**

Construction of a new 10,000 square foot division equipment shop.

Requirements	**$2,288,000**	
Receipts - Nonrecurring	**$2,288,000**	
Appropriation	**-**	**-**

2. **Division 2 Equipment Shop**

Construction of a new 36,000 square foot division equipment shop in Greenville, NC on the existing maintenance yard. If funds are available, the existing facility will be renovated for beneficial use.

Requirements	**$7,044,300**	
Receipts - Nonrecurring	**$7,044,300**	
Appropriation	**-**	**-**

3. **Clay County Equipment Shop**

Construction of a 4,550 square foot equipment shop in Clay County.

Requirements	**$1,210,000**	
Receipts - Nonrecurring	**$1,210,000**	
Appropriation	**-**	**-**

4. **Halifax County Salt Storage Shed - 5 Bay**

Construction of a 5-bay salt storage shed on the current Halifax County maintenance yard.

Requirements	**$186,000**	
Receipts - Nonrecurring	**$186,000**	
Appropriation	**-**	**-**

5. **Lake Junaluska Bulk Salt Storage Shed**

   Purchase and installation of a new bulk storage shed at Lake Junaluska. The building will be pre-engineered, but design and construction of the foundational support will be required. This project is funded through BMP federal funding from SRMU.

Requirements	**$266,000**	
Receipts - Nonrecurring	**$266,000**	
Appropriation	**-**	**-**

6. **Nantahala 1-Bay Salt Storage Shed**

   Construction of a 1-bay salt storage shed on the Nantahala site. This project is funded through BMP federal funding from SRMU.

Requirements	**$35,000**	
Receipts - Nonrecurring	**$35,000**	
Appropriation	**-**	**-**

7. **Currituck Ferry Welcome Center**

   Land purchase, design, and construction of a new welcome center for the Currituck/Knotts Island Terminal. This project is necessary to construct a larger operations building and welcome center with sufficient parking to accommodate the school children, residents, and visitors traveling between Currituck County's mainland and Knott's Island. The project was approved by the Board of Transportation and will be funded by a federal grant (80%) and state funds (20%).

Requirements	**$1,200,000**	
Receipts - Nonrecurring	**$1,200,000**	
Appropriation	**-**	**-**

8. **McDowell County Maintenance/Bridge Maintenance Assembly Office**

   Design and construction of a new 6,000 square foot facility to house the maintenance and bridge maintenance operations in McDowell County. The facility will include a bull pen and staff lockers for mobilization.

Requirements	**$1,500,000**	
Receipts - Nonrecurring	**$1,500,000**	
Appropriation	**-**	**-**

9. **Huntersville Satellite Maintenance Facility**

Design and construction of a 7,540 square foot maintenance facility on land owned by the department in Huntersville. Additional costs will be incorporated to address requirements from the Town of Huntersville, an additional 3% to the design fees.

Requirements	**$96,300**	**$1,107,700**
Receipts - Nonrecurring	**$96,300**	**$1,107,700**
Appropriation	**-**	**-**

10. **Elizabeth City District/Resident Engineers Office**

Design and construction of a 4,000 square foot resident engineer's office on existing NCDOT land in Elizabeth City.

Requirements	**$1,000,000**	
Receipts - Nonrecurring	**$1,000,000**	
Appropriation	**-**	**-**

11. **Southport Dormitory**

Design and construction of a 3,000 square foot facility to house staff for the Southport Ferry on the existing parcel. This project is included in the State Transportation Improvement Plan and will be federally funded.

Requirements	**$862,000**	
Receipts - Nonrecurring	**$862,000**	
Appropriation	**-**	**-**

12. **Asheboro Maintenance Warehouse and Sign Subshop**

Design and construction of a 2,500 square foot maintenance warehouse and sign subshop in Asheboro on the existing yard.

Requirements	**$489,000**	
Receipts - Nonrecurring	**$489,000**	
Appropriation	**-**	**-**

13. **Hatteras Toll Booth**

Construction of a new booth at the Hatteras Ferry to accommodate the requirement to collect tolls from customers of this ferry.

Requirements	**$76,000**	
Receipts - Nonrecurring	**$76,000**	
Appropriation	**-**	**-**

14. **Graham County Maintenance Assembly**

The division's current presence in Graham County is located on a parcel that is too small for its operations and is bisected by a road. In 2012, a parcel of land was purchased that was adequate in size to house the Graham County operations. Since the land has been purchased, construction of facilities on the site is the next step. The first facility to be constructed on this site is a maintenance assembly facility, 3,000 square feet, which will contain a large bull pen and lockers for the county maintenance staff.

Requirements	**$704,000**	
Receipts - Nonrecurring	**$704,000**	
Appropriation	**-**	**-**

15. **Division 8 Office**

Construction of an 11,000 square foot facility for the Division 8 office. The Sheriff's Office of Moore County has expressed an interest in the current location. A new facility would be relocated on the existing property in Carthage (Moore County maintenance yard).

Requirements	**$141,000**	**$2,601,000**
Receipts - Nonrecurring	**$141,000**	**$2,601,000**
Appropriation	**-**	**-**

16. **Swan Quarter Equipment Shop**

Design and construction of a 4,550 square foot equipment shop on the existing Hyde County maintenance yard.

Requirements		**$1,200,000**
Receipts - Nonrecurring		**$1,200,000**
Appropriation	**-**	**-**

17. **Iredell County Bridge Maintenance Office and Warehouse**

Design and construction of a 5,000 square foot bridge maintenance office and warehouse on the existing Iredell County maintenance yard.

Requirements		**$1,007,000**
Receipts - Nonrecurring		**$1,007,000**
Appropriation	**-**	**-**

18. **Orange County Storage Shed**

Design and construction of a 5,000 square foot storage building on the existing Orange County maintenance yard. All antiquated and dilapidated storage buildings will be demolished from the yard.

Requirements		**$725,000**
Receipts - Nonrecurring		**$725,000**
Appropriation	**-**	**-**

19. **Durham County Maintenance /RUE/IMAP Warehouse**

Design and construction of a 5,000 square foot warehouse on the existing Durham County maintenance yard for maintenance, roadside environmental, and IMAP. Existing outdated and antiquated storage buildings will be demolished.

Requirements		**$725,000**
Receipts - Nonrecurring		**$725,000**
Appropriation	**-**	**-**

20. **Sampson County Equipment Shop**

Design and construction on 12,0000 square foot equipment shop on the existing yard.

Requirements		**$3,100,000**
Receipts - Nonrecurring		**$3,100,000**
Appropriation	**-**	**-**

21. **Wilson County Maintenance Assembly Office**

Design and construction of a 10,000 square foot maintenance assembly office on the existing Wilson County maintenance yard.

Requirements		**$1,639,000**
Receipts - Nonrecurring		**$1,639,000**
Appropriation	**-**	**-**

22. **Chowan County Maintenance Assembly Office**

Design and construction of a 3,000 square foot maintenance assembly office on the existing Chowan County maintenance yard.

Requirements		**$700,000**
Receipts - Nonrecurring		**$700,000**
Appropriation	**-**	**-**

23. **Mitchell County Maintenance / Bridge Maintenance Assembly Office**

Design and construction of a new 6,000 square foot facility to house the maintenance and bridge maintenance operation in Mitchell County. The facility will include a bull pen and staff lockers for mobilization.

Requirements		**$1,500,000**
Receipts - Nonrecurring		**$1,500,000**
Appropriation	**-**	**-**

24. **Graham County Maintenance Complex Phase I and II**

The division's current presence in Graham County is located on a parcel that is too small for its operations and is bisected by a road. In 2012, a parcel of land was purchased that was adequate in size to house the Graham County operations. Since the land has been purchased, construction of facilities on the site is the next step. After maintenance assembly is completed, the remaining infrastructure will need to be built. Utilities improvements will be funded by the statewide water and sewer funds. Phase I will encompass site work, and Phase II will begin the construction.

Requirements		**$1,150,000**
Receipts - Nonrecurring		**$1,150,000**
Appropriation	**-**	**-**

25. **Dallas Equipment Shop**

Design and construction of 4,550 square foot equipment shop in Gaston County.

Requirements		**$1,210,000**
Receipts - Nonrecurring		**$1,210,000**
Appropriation	**-**	**-**

26. **Local Storage Sheds Replacement Program**

Replacement of existing, dilapidated truck storage sheds statewide.

Requirements		**$1,580,000**
Receipts - Nonrecurring		**$1,580,000**
Appropriation	**-**	**-**

Recommended Adjustments

Reserves, Debt Service, and Other Adjustments

General Fund

Reserves, Debt Service, and Other Adjustments - General Fund (190xx)

Recommended General Fund Budget and Positions

	2013-14	2014-15
Base Budget		
Requirements	$800,773,169	$800,773,169
Receipts	$44,623,308	$44,623,308
Appropriation	$756,149,861	$756,149,861
Recommended Adjustments		
Requirements	$489,035,313	$655,987,881
Receipts	$8,000,000	-
Appropriation	$481,035,313	$655,987,881
Total		
Requirements	$1,289,808,482	$1,456,761,050
Receipts	$52,623,308	$44,623,308
Recommended Appropriation	$1,237,185,174	$1,412,137,742
Positions		
Base Budget Positions	-	-
Continuation	-	-
Reductions	-	-
Expansion	251.630	254.630
Recommended Positions	251.630	254.630

Appropriation Items -- Recommended Adjustments

Expansion

	2013-14	2014-15
1. **Information Technology Reserve**		
Establishes a reserve to address critical statewide information technology infrastructure and security deficiencies and provide additional resources to support statewide oversight and enterprise planning. Major items to be addressed with this reserve include: remediation of at-risk IT infrastructure; completion of a statewide security assessment; redesign and replacement of the state's distribution systems; remediation of obsolete desktop/laptop hardware and operating systems; and migration to a cloud-based solution for desktop productivity tools. This reserve will be managed by the Office of State Budget and Management. Project funds will be released to the State Chief Information Officer for implementation subsequent to the State Budget Director's review and approval of implementation costs and supporting business cases. The reserve will utilize $8 million from the E-Procurement fund balance.		
Requirements	**$6,635,000**	**$10,820,000**
Requirements - Nonrecurring	**$28,365,000**	**$21,180,000**
Receipts - Nonrecurring	**$8,000,000**	
Appropriation	**$27,000,000**	**$32,000,000**
Positions	**41.000**	**44.000**
2. **Retirement System Contribution**		
Funding is provided for the increase of the State's contribution to the Teachers' and State Employees' Retirement System and to the Consolidated Judicial Retirement System for the 2013-15 biennium, as recommended by the System's actuary.		
Appropriation	**$36,100,000**	**$36,100,000**
3. **Pay Increase for All Teachers and State Employees**		
Funds are provided for a 1% salary increase for State-funded public school system employees, community college employees, university system employees, and State agency employees, effective July 1, 2013.		
Appropriation	**$135,700,000**	**$135,700,000**
4. **Cost of Living Adjustment for Retirees**		
Funds are provided for a 1% cost-of-living adjustment to retirees of the Teachers' and State Employees' Retirement System and to retirees of the Consolidated Judicial Retirement System, effective July 1, 2013.		
Appropriation	**$35,000,000**	**$35,000,000**

State Health Plan

1. **State Health Plan Contribution**

   It is recommended that appropriations be provided to cover an estimated 4.7% premium increase in each year of the biennium to keep the State Health Plan structurally sound. Premium increases would take effect on January 1, 2014, and January 1, 2015. This increase is based on recommendation of the State Health Plan Board of Trustees and the Plan actuary.

Appropriation	**$45,000,000**	**$136,200,000**

Other Reserves and Adjustments

1. **Severance Reserve**

   A state appropriation is provided for severance payments to state employees who are subject to reduction in force (RIF) during the biennium.

Appropriation - Nonrecurring	**$7,500,000**	**-**

2. **Savings Reserve Account**

   Earmarks $200 million from the year-end credit balance to the savings reserve account, also known as the State's "Rainy Day Fund," raising its balance to $619 million for FY 2013-14. $131 million is earmarked from the year-end credit balance to the Savings Reserve account for FY 2014-15. An additional $69 million is appropriated in FY 2014-15, which will bring the total balance to $819 million.

Appropriation - Nonrecurring		**$69,174,764**

3. **Salary Adjustment Reserve**

   It is recommended that additional funds be appropriated to the Salary Adjustment Fund. This fund provides salary adjustments for job groups with state salaries that are not competitive in the market place and increases where the state is having difficulty recruiting and retaining employees. The Office of State Personnel may use up to $1 million over the biennium for a statewide compensation study.

Appropriation	**$20,000,000**	**$20,000,000**

4. **Natural Heritage Trust Fund**

   The Natural Heritage Trust fund receives twenty-five percent (25%) of the State's share of the excise tax levied on real estate conveyances. This item recommends that the State's share of the excise tax be retained by the General Fund and the Natural Heritage Trust Fund receive a direct appropriation to be used for operating costs, debt service payments and grants.

Appropriation	**$4,230,000**	**$4,230,000**

5. **Parks and Recreation Trust Fund**

   The Parks and Recreation Trust fund receives seventy-five percent (75%) of the State's share of the excise tax levied on real estate conveyances. This item recommends that the State's share of the excise tax be retained by the General Fund and the Parks and Recreation Trust Fund receive a direct appropriation. These funds will be used in accordance with G.S. 113-44.15(b) for operating costs, debt service payments, repair and renovation projects, land acquisition, matching funds to local government

entities and the Coastal and Estuarine Water Beach Access Program.

Appropriation	**$15,500,000**	**$15,500,000**

6. **Solid Waste Trust Fund**

The Solid Waste Trust Fund receives eight percent (8%) of the proceeds from the scrap tire disposal tax, eight percent (8%) of the proceeds from white goods disposal tax and twelve and one-half percent (12.5%) of the proceeds from the solid waste disposal tax. This item recommends that the net proceeds from scrap tire, white goods and the solid waste disposal tax for this program be retained by the General Fund and the Solid Waste Trust Fund receive a direct appropriation to be used for operating costs and aid and public assistance to local government units to improve recycling programs.

Appropriation	**$2,462,000**	**$2,462,000**

7. **Scrap Tire Program**

The Scrap Tire Program receives seventeen percent (17%) of the net proceeds from the scrap tire disposal tax used for operating and aid and public assistance to county governments. This item recommends that the net proceeds from the scrap tire disposal tax be retained by the General Fund and the Scrap Tire Program receive a direct appropriation to be used for operating costs and aid and public assistance to county government units in the form of grants to assist with their scrap tire management needs.

Appropriation	**$1,079,717**	**$1,079,717**

8. **Job Development and Investment Grants (JDIG)**

Additional appropriation is provided to fund current JDIG commitments. North Carolina's Job Development and Investment Grant program is a discretionary incentive program that provides sustained annual grants to new and expanding businesses.

Appropriation - Nonrecurring	**$32,600,000**	**$43,600,000**

9. **One North Carolina Fund**

Additional nonrecurring appropriation is provided for the One North Carolina Fund. One NC helps recruit and expand quality jobs in high value-added, knowledge-driven industries. It also provides financial assistance to those businesses or industries deemed vital to a healthy economy that are making significant efforts to expand in North Carolina.

Appropriation - Nonrecurring	**-**	**$2,800,000**

10. **Medicaid Risk Reserve**

The Medicaid Risk Reserve is established as a non-reverting fund to mitigate the risk to the state of unforeseen overruns in the Medicaid Program. Allocations from the risk reserve must be approved by the Director of the Budget. A report will be made to the President Pro Tempore, the Speaker of the House and the Joint Appropriations Chairs within 30 days of allocation of funds from the reserve.

Appropriation	**$90,000,000**	**$90,000,000**

11. **Reserve for Department of Justice Legal Positions**

A statewide reserve is established in the Office of State Budget and Management in order to facilitate the transfer of positions and operating

budgets for legal and support staff transitioning from the Department of Justice to the agencies they serve, effective October 1, 2013.

Appropriation	**$7,450,319**	**$9,933,759**
Positions	**210.630**	**210.630**

12. **NC Government Efficiency And Reform project (NC GEAR)**

A statewide reserve is established in the Office of State Budget and Management in order to build on past work to improve and transform state government to best serve our citizens. NC GEAR will utilize the expertise from the Government Performance Audit Committees, the General Assembly's Performance Evaluation Division, and the State Auditor, as well as utilize the expertise and best practices of the private sector, to make specific proposals for the transformation of government. NC GEAR will be conducted by the Office of State Budget and Management in coordination with the General Assembly.

Appropriation	**$2,000,000**	**$2,000,000**

13. **Disaster Relief Reserve**

Appropriation of emergency funds for the Disaster Relief Reserve Fund are provided. North Carolina is very familiar with severe weather and has seen firsthand the destructive nature of tornadoes and thunderstorms.

Appropriation	**$10,000,000**	**$10,000,000**

Debt Service

1. **Debt Service Requirements**

It is recommended that debt service appropriations be adjusted based on updated cash flow requirements.

Appropriation	**$9,413,277**	**$10,207,641**

Total Recommended Expansion

	2013-14	2014-15
Recurring		
Requirements	$420,570,313	$519,233,117
Receipts	-	-
Appropriation	$420,570,313	$519,233,117
Positions	251.630	254.630
Nonrecurring		
Requirements	$68,465,000	$136,754,764
Receipts	8,000,000	-
Appropriation	$60,465,000	$136,754,764
Positions	-	-

Total Recommended Adjustments for Reserves, Debt Service, and Other Adjustments - General Fund (190xx) 2013-15

	2013-14	2014-15
Recurring		
Requirements	$420,570,313	$519,233,117
Receipts	-	-
Appropriation	$420,570,313	$519,233,117
Positions	251.630	254.630
Nonrecurring		
Requirements	$68,465,000	$136,754,764
Receipts	8,000,000	-
Appropriation	$60,465,000	$136,754,764
Positions	-	-
Total Appropriation Adjustments	$481,035,313	$655,987,881
Total Position Adjustments	251.630	254.630

Appendix

Tables

A. Explanation of Tables
1. Fund conditions
   a. General Fund
   b. Highway Fund
   c. Highway Trust Fund
   d. Savings Reserve Account
2. Appropriations
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3. Revenues
   a. Actual General Fund Tax and Nontax Revenue
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4. Debt and Debt Service
   a. Debt
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5. Trends in Total State Budget
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6. Trends in General Fund Appropriations for Education
   a. Trends in Public Schools, Universities and Community Colleges
   b. Five-year Expenditure History and Current Authorized Budget, Universities
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7. Budget Details
   a. Total NC State Budget by Function, Department, and Source of Funds, 2013-14
   b. Total NC State Budget by Function, Department, and Source of Funds, 2014-15
   c. Total NC Transportation Budget by Function, Department, and Source of Funds, 2013-14
   d. Total NC Transportation Budget by Function, Department, and Source of Funds, 2014-15
   e. Recommended Total Budget for the Biennium

The following pages are intended to provide a numerical and graphical representation of state budgets. This document shows only as much historic data as will fit on a page. For more historical information, or Excel versions of these tables, please visit the department website at osbm.nc.gov. A fiscal year runs from July 1 of one calendar year through June 30 of the following calendar year, for example July 1, 2013, through June 30, 2014.

The General Fund is what people have traditionally thought of as the budget, and is the main vehicle for state appropriations. The Highway Fund and Highway Trust Fund were created in 1989 to ensure dedicated funding for transportation needs. The Highway Fund focuses on maintenance, and the Highway Trust Fund focuses on construction of new state highways and interstate loops. The Savings Reserve Account is state government's rainy day fund with a target funding level of eight percent of the previous year's General Fund appropriations.

1. Fund conditions: These tables summarize the cashflows to and from each of the major funds in the state budget: transfers to and from reserves; collections of taxes, fees, and other revenues; and actual appropriated expenditures.
   a. General Fund: This table shows by fiscal year the beginning balance on July 1; transfers into the General Fund from the Savings Reserve Account and other reserves; revenue collections from taxes, fees, and other sources; actual expenditures through appropriations; transfers from the General Fund to reserves; and the ending balance on June 30.
      Source: Office of State Budget and Management
   b. Highway Fund: This table shows by fiscal year the beginning balance on July 1; revenue collections from taxes, fees, and other sources; actual expenditures through appropriations; and the ending balance on June 30.
      Source: Office of State Budget and Management
   c. Highway Trust Fund: This table shows by fiscal year the beginning balance on July 1; revenue collections from taxes, fees, and other sources; net authorizations of contracts based on future cash (negatives result when the cash being used to pay for prior contract authorizations exceeds the amount being pulled forward); actual expenditures through appropriations; and the ending balance on June 30.
      Source: Office of State Budget and Management
   d. Savings Reserve Account: This table shows by fiscal year the beginning balance on July 1; transfers to the General Fund, other funds, or reserves; transfers to the Savings Reserve Account from unspent balances or appropriations; and the ending balance on June 30.
      Source: Office of State Budget and Management

2. Authorized Appropriations: The authorized budget is what the legislature passes and the governor signs as the budget bill. This is traditionally what people mean when they speak of the budget or budgeted appropriations.
   a. Total authorized (budgeted) appropriations by object: This table shows by fiscal year appropriations on operations, capital improvements, reimbursements to local governments and other trust funds, appropriations to the Savings Reserve Account (Budget Stabilization), and total authorized appropriations from all sources of revenue.
      Source: Office of State Budget and Management
   b. Total authorized (budgeted) appropriations by source: This table shows by fiscal year appropriations from General Fund; Federal Revenue Sharing (which ended in 1981); Highway Fund and Highway Trust Fund; Federal appropriations, matching funds, or grants; other sources such as tuition; and total authorized appropriations from all sources of revenue.
      Source: Office of State Budget and Management

c. General Fund authorized (budgeted) appropriations: This table shows by fiscal year General Fund operating and total appropriations and the percent change in each from the prior fiscal year.
   Source: Office of State Budget and Management
d. Authorized (budgeted) appropriations vs actual expenditures by source: This table shows by fiscal year General Fund and Total appropriations, General Fund and Total actual appropriated expenditures, the percent difference between budget and actual, and the percent change in actual from the prior fiscal year.
   Source: Office of State Budget and Management

3. Revenues
   a. Actual General Fund Tax and Nontax Revenue: This table shows by fiscal year actual historical and projected General Fund tax revenues and percent change from the prior fiscal year, and combined tax and nontax revenue (including transfers from other state funds and accounts) and percent change from the prior fiscal year.
      Source: Office of State Budget and Management
   b. Actual Highway Fund State Tax and Nontax Revenue: This table shows by fiscal year actual historical and projected Highway Fund revenues from state sources – motor fuel taxes, licenses and fees, other revenues, and earnings from investments in the State Treasurer's office – total state revenue and percent change from the prior fiscal year.
      Source: Office of State Budget and Management
   c. Actual Highway Trust Fund State Tax and Nontax Revenue: This table shows by fiscal year actual historical and projected Highway Trust Fund revenues from state sources – gasoline tax, highway use tax, other revenues, and earnings from investments in the State Treasurer's office – total state revenue and percent change from the prior fiscal year.
      Source: Office of State Budget and Management
   d. Forecast vs actual tax and nontax revenue: This table shows by fiscal year projected and actual tax and nontax revenues for the General Fund; the percent difference between budget and actual; and the percent change in actual from the prior fiscal year.
      Source: Office of State Budget and Management

4. Debt and Long-term Obligations: State government is constitutionally required to have a balanced budget, but it may take on debt for capital needs. Historically this has been done through general obligation bonds approved by voters, or through refinancing a portion of those bonds with new debt called two-thirds bonds based on the ratio of bonds that can be refinanced in this way. Since 2003, state government has also used special purpose debt, generally in the form of Certificates of Participation, which do not require voter approval.
   a. Debt: This table shows by fiscal year bond and special indebtedness for the General Fund, the Highway Fund, and total debt. It also shows the amount of debt per person.
      Source: Office of the State Treasurer
   b. Debt Service: This table shows by fiscal year the amount appropriated for payment of principal and interest, or debt service, on the government's bonds and special indebtedness for the General Fund, the Highway Fund, and total debt. It also shows the amount of debt service per person.
      Source: Office of the State Treasurer

5. Trends in the Budget: These tables show by fiscal year total and General Fund authorized appropriations for major spending categories in the state budget.
   Source: Office of State Budget and Management

6. Trends in General Fund Appropriations for Education: This table shows by fiscal year General Fund authorized appropriations in education, with the share of General Fund appropriations going to public schools, community colleges, the university system, and all educational purposes. Also in this section are new tables showing the 5-year expenditure history and current authorized budgets for Universities and the Community College System.
   a. Trends in Public Schools, Universities and Community Colleges
   b. Five-year Expenditure History and Current Authorized Budget, Universities
   c. Five-year Expenditure History and Current Authorized Budget, NC Community Colleges System
   Source: Office of State Budget and Management

7. Budget details: Tables 8a through 8d show function-level detail of recommended appropriations for each fiscal year of the biennium. Table 8e provides a quick overview of spending for each fiscal year of the biennium.
   a. Total NC state budget by Function, Department, and Source of Funds, FY 2013-14
   b. Total NC state budget by Function, Department, and Source of Funds, FY 2014-15
   c. Total NC Transportation budget by Function and Source of Funds, FY 2013-14
   d. Total NC Transportation budget by Function and Source of Funds, FY 2014-15
   e. Recommended Total Budget for the Biennium

Note: Dollar amounts listed for the 2013-15 fiscal years are recommended, not actual, in contrast to the historical and actual numbers for the earlier years.

Appendix Table 1A

Condition of the General Fund, 1974-75 to 2011-12

(Includes Federal Revenue Sharing and Anti-Recession Revenues)

Fiscal Year	Beginning Balance July 1	Transfers From Reserves	Net Collections	Total Appropriation Expenditures	Reserve Transfers	Ending Balance June 30
1974-75	$ 108,532,052	$ -	$ 1,597,146,807	$ 1,721,068,968	$ -	$ 56,609,891
1975-76	56,609,891	-	1,710,532,207	1,698,673,699	-	68,468,399
1976-77	68,468,399	-	2,018,349,566	1,935,935,992	-	150,882,006
1977-78	150,882,006	-	2,196,552,943	2,162,483,376	-	184,951,573
1978-79	184,951,573	-	2,486,968,295	2,484,341,660	-	187,578,208
1979-80	187,578,208	-	2,842,041,456	2,744,651,008	-	284,968,657
1980-81	284,968,657	-	3,023,812,433	3,154,154,198	-	154,626,892
1981-82	154,626,892	-	3,229,540,752	3,275,619,875	-	108,547,769
1982-83	108,547,769	-	3,405,116,476	3,440,694,342	-	72,969,903
1983-84	72,969,903	-	3,957,447,438	3,775,487,080	-	254,930,261
1984-85	254,930,261	-	4,527,147,566	4,401,980,073	-	380,097,754
1985-86	380,097,754	-	4,910,870,016	4,971,858,475	-	319,109,295 a)
1986-87	319,109,295	-	5,392,076,697	5,349,003,039	-	362,182,953
1987-88	362,182,953	-	5,804,527,342	5,773,774,887	-	392,935,408
1988-89	392,935,408	-	6,154,529,607	6,409,558,219	-	157,048,576
1989-90	157,048,576	-	6,988,406,667	6,923,212,860	-	222,242,383
1990-91	222,242,383	-	7,207,815,194	7,429,617,079	-	440,498
1991-92	440,498	-	7,817,050,946	7,652,318,443	b) 41,593,253	123,579,748
1992-93	123,579,748	-	8,292,796,568	7,879,046,057	191,332,565	345,997,694
1993-94	345,997,694	178,000,000	9,102,334,828	9,003,619,540	215,678,246	407,034,736
1994-95	407,034,736	269,932,954 c)	9,970,738,717	9,967,684,132	387,411,138	292,611,137
1995-96	292,611,137	153,100,000 d)	10,090,225,385	9,809,354,769	320,445,592 e)	406,136,161
1996-97	406,136,131	1,595,394 f)	10,933,860,552	10,466,775,861	556,126,043 g)	318,690,202
1997-98	318,690,202	174,544,955	11,727,128,530	11,436,138,797	268,994,402	515,230,488
1998-99	515,230,488	227,844,930	12,753,272,488	12,961,718,694	237,927,186	296,702,026
1999-00	296,702,026	722,299,954	13,136,080,241	13,853,708,453	301,373,769	(0)
2000-01	(0)	620,729,850 h)	13,451,860,973	13,445,510,386	627,080,436	0
2001-02	0	703,038,110 I)	13,157,882,906	13,741,135,020	116,000,000	3,785,996
2002-03	25,000,000	136,859,298	14,110,717,770	13,855,522,493	166,510,735	250,543,840
2003-04	250,543,840	245,656,143	14,690,826,574	14,704,184,520	193,463,425	289,378,612
2004-05	289,378,612	76,797,361	16,326,481,563	15,798,359,545	415,789,045	478,508,946
2005-06	478,508,946	125,000,000	17,874,348,531	17,190,090,604	538,380,820	749,386,052
2006-07	749,386,052	222,229,189	19,460,031,250	18,662,078,726	548,386,276	1,221,181,489
2007-08	1,221,181,489	145,000,000	19,824,083,747	20,376,388,298	214,839,238	599,037,699
2008-09	599,037,699	0	19,145,677,966	19,652,478,574	636,649,678	92,237,091
2009-10	92,237,091	0	18,657,307,292	18,512,641,990	0	236,902,393
2010-11	236,902,393	0	19,156,617,593	18,502,920,072	308,150,000	582,449,914
2011-12	582,449,914	0	19,533,919,036	19,576,330,418	0	540,038,532

Reserve transfers for Savings Reserve, Repair and Renovations Reserve, Reserve for Tax Relief, and Other.

a) Funds in the amount of $28,600,000 required to be reserved by the June 1986 Session in accordance with Section 44 of Chapter 791of the 1985 Session Laws are included in this figure.

b) This number excludes $400,000 transferred to the Savings Reserve account for 1991-92 as appropriated.

c) This number includes the Reserve for Disproportionate Share $209,932,954 and $60,000,000 authorized for Repairs and Renovations.

d) This number includes the Reserve for Tax Relief $28,100,000 and $125,000,000 authorized for Repairs and Renovations.

e) The number includes $130 million for Repair and Renovations, $77,342,025.97 Savings Reserve, $25 million Federal Retiree Refund, $1.2 Federal Retiree Refund Administration, $47.1 million Clean Water Management, $39,519,567 Capital Improvements, and $284,000 library grants.

f) Reserve for Disporportionate Share.

g) This number includes $115,510,195 for Disaster Relief, $174,260,955 for Repair and Renovations, $49,354,893.26 for Clean Water Management, $156 million for Intangible Tax Refunds, and $61 million for the Railroad Purchase Reserve.

h) This number includes $308,401,820 Easley Executive Order #3 Reserve and $312,328,030 Disaster Relief Reserve.

I) This number includes $440,915,625 EEO#19 Reserve, $347,763,108 Shortfall BC 19979, $4,359,377 CI transfers, and ($90,000,000) authorized transfer to Savings Reserve from Revenues.

Appendix Table 1B

Condition of the Highway Fund, 1974-75 to 2009-10

(Includes Federal Aid Participation)

Fiscal Year	Beginning Balance July 1	Net Collections*	Total Appropriation Expenditures	Ending Balance June 30
1974-75	$ 110,948,079	$ 672,255,228	$ 628,849,033	$ 154,354,274
1975-76	154,354,274	493,536,624	550,259,908	97,630,990
1976-77	97,630,990	692,175,363	623,935,040	165,871,313
1977-78	165,871,313	613,161,176	676,460,378	102,572,111
1978-79	102,572,111	698,424,160	681,582,831	119,413,440
1979-80	119,413,440	688,864,174	696,345,679	111,931,935
1980-81	111,931,935	666,935,631	612,035,936	166,831,612
1981-82	166,831,612	729,968,258	674,034,180	222,765,690
1982-83	222,765,690	862,394,389	762,384,819	322,775,260
1983-84	322,775,260	918,012,956	945,996,357	294,791,859
1984-85	294,791,859	1,053,678,404	1,041,253,080	307,217,183
1985-86	307,217,183	1,016,891,045	1,031,831,352	292,276,879
1986-87	292,276,879	1,190,806,504	1,169,873,310	313,210,073
1987-88	313,210,073	1,232,282,636	1,222,631,851	322,860,858
1988-89	322,860,858	1,409,839,386	1,315,847,645	416,852,599
1989-90	416,852,599	1,232,848,473	1,345,684,467	304,016,605
1990-91	304,016,605	1,399,958,822	1,351,535,540	352,439,887
1991-92	352,439,887	1,605,877,793	1,528,101,820	430,215,860
1992-93	430,215,860	1,697,651,523	1,770,759,812	357,107,571
1993-94	357,107,571	1,752,701,588	1,747,469,878	362,339,281
1994-95	362,339,281	1,619,505,085	1,748,159,076	233,685,290
1995-96	233,685,290	1,851,464,315	1,773,223,724	311,925,881
1996-97	311,925,881	2,310,485,801	2,429,520,589	192,891,093
1997-98	192,891,093	2,206,983,140	2,099,049,223	300,825,010
1998-99	300,825,010	2,301,524,041	2,142,510,030	459,839,021
1999-00	459,839,021	2,458,253,201	2,467,131,526	450,960,697
2000-01	450,960,697	2,535,313,224	2,452,760,524	533,513,397
2001-02	533,513,397	2,684,784,992	2,722,939,943	495,358,446
2002-03	495,358,446	3,905,749,064	2,736,727,380	1,664,380,130
2003-04	1,664,380,130	3,437,047,830	2,374,362,841	2,727,065,119
2004-05	2,727,065,119	2,817,543,977	2,615,335,066	2,929,274,030
2005-06	2,929,274,030	2,931,337,147	2,314,562,645	3,546,048,532
2006-07	3,546,048,532	2,881,769,156	2,668,129,423	3,759,688,265
2007-08	3,759,688,265	3,081,350,232	3,027,576,468	3,813,462,029
2008-09	3,813,462,029	2,768,398,451	3,619,679,756	2,962,180,724
2009-10	2,962,180,724	2,857,471,850	3,701,424,028	2,118,228,546

*Includes Local Aid Participation and Interfund Transfers.

NOTE: 2007-08 and 2009-10 Collections do not include Garvee proceeds or related investment income.

Appendix Table 1C

Condition of the Highway Trust Fund, 1989-90 to 2011-12

Fiscal Year	Beginning Balance July 1	Total Revenue and Other Sources	Contracting Authorization From Future Years Cash Flow	Total Appropriation Expenditures*	Ending Balance June 30
1989-90	$ -	$ 243,893,008	$ -	$ 204,692,423	$ 39,200,585
1990-91	39,200,585	286,946,282	137,223,500	434,021,519	29,348,848
1991-92	29,348,848	537,809,797	(79,055,757)	428,739,384	59,363,504
1992-93	59,363,504	574,157,887	(37,617,743)	501,440,081	94,463,567
1993-94	94,463,567	645,111,384	45,600,000	648,731,304	136,443,647
1994-95	136,443,647	689,536,522	50,150,000	771,874,365	104,255,804
1995-96	104,255,804	813,462,828	45,800,000	718,955,090	152,963,542
1996-97	152,963,542	1,011,488,313	119,185,000	943,081,732	102,185,123
1997-98	102,185,123	935,138,876	62,740,759	828,875,931	145,707,309
1998-99	145,707,309	803,338,157	30,421,905	760,821,140	218,646,231
1999-00	218,646,231	936,444,582	(38,513,690)	895,301,189	221,275,934
2000-01	221,275,934	968,998,273	(26,981,351)	841,958,656	321,334,200
2001-02	321,334,200	1,194,186,165	86,323,105	996,670,638	415,574,991
2002-03	415,574,991	1,150,573,168	5,995,280	1,044,791,298	350,675,082
2003-04	350,675,082	1,473,132,995	79,302,827	1,294,732,751	608,378,153
2004-05	165,119,241	1,475,311,921	145,551,538	1,463,384,096	322,598,604
2005-06	322,598,604	837,522,911	(217,758,541)	874,083,224	68,279,750
2006-07	68,279,750	983,151,773	(143,871,619)	839,403,996	68,155,908
2007-08	68,155,908	1,064,124,303	(49,646,510)	1,045,530,335	37,103,366
2008-09	37,103,366	906,047,860	-	815,680,835	127,470,391
2009-10	127,470,391	910,046,182	29,580,521	798,792,129	268,304,965
2010-11	268,304,965	970,873,482	158,522,836	1,082,218,366	315,482,907
2011-12	315,482,907	1,027,217,763	6,489,821	1,064,433,293	284,757,198

*Expenditures include all Interfund Transfers for both Highway and General Funds. Expenditures do not include bond funds, SB 1005, or Moving Ahead.

Appendix Table 1D
Schedule of Savings Reserve Account Balance, 1990-91 to 2012-13, Recommended 2013-2015

Fiscal Year	Beginning Balance July 1	Authorized Transfer	Authorized Reserve for Current Year	Ending Balance June 30
1990-91	$ 141,000,000	$ (141,000,000) a)	$ -	$ -
1991-92	400,000	-	41,193,253	41,593,253
1992-93	41,593,253	-	134,332,565	175,925,818
1993-94	175,925,818	(121,000,000) b)	155,678,246	210,604,064
1994-95	210,604,064	146,305,569	66,700,000 c)	423,609,633
1995-96	423,609,633	-	77,342,026	500,951,659
1996-97	500,951,659	-	-	500,951,659
1997-98	500,951,659	-	21,568,903	522,520,562
1998-99	522,520,562	-	- d)	522,520,562
1999-00	522,520,562	(485,965,824) e)	967,311	37,522,049
2000-01	37,522,049	-	120,000,000 f)	157,522,048
2001-02	157,522,048	(247,522,048)	90,000,000 g)	-
2002-03	-	-	150,000,000	150,000,000
2003-04	150,000,000	391,343	116,666,064	267,057,407
2004-05	267,057,407	(153,541,447) h)	199,125,000	312,640,960
2005-06	312,640,960	-	316,151,631	628,792,591
2006-07	628,792,591	(22,933,000) i)	180,790,087	786,649,678
2007-08	786,649,678	-	-	786,649,678
2008-09	786,649,678	636,649,678	-	150,000,000
2009-10	150,000,000	-	-	150,000,000
2010-11	150,000,000	(38,000,000)	183,600,000	295,600,000
2011-12	295,600,000	-	123,200,000	418,800,000
2012-13	418,800,000	-	-	418,800,000
2013-14	418,800,000	-	200,000,000	618,800,000
2014-15	618,800,000	-	200,000,000	818,800,000

a) The General Assembly appropriated $141.0 million; the reserve was used to balance a shortfall in revenue in 1999-91
b) The 1993 Session of the General Assembly authorized the transfer of reserves to support appropriation for the June 30 payroll restoration.
c) The 1993 Session of the General Assembly (1994 Regular Session) appropriated $66.7 million to the reserve.
d) The 1999 Session of the General Assembly fixed the balance of the reserve for 1998-99 only at the previous year level.
e) The 1999 Session of the General Assembly authorized the use of the Savings Reserve Account to pay the first installment of the Intangibles Tax liability. The December 1999 Special Sesssion of the General Assembly authorized the transfer of $285,965,824 to provide funds to the Hurricane Floyd Reserve.
f) The 2000 Short Session of the General Assembly appropriated $120 million to the reserve.
g) The 2001 Session of the General Assembly directed the State Controller to "credit" the Savings Reserve Account $181.8 million from the General Fund but only $90,000,000 was credited.
h) Amount transferred to Disaster Relief Reserve for 2004 Hurricane Season Recovery, per SB 7.
i) Reflects $23.3 million transferred to the Highway Fund and the Highway Trust Fund to Replace motor fuel tax revenues reduced by the cap on the gas tax rate per Senate Bill 1741.

Appendix Table 2A

Total Authorized North Carolina State Budget, 1982-83 to 2013-15

(In Millions)

Fiscal Year	Operating	Capital Improvements	Local Tax Reimb. and Other	Budget Stabilization	Total
1982-83	5,915.0	72.4	-	-	5,987.4
1983-84	6,602.9 a)	116.0	-	-	6,718.9
1984-85	7,203.6	234.1	-	-	7,437.7
1985-86	8,102.5	298.0	-	-	8,400.5
1986-87	8,622.3 b)	334.1 b)	-	-	8,956.4
1987-88	9,467.1	257.1	-	-	9,724.2
1988-89	10,093.5	316.9	-	-	10,410.4
1989-90	11,387.1	377.6	231.7	-	11,996.4
1990-91	12,027.2	294.6 c)	476.8	141.0	12,939.6
1991-92	12,892.7	242.6 d)	474.6	0.4	13,610.3
1992-93	13,997.3	274.6	236.8	-	14,508.7
1993-94	16,130.8 e)	374.0 f)	236.8	-	16,741.6
1994-95	17,320.5 e)	412.6	236.8	-	17,969.9
1995-96	17,600.6	456.0	-	-	18,056.6
1996-97	g) 18,662.2	1,118.0	-	-	19,780.2
1997-98	h) 19,923.4	1,201.4	-	-	21,124.8
1998-99	h) 21,300.7	883.5	447.4	-	22,631.6
1999-00	i) 22,784.3	877.1	629.0	-	24,290.4
2000-01	j) 23,927.7	424.0	30.0 m)	120.0	24,501.7
2001-02	k) 25,763.0	762.9	40.0 m)	-	26,565.9
2002-03	l) 26,205.0	881.2	66.5 m)	-	27,152.7
2003-04	27,801.7	1,533.3	62.0 m)	-	29,397.0
2004-05	29,625.4	1,534.1	62.0 m)	-	31,221.5
2005-06	33,195.9	1,243.7	100.0 m)	-	34,539.6
2006-07	35,344.9	1,316.1	100.0 m)	-	36,761.0
2007-08	40,737.1	725.7	100.0 m)	-	41,562.8
2008-09	43,992.6	338.2	100.0 m)	-	44,430.8
2009-10	42,540.4	791.9 n)	50.0 m)	-	43,382.3
2010-11	43,391.1	536.2 n)	50.0 m)	-	43,977.3
2011-12	50,851.3	809.5 n)	50.0 m)	-	51,710.8
2012-13	51,301.1	283.3 n)	50.0 m)	-	51,634.4
2013-14	49,590.9	-	-	-	49,590.9
2014-15	51,515.9	-	-	-	51,515.9

a) Includes $25.8 million transferred from the General Fund to the Highway Fund.
b) Includes emergency appropriation for the Department of Correction.
c) Includes $75 million from legislative bonds.
d) Includes $45 million from legislative bonds and $112.5 million from prison bonds.
e) Includes $214.2 million for June 1994 payroll restoration 1993-94/$120 million for teacher payroll restoration 1994-95.
f) Includes $87.5 million from prison bonds.
g) Includes $4.7 million for community colleges from the 1997 Session of the General Assembly.
h) Includes public school bonds and highway bonds ($700.0 million in 1997-98 and $450.0 million in 1998-99).
i) Includes $450.0 million for public schools bonds in 1999-00 and $200 million for Clean Water and Natural Gas Bonds.
j) Includes $300 million for Clean Water and Natural Gas Bonds.
k) Includes $250 million for Clean Water and Natural Gas Bonds, $55 million for Public School Bonds, and $300 for University and Community College Bonds.
l) Includes $250 Clean Water and Natural Gas Bonds and $ 600 University and Community College Bonds.
m) Clean Water Management Trust Fund Appropriation.
n) Includes Direct Capital Improvement Appropriations and Bond Proceeds.

Appendix Table 2B

Total Authorized State Budget by Source of Funds, 1974-75 to 2014-15

(In Millions)

Fiscal Year	General Fund	Federal Revenue Sharing	Hwy and Hwy Trust Fund	Federal	Other	Total
1974-75	$ 1,734.6	$ 57.2	$ 392.7	$ 648.6	$ 247.8	$ 3,080.9
1975-76	1,733.2	51.7	422.8	747.6	292.3	3,247.6
1976-77	1,922.4	67.1	414.6	776.8	282.9	3,463.8
1977-78	2,158.0	66.9	433.1	967.9	351.4	3,977.3
1978-79	2,515.4	62.5	461.8	1,042.7	328.5	4,410.9
1979-80	2,787.7	57.0	497.6	1,240.5	448.8	5,031.7
1980-81	3,216.4	28.4	506.1	1,296.5	395.7	5,443.1
1981-82	3,435.0	-	535.0	1,312.7	470.0	5,752.8
1982-83	3,623.6	-	555.6	1,322.3	485.9	5,987.4
1983-84	3,872.6	-	664.0	1,597.4	584.9	6,718.9
1984-85	4,516.6	-	713.6	1,655.8	551.7	7,437.7
1985-86	5,130.5	-	735.5	1,838.1	696.4	8,400.5
1986-87	5,531.3	-	839.4	1,887.4	698.3	8,956.4
1987-88	5,977.9	-	882.4	2,026.8	837.1	9,724.2
1988-89	6,586.1	-	918.7	2,117.4	788.2	10,410.4
1989-90	7,360.0	-	1,236.6	2,366.8	1,033.0	11,996.4
1990-91	8,149.6 1)	-	1,223.8	2,616.8	949.4	12,939.6
1991-92	7,983.0 1)	-	1,323.3	3,127.8	1,176.2	13,610.3
1992-93	8,209.5	-	1,318.4	3,617.6	1,363.2	14,508.7
1993-94	9,405.4	-	1,363.3	4,516.4	1,456.5	16,741.6
1994-95	10,268.4	-	1,480.9	4,639.9	1,580.7	17,969.9
1995-96	10,055.5	-	1,553.4	4,664.4	1,783.3	18,056.6
1996-97	11,252.6 2)	-	1,622.5	4,917.3	1,987.8	19,780.2
1997-98	12,015.3 3)	-	2,025.5	5,220.4	1,863.6	21,124.8
1998-99	13,561.6 3)	-	1,807.6	5,465.3	1,797.1	22,631.6
1999-00	14,561.7 3)	-	1,878.8	5,951.1	1,898.8	24,290.4
2000-01	14,350.1 3)	-	2,058.8	6,134.4	1,958.4	24,501.7
2001-02	15,135.3 3)	-	2,121.1	7,066.3	2,243.2	26,565.9
2002-03	15,205.1 3)	-	1,900.0	7,676.5	2,371.0	27,152.6
2003-04	15,930.8 3)	-	2,477.7	8,465.8	2,522.7	29,397.0
2004-05	17,107.3 3)	-	2,469.6	8,967.1	2,677.5	31,221.5
2005-06	18,033.9 3)	-	2,744.7	9,972.0	3,789.0	34,539.6
2006-07	19,319.5 3)	-	2,836.9	10,495.7	4,108.9	36,761.0
2007-08	20,734.6 3)	-	2,857.8	11,476.1	6,494.3	41,562.8
2008-09	20,694.2 3)	-	2,845.1	11,923.9	6,183.8	41,647.0
2009-10	19,801.9 3)	-	2,491.8	14,191.0	6,897.6	43,382.3
2010-11	19,483.9 3)	-	2,631.4	14,758.0	7,104.1	43,977.3
2011-12	20,707.5 3)	-	2,834.3	18,100.4 4)	10,068.6	51,710.8
2012-13	20,662.1 3)	-	2,946.2	18,058.2 4)	9,960.9	51,627.4
2013-14	20,601.7	-	2,824.8	16,135.2	10,029.2	49,590.9
2014-15	21,334.5	-	2,781.9	16,126.0	11,305.8	51,515.9

1) Includes legislative bonds for capital improvements.
2) Includes $4.7 million from the 1997 Session of the General Assembly and general obligation bonds.
3) Includes general obligation bonds.
4) Includes an increase of $4.4 billion in Federal funds for the ESC-Trust Fund for Claims & Benefits

Appendix Table 2C

Authorized General Fund Appropriations, 1968-69 to 2014-15

(In Millions)

(Including Federal Revenue Sharing and Anti-Recession Revenues)

Fiscal Year	Operating	Percent Change	Total	Percent Change
1968-69	$ 735.1	8.2	$ 735.1	(7.1)
1969-70	894.0	21.6	969.6	31.9
1970-71	961.4	7.5	961.4	(0.8)
1971-72	1,087.1	13.1	1,152.0	19.8
1972-73	1,173.6	8.0	1,173.6	1.9
1973-74	1,520.7	29.6	1,712.5	45.9
1974-75	1,698.4	11.7	1,791.8	4.6
1975-76	1,756.2	3.4	1,784.9	(0.4)
1976-77	1,944.4	10.7	1,989.5	11.5
1977-78	2,193.5	12.8	2,224.9	11.8
1978-79	2,451.9	11.8	2,577.9	15.9
1979-80	2,760.3	12.6	2,844.7	10.3
1980-81	3,140.9	13.8	3,244.8	14.1
1981-82	3,404.8	8.4	3,435.0	5.9
1982-83	3,557.8	4.5	3,623.6	5.5
1983-84	3,797.8 [1]	6.7	3,857.6	6.5
1984-85	4,304.0	13.3	4,516.6	17.1
1985-86	4,877.0	13.3	5,130.5	13.6
1986-87 [2]	5,233.7	7.3	5,531.6	7.8
1987-88	5,813.1	11.1	5,977.9	8.1
1988-89	6,302.4	8.4	6,561.1	9.8
1989-90	6,883.0	9.2	7,360.0	12.2
1990-91	7,249.5	5.3	8,074.6	9.7
1991-92	7,350.5	1.0	7,825.5	(3.1)
1992-93	7,877.5	7.0	8,209.5	4.9
1993-94	8,674.5	10.1	9,317.9	13.5
1994-95	9,662.2	11.4	10,268.4	10.2
1995-96	9,793.1	1.4	10,031.6	(2.3)
1996-97 [3]	10,450.4	6.7	10,607.6	5.7
1997-98 [4]	11,258.5	7.7	11,585.8	9.2
1998-99	12,333.5	9.5	13,111.6	13.2
1999-00	13,381.6	8.5	14,237.7	6.1
2000-01	13,785.1	3.0	14,050.1	(1.3)
2001-02	14,372.4 [5]	4.3	14,530.3	3.4
2002-03	14,323.9	(0.3)	14,355.1	(1.2)
2003-04	14,835.6	3.6	14,863.2	3.5
2004-05	15,873.2	7.0	15,918.4	7.1
2005-06	17,126.4	7.9	17,181.4	7.9
2006-07	18,659.7	9.0	18,866.0	9.8
2007-08	20,428.9	9.5	20,659.6	9.5
2008-09	21,226.9	3.9	21,356.0	3.4
2009-10	19,010.1	(10.4)	19,801.9	(7.3)
2010-11	18,947.7	(0.3)	18,958.9	(4.3)
2011-12	19,898.0	5.0	19,902.5	5.0
2012-13	20,378.8	2.4	20,378.8	2.4
2013-14	20,601.7	1.1	20,601.7	1.1
2014-15	21,334.5	3.6	21,334.5	3.6

1) Includes $25.8 million transferred to the Highway Fund.

2) Includes $240,101 for Department of Correction emergency appropriation for operating budget and $15,125,690 for capital improvements.

3) Includes $4.7 million for Department of Community Colleges appropriation for operating budget.

4) Includes $20.5million - SIPS for Year 2000.

5) Effective 7/1/02, the General Assembly established an annual General Fund appropriation for the Clean Water Mgmt. Trust Fund, as such, funding for this program is included in Total Current Operations.

Appendix Table 3A

Actual General Fund Tax and Nontax Revenue, 1974-75 to 2012-13

(In Millions)

(Excludes Federal Revenue Sharing and Federal Anti-Recession Funds)

Fiscal Year	Tax Revenues	Percent Increase Over Previous Year	Tax and Nontax Revenues [1]	Percent Increase
1980-81	2,846.0	7.84%	2,995.4	7.54%
1981-82	3,077.7	8.14%	3,229.5	7.82%
1982-83	3,279.0	6.54%	3,403.8	5.40%
1983-84	3,814.4	16.33%	3,957.3	16.26%
1984-85	4,336.7	13.69%	4,527.1	14.40%
1985-86	4,694.5	8.25%	4,910.9	8.48%
1986-87	5,180.6	10.35%	5,392.1	9.80%
1987-88	5,551.3	7.16%	5,804.5	7.65%
1988-89	5,928.5	6.79%	6,154.5	6.03%
1989-90	6,561.4	10.68%	6,988.4	13.55%
1990-91	6,692.5	2.00%	7,207.8	3.14%
1991-92	7,438.4	11.15%	7,817.0	8.45%
1992-93	7,883.0	5.98%	8,292.8	6.09%
1993-94	8,516.8	8.04%	9,102.3	9.76%
1994-95	9,365.8	9.97%	9,969.9	9.53%
1995-96	9,458.8	0.99%	10,090.3	1.21%
1996-97	10,239.1	8.25%	10,933.9	8.36%
1997-98	11,092.4	8.33%	11,727.1	7.25%
1998-99	11,965.3	7.87%	12,753.3	8.75%
1999-00	12,391.0	3.56%	13,135.0	2.99%
2000-01	12,573.1	1.47%	13,451.9	2.41%
2001-02	12,444.7	-1.02%	13,510.0	0.43%
2002-03	13,117.2	5.40%	14,246.1 [3]	5.45%
2003-04	13,830.7	5.44%	14,936.5 [3]	4.85%
2004-05	15,477.6	11.91%	16,326.5	9.31%
2005-06	17,020.5	9.97%	17,874.3	9.48%
2006-07	18,712.1	9.94%	19,460.0	8.87%
2007-08	18,832.2	0.64%	19,824.1	1.87%
2008-09	16,779.1	-10.90%	19,145.7	-3.42%
2009-10	17,745.0	5.76%	18,657.3	-2.55%
2010-11	18,092.2 [2]	1.96%	18,977.9	1.72%
2011-12	18,871.4 [2]	4.31%	19,579.2	3.17%
2012-13	19,837.4 [2]	3.75%	20,554.6	4.98%

1) Nontax revenue includes transfers from the Highway Fund and Highway Trust Fund and Capital Improvement appropriations returned to the General Fund.

2) Authorized Budgeted Revenues

3) Includes $136.9 million transfer in of Federal Fiscal Relief Funds.

Appendix Table 3B

Actual Highway Fund State Tax and Nontax Revenue, 1974-75 to 2012-13

(In Millions)

Fiscal Year	Motor Fuel Taxes	Licenses, Fees, and Other Revenue	Treasurer's Investments	Total Revenue	Annual Percentage Change
1974-75	265.8	95.2	23.9	384.9	10.0%
1975-76	286.4	103.8	15.1	405.4	5.3%
1976-77	298.3	106.5	11.9	416.6	2.8%
1977-78	312.0	114.2	9.9	436.2	4.7%
1978-79	322.8	120.5	21.7	465.0	6.6%
1979-80	304.0	125.7	17.9	447.6	-3.7%
1980-81	291.2	130.0	13.9	435.1	-2.8%
1981-82	380.8	151.7	22.3	554.8	27.5%
1982-83	388.6	161.1	28.5	578.2	4.2%
1983-84	411.8	200.0	30.2	642.0	11.0%
1984-85	421.7	212.7	33.3	667.7	4.0%
1985-86	438.7	219.7	26.5	684.9	2.6%
1986-87	569.3	234.3	26.2	829.8	21.2%
1987-88	612.2	250.5	33.9	896.6	8.1%
1988-89	625.8	257.2	30.7	913.7	1.9%
1989-90	619.7	257.9	26.6	904.2	-1.0%
1990-91	629.4	252.6	21.4	903.4	-0.1%
1991-92	650.6	273.6	19.6	943.8	4.5%
1992-93	648.8	275.9	17.6	942.3	-0.16%
1993-94	677.6	283.8	18.4	979.8	4.0%
1994-95	681.1	295.6	19.7	996.5	1.7%
1995-96	709.2	320.4	19.7	1,049.3	5.3%
1996-97	742.8	320.2	13.1	1,076.1	2.6%
1997-98	774.5	328.4	10.1	1,113.0	3.4%
1998-99	775.5	340.0	15.5	1,131.0	1.6%
1999-00	793.5	352.5	18.6	1,164.6	3.0%
2000-01	880.8	364.3	15.4	1,260.5	8.2%
2001-02	901.3	379.7	17.2	1,298.2	3.0%
2002-03	861.9	379.4	18.8	1,260.1	-2.9%
2003-04	949.6	400.9	11.5	1,362.0	8.1%
2004-05	975.1	423.3	9.5	1,407.9	3.4%
2005-06	1,108.6	558.0	14.1	1,680.7	19.4%
2006-07	1,199.7	601.0	24.8	1,825.5	8.6%
2007-08	1,194.5	597.1	10.5	1,802.1	-1.3%
2008-09	1,189.5	610.9	10.5	1,810.9	0.5%
2009-10	1,158.0	558.6	15.2	1,731.8	-4.4%
2010-11 [1]	1,193.7	592.8	6.0	1,792.5	3.5%
2011-12 [1]	1,305.9	586.8	6.0	1,898.7	5.9%
2012-13 [1]	1,367.2	594.3	6.0	1,967.5	3.6%

1) Authorized

Appendix Table 3C

Actual Highway Trust Fund Tax and Nontax Revenue, 1989-90 to 2012-13

(In Millions)

Fiscal Year	Gasoline Tax	Highway Use Tax	Other Revenue	Treasurer's Investments	Total Revenue	Annual Percentage Change
1989-90	$ 184.9	$ 164.7	$ 51.5	$ 7.4	$ 408.5	-
1990-91	206.6	231.1	55.4	20.8	513.9	25.80%
1991-92	213.4	242.4	58.4	23.1	537.3	4.55%
1992-93	212.4	273.3	62.2	24.1	572.0	6.46%
1993-94	222.0	330.5	68.1	22.5	643.1	12.43%
1994-95	223.0	364.6	77.1	28.7	693.4	7.82%
1995-96	232.7	396.0	76.7	32.7	738.1	6.45%
1996-97	243.7	407.6	85.7	35.7	772.7	4.69%
1997-98	254.6	453.3	87.0	40.9	835.8	8.17%
1998-99	254.7	489.5	90.3	39.3	873.8	4.55%
1999-00	260.7	545.3	93.2	37.4	936.6	7.19%
2000-01	289.6	545.2	90.6	41.4	966.8	3.22%
2001-02	296.3	555.3	90.7	31.5	973.8	0.72%
2002-03	283.1	552.7	90.9	11.7	938.4	-3.64%
2003-04	310.8	578.4	95.9	8.9	994.0	5.92%
2004-05	334.0	587.0	97.2	6.8	1,025.0	3.12%
2005-06	362.6	611.1	113.0	6.5	1,093.2	6.65%
2006-07	397.5	605.0	110.4	3.3	1,116.2	2.10%
2007-08	393.1	621.0	113.1	1.1	1,128.3	1.08%
2008-09	394.8	570.0	106.2	2.1	1,073.1	-4.89%
2009-10	381.9	440.9	85.3	1.0	909.15	-15.28%
2010-11	1) 393.4	445.0	88.9	1.4	928.73	2.15%
2011-12	1) 430.5	474.3	91.5	1.0	997.26	7.38%
2012-13	1) 450.9	485.0	93.4	1.0	1,030.34	3.32%

1) Authorized

Appendix Table 3D

Forecast and Actual General Fund Tax and Nontax Revenue, 1990-91 to 2011-12

(In Millions)

Fiscal Year	Actual Tax Revenues	Forecast Tax Revenues	Percent Difference	Actual Tax and Nontax Revenues (1)	Forecast Tax and Nontax Revenues	Percent Difference
1990-91	6,692.5	7,357.4	-9.9%	7,207.8	7,852.4	-8.9%
1991-92	7,438.4	7,432.9	0.1%	7,817.0	7,825.5	-0.1%
1992-93	7,883.0	7,692.5	2.4%	8,292.8	8,089.6	2.5%
1993-94	8,516.8	8,360.9	1.8%	9,102.3	8,927.8	1.9%
1994-95	9,365.8	9,090.6	2.9%	9,969.9	9,653.0	3.2%
1995-96	9,458.8	9,164.5	3.1%	10,090.3	9,769.7	3.2%
1996-97	10,239.1	9,729.0	5.0%	10,933.9	10,395.8	4.9%
1997-98	11,092.4	10,561.3	4.8%	11,727.1	11,193.6	4.5%
1998-99	11,965.3	11,589.5	3.1%	12,733.8	12,368.8	2.9%
1999-00	12,391.0	12,468.0	-0.6%	13,135.0	13,275.9	-1.1%
2000-01	12,573.1	13,214.3	-5.1%	13,451.9	14,164.6	-5.3%
2001-02	12,444.7	13,956.1	-12.1%	13,510.0 (2)	14,713.1	-8.9%
2002-03	13,117.2	13,314.9	-1.5%	14,246.1 (3)	14,330.2	-0.6%
2003-04	13,830.7	13,512.0	2.3%	14,936.5	14,694.2	1.6%
2004-05	15,477.6	14,740.4	4.8%	16,326.5	15,645.2	4.2%
2005-06	17,020.5	15,988.5	6.1%	17,874.3	16,816.3	5.9%
2006-07	18,712.1	17,432.1	6.8%	19,460.0	18,116.6	6.9%
2007-08	18,832.2	18,839.5	0.0%	19,824.1	19,755.7	0.3%
2008-09	16,778.9	19,839.4	-18.2%	17,626.6	20,849.7	-18.3%
2009-10	17,745.0	18,055.2	-1.7%	18,635.8	18,926.6	-1.6%
2010-11	18,380.1	18,092.2	1.6%	19,156.6	18,977.9	0.9%
2011-12	18,464.4	17,987.7	2.6%	19,532.4	19,141.9	2.0%

1) Nontax revenue includes transfers from the Highway Fund and Highway Trust Fund and Capital Improvement appropriations returned to the General Fund.
2) Includes $352.1 million in transfers.
3) Includes $136.9 million transfer in of Federal Fiscal Relief Funds.

Appendix Table 4A

North Carolina's Bond Indebtedness, 1968-69 to 2011-12

Fiscal Year	Bond Indebtedness* General Fund	Highway Fund	Total	Per Capita
1974-75	215,370,000	181,000,000	396,370,000	72.54
1975-76	305,870,000	163,000,000	468,870,000	84.66
1976-77	418,900,000	145,000,000	563,900,000	100.73
1977-78	530,600,000	127,000,000	657,600,000	115.90
1978-79	507,200,000	164,000,000	671,200,000	116.82
1979-80	533,300,000	201,000,000	734,300,000	126.43
1980-81	574,750,000	179,000,000	753,750,000	128.19
1981-82	544,200,000	219,000,000	763,200,000	128.15
1982-83	582,700,000	323,000,000	905,700,000	150.48
1983-84	630,900,000	306,500,000	937,400,000	154.25
1984-85	589,200,000	290,000,000	879,200,000	142.62
1985-86	548,500,000	272,500,000	821,000,000	131.26
1986-87	508,000,000	254,000,000	762,000,000	120.51
1987-88	525,500,000	250,000,000	775,500,000	121.06
1988-89	481,410,000	226,750,000	708,160,000	109.23
1989-90	457,698,902	202,730,000	660,428,902	100.54
1990-91	412,038,903	175,965,000	588,003,903	88.66
1991-92	441,378,903	148,635,000	590,013,903	87.44
1992-93	548,678,902	118,695,000	667,373,902	97.67
1993-94	493,678,902	87,055,000	580,733,902	83.59
1994-95	936,191,005	55,285,000	991,476,005	140.40
1995-96	990,245,681	29,445,000	1,019,690,681	141.90
1996-97	940,252,373	4,895,000	945,147,373	129.32
1997-98	1,508,215,259	-	1,508,215,259	202.97
1998-99	1,867,480,343	250,000,000	2,117,480,343	280.56
1999-00	2,212,108,040	233,325,000	2,445,433,040	319.64
2000-01	2,286,848,925	216,650,000	2,503,498,925	305.82
2001-02	2,832,409,153	199,975,000	3,032,384,153	370.42
2002-03	3,274,944,986	183,300,000	3,458,244,986	415.65
2003-04	3,892,442,828	166,625,000	4,059,067,828	479.99
2004-05	5,697,359,000 c)	811,430,000	6,508,789,000	769.67
2005-06	5,738,094,000 c)	756,755,000	6,494,849,000	748.51
2006-07	5,901,961,474 d)	702,080,000	6,604,041,474	761.10
2007-08	4,885,609,403 e)	648,025,000	5,533,634,403	766.00
2008-09	4,575,330,000 f)	593,935,000	5,169,265,000	768.00
2009-10	4,742,737,008 g)	527,922,992	5,270,660,000	851.00
2010-11	4,381,500,280 h)	464,704,220	4,846,204,500	879.00
2011-12	4,062,400,000 i)	408,100,000	4,470,500,000	914.00

*The State Treasure's Annual Report and Offical Statement of the State Treasurer as of June 30 for the following fiscal year.

a) Includes $60 million from bond anticipation notes.
b) Includes $120 million from bond anticipation notes.
c) Information obtained from CAFR as the most current DST Annual Report is for FY 2005.
d) Information obtained from 2008 Debt Affordability Study
e) Information obtained from 2009 Debt Affordability Study
f) Information obtained from 2010 Debt Affordability Study
g) Information obtained from 2011 Debt Affordability Study
h) Information obtained from 2012 Debt Affordability Study
i) Information obtained from 2013 Debt Affordability Study

Appendix Table 4B

Total North Carolina Budget for Debt Services, 1980-81 to 2014-15

Fiscal Year	Authorized Budget General Fund	Highway Fund	Total	Per Capita*
1980-81	62,173,700	30,329,757	92,503,457	15.73
1981-82	65,062,550	30,062,040	95,124,590	15.97
1982-83	75,020,500	38,772,567	113,793,067	18.91
1983-84	79,525,500	38,288,000	117,813,500	19.39
1984-85	76,077,250	38,401,500	114,478,750	18.57
1985-86	75,781,250	38,445,500	114,226,750	18.26
1986-87	64,506,250	38,445,500	102,951,750	16.28
1987-88	73,929,627	32,453,812	106,383,439	16.61
1988-89	71,636,370	37,295,105	108,931,475	16.80
1989-90	69,083,445	38,491,163	107,574,608	16.38
1990-91	71,259,383	37,392,600	108,651,983	16.10
1991-92	79,683,770	38,227,230	117,911,000	17.47
1992-93	89,020,478	38,018,250	127,038,728	18.59
1993-94	92,263,558	37,359,875	129,623,433	18.66
1994-95	114,837,478	27,631,295	142,468,773	20.17
1995-96	131,836,603	25,133,780	156,970,383	21.84
1996-97	129,326,640	4,978,215	134,304,855	18.38
1997-98	165,973,573	-	165,973,573	22.34
1998-99	199,286,633	28,357,925	227,644,558	30.16
1999-00	242,910,930	27,607,550	270,518,480	41.66
2000-01	268,834,550	26,857,175	295,691,725	36.12
2001-02	301,428,690	26,106,800	327,535,490	40.01
2002-03	300,016,860	25,356,425	325,373,285	39.11
2003-04	403,285,920	33,706,050	436,991,970	52.52
2004-05	489,914,203	69,589,925	559,504,128	66.16
2005-06	581,837,505	93,449,000	675,286,505	79.85
2006-07	615,382,280	91,198,625	706,580,905	81.43
2007-08	658,128,668	88,128,250	746,256,918	84.54
2008-09	685,745,499	85,460,500	771,205,999	87.37
2009-10	721,999,019	82,731,000	804,730,019	86.81
2010-11	785,563,689	79,992,750	865,556,439	93.37
2011-12	697,953,568	58,104,938	756,058,506	81.56
2012-13	784,375,261	58,161,288	842,536,549	90.89
2013-14	718,109,996	86,322,962	804,432,958	86.77
2014-15	718,904,360	86,322,962	805,227,322	86.86

* Based on July 1 population estimates.

Appendix Table 5

Trends in the Total State Budget, 1977-78 to 2014-15

(In Millions)

Fiscal Year	Public Education	Higher Education	Community Colleges	Human Services	Transportation	Correction	Public Safety	All Other Agencies	Debt Service	Reserves *	Capital	Other	Total
1977-78	$1,192.3	$540.1	$136.3	$902.5	$536.2	$95.3	0.0	419.1	76.7	3.1	75.6	-	3,977.2
1978-79	1,307.5	584.5	161.4	1,007.9	571.3	106.1	0.0	450.2	82.7	9.3	130.1	-	4,411.0
1979-80	1,487.9	644.3	165.2	1,213.2	595.8	123.5	0.0	545.6	84.9	8.2	153.8	-	5,022.4
1980-81	1,655.8	727.4	195.3	1,315.2	611.4	144.8	0.0	594.5	92.5	5.8	110.7	-	5,453.4
1981-82	1,768.2	821.0	219.4	1,411.2	617.4	162.7	0.0	610.5	99.2	8.8	31.8	-	5,750.2
1982-83	1,798.5	856.4	232.0	1,462.2	626.8	176.1	0.0	640.7	114.2	11.4	72.4	-	5,990.7
1983-84	1,906.6	944.4	261.7	1,601.3	864.3	190.5	0.0	698.4	117.8	2.9	116.0	-	6,703.9
1984-85	2,170.4	1,058.9	288.2	1,719.6	893.4	212.7	0.0	755.1	114.5	6.3	234.1	-	7,453.2
1985-86	2,501.4	1,219.8	304.7	1,945.6	908.1	244.3	0.0	843.4	114.2	21.1	298.0	-	8,400.6
1986-87	2,660.6	1,300.7	337.1	2,032.8	1,005.7	261.7	0.0	909.9	98.2	15.8	334.0	-	8,956.5
1987-88	2,939.7	1,414.4	358.9	2,251.2	1,086.1	306.0	0.0	972.4	111.9	18.7	265.3	-	9,724.6
1988-89	3,230.8	1,483.2	364.7	2,435.8	1,111.7	343.1	0.0	1,012.7	108.9	2.6	316.9	-	10,410.4
1989-90	3,468.2	1,662.2	403.2	2,695.5	1,399.1	380.8	0.0	1,270.4	107.6	-	377.6	231.8	11,996.4
1990-91	3,672.0	1,700.0	433.5	3,012.3	1,378.5	428.0	0.0	1,289.8	108.7	147.3	292.5	476.8	12,939.5
1991-92	3,688.6	1,647.3	410.7	3,661.6	1,512.3	484.8	0.0	1,375.7	117.9	0.9	242.6	468.0	13,610.4
1992-93	3,829.0	1,728.9	476.8	4,244.2	1,614.3	517.2	0.0	1,437.0	127.0	(5.4)	274.5	232.4	14,508.7
1993-94	4,128.2	1,850.9	504.0	5,289.4	1,727.9	577.4	0.0	1,701.9	129.6	221.5	910.1	236.8	17,277.7
1994-95	4,417.1	1,932.9	534.6	5,616.5	1,850.1	732.5	0.0	1,859.3	142.5	235.0	592.6	236.8	18,149.9
1995-96	4,477.5	2,035.1	546.1	5,910.1	1,917.5	815.4	0.0	1,735.0	157.0	6.9	456.0	-	18,056.6
1996-97	4,783.6	2,121.3	576.6	6,324.4	1,987.6	833.3	0.0	1,764.2	135.4	135.6	1,118.0 #	-	19,780.2
1997-98	5,191.6	2,262.6	610.6	6,955.9	2,106.4	831.0	0.0	1,693.5	167.2	104.6	1,201.4 #	-	21,124.8
1998-99	5,549.9	2,321.1	659.9	7,604.9	2,125.4	859.0	0.0	1,759.0	200.4	221.1	883.5 #	447.4	22,631.6
1999-00	6,033.2	2,473.6	681.5	7,814.7	2,492.9	899.2	0.0	1,922.5	244.1	222.6	877.1 #	629.0	24,290.4
2000-01	6,366.8	2,555.3	724.1	8,213.6	2,635.8	883.0	0.0	1,904.8	270.0	494.3	424.0 #	30.0	24,501.7
2001-02	6,635.5	2,781.0	772.1	9,567.5	2,808.3	933.3	0.0	1,949.5	302.6	13.2	762.9 #	40.0	26,565.9
2002-03	6,534.6	2,814.1	825.6	10,404.5	2,598.5	890.6	0.0	1,841.3	301.2	(5.4)	881.2 #	66.5	27,152.7
2003-04	6,995.3	3,016.8	832.9	10,581.2	2,800.8	950.7	0.0	1,907.6	438.1	278.3	1,533.3 #	62.0	29,397.0
2004-05	7,118.6	3,103.5	880.6	11,553.0	2,831.3	959.1	0.0	1,973.7	561.1	644.4	1,534.2 #	62.0	31,221.5
2005-06	7,541.9	3,480.3	997.1	13,025.8	3,336.3	1,122.1	0.0	2,452.3	676.9	563.2	1,243.7 #	100.0	34,539.6
2006-07	7,654.9	3,656.9	1,032.1	13,732.1	3,420.7	1,175.5	0.0	2,601.4	708.2	1,363.1	1,316.1 #	100.0	36,761.0
2007-08	9,212.7	4,320.2	1,144.6	15,440.1	3,483.7	1,235.4	0.0	4,395.5	746.3	758.6	725.7 #	100.0	41,562.8
2008-09	9,406.3	4,394.2	1,151.4	15,905.8	3,483.9	1,347.8	0.0	6,403.4	771.2	1,128.7	338.2 #	100.0	44,430.8
2009-10	10,097.0	3,781.5	1,272.1	15,564.9	3,144.1	1,478.4	0.0	6,143.7	828.5	230.3	791.9 #	50.0	43,382.3
2010-11	9,726.2	3,806.9	1,398.5	16,261.9	3,296.3	1,447.0	0.0	6,115.8	878.0	460.5	536.2 #	50.0	43,977.3
2011-12	9,717.7	3,996.0	1,344.8	16,715.3	4,579.7	1,516.8	0.0	11,887.1 a	900.7	193.0	809.5 #	50.0	51,710.8
2012-13	9,743.9	4,008.6	1,350.5	16,927.6	4,571.5	1,523.1	0.0	11,864.3 a	966.9	337.7	283.3 #	50.0	51,627.4
2013-14	10,792.6	4,009.7	1,429.5	17,040.6	3,865.4	0.0	2,058.4 b	8,880.7	936.1	527.1	50.1 #	0.0	49,590.2
2014-15	11,013.8	4,045.7	1,438.5	17,246.0	5,081.7	0.0	2,064.6 b	8844.63	917.82	693.23	169.9 #	0	51,515.9

* Includes funds transferred to the Reserve for Budget Stabilization.
\# Includes General Obligation Bonds

a) Includes an increase of $4.4 billion in Federal funds for the ESC-Trust Fund for Claims & Benefits
b) Department of Corrections, Juvenile Justice and Crime Control and Public Safety merged in 2013 into the Department of Public Safety.

Note: Other includes Local Government Transfer and Appropriated Reserves (Repair and Renovation is included under capital).

Appendix Table 5a

Trends in the State General Fund Budget, 2011-12 to 2014-15

(In Millions)

Fiscal Year	Public Education	Higher Education	Community Colleges	Human Services	Transportation	Correction	Public Safety	All Other Agencies	Debt Service	Reserves *	Capital	Other	Total
2011-12	7,572.7	2,657.8	1,016.6	4,715.2	0.0	1,366.7	0.0	1,677.90 [a]	698.0	193.0	809.5 #	0.0	20,707.5
2012-13	7,598.6	2,670.5	1,022.3	4,937.5	0.0	1,373.1	0.0	1,654.88 [a]	784.4	337.7	283.3 #	0.0	20,662.1
2013-14	7,899.8	2,520.6	1,026.8	4,758.9	0.0	0.0	1,708.8 [b]	1,417.47	718.1	519.1	0.0 #	0.0	20,569.6
2014-15	8,119.8	2,556.6	1,035.8	4,964.3	0.0	0.0	1,713.1 [b]	1,382.92	718.9	624.1	0.0 #	0	21,115.4

* Includes funds transferred to the Reserve for Budget Stabilization.
\# Includes General Obligation Bonds

a) Includes an increase of $4.4 billion in Federal funds for the ESC-Trust Fund for Claims & Benefits
b) Department of Corrections, Juvenile Justice and Crime Control and Public Safety merged in 2013 into the Department of Public Safety.

Note: Other includes Local Government Transfer and Appropriated Reserves (Repair and Renovation is included under capital).

Appendix Table 6A

North Carolina State General Fund Operating Appropriation For Public Schools, Community Colleges, and Higher Education, 1981-82 to 2014-15

(Including Carry-Forwards for Encumbrances)

Year	General Fund Total Current Operations#	Public Schools Amount	Public Schools Percent	Community Colleges Amount	Community Colleges Percent	Higher Education Amount	Higher Education Percent	Percent of Total Education	Other
1981-82	3,401,694,904	1,495,263,953	44.0	194,452,082	5.7	567,573,821	16.7	66.4	1,144,405,048
1982-83	3,561,142,890	1,515,742,033	42.6	205,585,837	5.8	599,235,054	16.8	65.2	1,240,579,966
1983-84	3,812,808,921	1,620,044,340	42.5	232,195,091	6.1	653,091,405	17.1	65.7	1,307,478,085
1984-85	4,319,568,173	1,886,700,077	43.7	259,101,105	6.0	746,998,910	17.3	67.0	1,426,768,081
1985-86	4,877,060,744	2,185,803,123	44.8	281,875,727	5.8	840,311,094	17.2	67.8	1,569,070,800
1986-87	5,233,578,633	2,346,139,866	44.8	307,102,490	5.9	909,134,150	17.4	68.1	1,671,202,127
1987-88	5,805,245,729	2,639,237,658	45.5	326,296,294	5.6	980,746,492	16.9	68.0	1,858,965,285
1988-89	6,302,733,865	2,930,643,886	46.5	332,064,381	5.3	1,039,510,499	16.5	68.3	2,000,515,099
1989-90	6,883,003,393	3,134,428,205	45.5	365,537,274	5.3	1,109,917,895	16.1	67.0	2,273,120,019
1990-91	7,249,549,110	3,329,171,720	45.9	387,611,956	5.3	1,143,216,957	15.8	67.0	2,389,548,477
1991-92	7,350,501,134	3,293,699,663	44.8	344,131,858	4.7	1,121,976,740	15.3	64.8	2,590,692,873
1992-93	7,881,908,182	3,435,634,234	43.6	398,689,471	5.1	1,170,947,533	14.9	63.5	2,876,636,944
1993-94	8,674,510,752 a)	3,632,087,114	41.9	423,253,702	4.9	1,229,449,670	14.2	60.9	3,389,720,266
1994-95	9,595,509,023 a)	3,962,959,317 b)	41.3	455,651,184	4.7	1,296,558,991	13.5	59.6	3,880,339,531
1995-96	9,793,062,378	3,998,978,216	40.8	470,880,697	4.8	1,301,040,079	13.3	58.9	4,022,163,386
1996-97	10,450,411,229	4,301,626,282	41.2	501,802,184	4.8	1,385,611,961	13.3	59.2	4,261,370,802
1997-98	11,258,582,548	4,697,892,305	41.7	534,873,175	4.8	1,489,866,397	13.2	59.7	4,535,950,671
1998-99	12,327,025,974	5,068,634,951	41.1	587,542,475	4.8	1,628,888,154	13.2	59.1	5,041,960,394
1999-00 c)	13,441,610,285	5,497,075,780	40.9	589,634,008	4.4	1,682,143,914	12.5	57.8	5,672,756,583
2000-01 d)	13,785,142,760	5,851,733,197 f)	42.4	651,456,631	4.7	1,778,278,150	12.9	60.1	5,503,674,782
2001-02 e)	14,309,884,168	5,922,505,768 f)	41.4	650,089,707	4.5	1,802,904,395	12.6	58.5	5,934,384,298
2002-03 d)	14,323,937,462	5,946,490,760 f)	41.5	669,281,390	4.7	1,768,097,109	12.3	58.5	5,940,068,203
2003-04	14,835,621,783	6,114,518,997 f,d)	41.2	665,027,719	4.5	1,792,141,661	12.1	57.8	6,263,933,406
2004-05	15,873,167,528	6,287,744,646 f,d)	39.6	691,811,541	4.4	1,878,813,497	11.8	55.8	7,014,797,844
2005-06	17,126,460,791	6,721,053,466 f,d)	39.2	817,427,539 d)	4.8	2,126,803,399	12.4	56.4	7,461,176,387
2006-07	18,659,616,984	7,096,499,112 f,d)	38.0	893,085,886 d)	4.8	2,365,613,366 d)	12.7	55.5	8,304,418,620
2007-08	20,428,846,612	7,949,900,491 f,d)	38.9	938,106,160	4.6	2,626,271,017	12.9	56.4	8,914,568,944
2008-09	21,226,885,372	7,993,668,839 f,d)	37.7	961,282,701 d)	4.5	2,756,110,358 d)	13.0	55.2	9,515,823,474
2009-10	19,010,057,199	7,458,261,240 f,d)	39.2	999,833,122	5.3	2,706,834,335	14.2	58.7	7,845,128,502
2010-11	18,947,720,772	7,085,588,912 f,d)	37.4	1,055,135,961	5.6	2,666,935,206	14.1	57.0	8,140,060,693
2011-12	19,898,013,097	7,572,712,912 f,d)	38.1	1,016,629,522	5.1	2,657,835,835	13.4	56.5	8,650,834,828
2012-13	20,378,817,261	7,598,568,534 f,d)	37.3	1,022,312,530	5.0	2,670,455,384	13.1	55.4	9,087,480,813
2013-14	20,601,668,604	7,899,768,926 f,d)	38.3	1,026,803,219	5.0	2,520,644,276	12.2	55.6	9,154,452,183
2014-15	21,334,544,066	8,119,774,153 f,d)	38.1	1,035,803,219	4.9	2,556,560,566	12.0	54.9	9,622,406,128

Note: Figures in all categories include compensation increases.
Operating budget excludes capital and local government appropriations.
a) 1993-94 and 1994-95 excludes $214 million (1993-94) and $120 million (1994-95) for payroll restoration.
b) 1994-95 includes $42 million for education technology equipment.
c) 1999-00 includes all appropriation as of June 30, 2000.
d) Amouts include Compensation Increase Reserve.
e) Amounts include Compensation Increase, Health Plan Increase, and Retirement Rate Adjustment.
f) Encumbrance carryforwards for 11th and 12th month are no longer included.

Appendix Table 6B

Five Year Expenditure History and Current Year Authorized Budget

University of North Carolina Budget Codes 16010 - 16095

	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Authorized Budget
Requirements Total	**3,898,211,229**	**3,996,757,571**	**4,063,031,164**	**4,246,422,326**	**4,083,498,975**	**4,240,777,779**
Tuition Receipts	852,700,713	903,449,176	959,392,692	1,130,300,010	1,208,495,560	1,357,616,724
Federal Receipts	25,184,511	189,704,962	159,104,141	139,019,253	20,752,453	25,265,141
Other Receipts	306,593,810	330,040,692	344,137,319	381,889,020	301,653,047	194,333,479
Total Receipts	**1,184,479,034**	**1,423,194,829**	**1,462,634,152**	**1,651,208,282**	**1,530,901,060**	**1,577,215,344**
Appropriation	**2,713,732,194**	**2,573,562,742**	**2,600,397,013**	**2,595,214,044**	**2,552,597,916**	**2,663,562,435**
Tuition Receipts + Appropriation	**3,566,432,907**	**3,477,011,918**	**3,559,789,704**	**3,725,514,054**	**3,761,093,476**	**4,021,179,159**
% Tuition Receipts + Appropriation	**91.5%**	**87.0%**	**87.6%**	**87.7%**	**92.1%**	**94.8%**
% Tuition Receipts	21.87%	22.60%	23.61%	26.62%	29.59%	32.01%
% Federal Receipts	0.65%	4.75%	3.92%	3.27%	0.51%	0.60%
% Other Receipts	7.86%	8.26%	8.47%	8.99%	7.39%	4.58%
% Appropriation	69.61%	64.39%	64.00%	61.12%	62.51%	62.81%

State Authorized Tuition Receipts	$ 852,700,713	$ 903,449,176	$ 959,392,692	$ 1,130,300,010	$ 1,208,495,560	$ 1,357,616,724
State Authorized Appropriation	$ 2,713,732,194	$ 2,573,562,742	$ 2,600,397,013	$ 2,595,214,044	$ 2,552,597,916	$ 2,663,562,435
Subtotal State Funding	**$ 3,566,432,907**	**$ 3,477,011,918**	**$ 3,559,789,704**	**$ 3,725,514,054**	**$ 3,761,093,476**	**$ 4,021,179,159**
Annual $ Change		$ (89,420,989)	$ 82,777,786	$ 165,724,350	$ 35,579,422	260,085,683
Annual % Change		-2.51%	2.38%	4.66%	0.96%	6.92%
$ Increase from 2007-08		$ (89,420,989)	$ (6,643,203)	$ 159,081,147	$ 194,660,569	$ 454,746,252
% Increase from 2007-08		-2.51%	-0.19%	4.46%	5.46%	12.75%

Source: Actuals from June 29 BD701 Reports, 2012-13 Authorized Budget from 2013-15 Continuation Budget Worksheet I Reports

Appendix Table 6C

Five Year Expenditure History and Current Year Authorized Budget
NC Community College System Budget Code 16800

	2007-2008 Actual	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Authorized Budget
Requirements Total	**1,265,196,631**	**1,255,522,929**	**1,283,622,509**	**1,414,755,409**	**1,408,984,454**	**1,458,318,427**
Tuition Receipts	181,647,348	196,651,285	263,204,965	308,175,055	347,167,143	358,856,372
Federal Receipts	27,656,513	28,192,886	29,885,949	34,727,148	28,056,923	36,663,711
Other Receipts	75,022,388	106,276,307	45,272,753	58,043,824	31,678,780	22,376,739
Total Receipts	**284,326,249**	**331,120,478**	**338,363,667**	**400,946,028**	**406,902,845**	**417,896,822**
Appropriation	**980,870,382**	**924,402,451**	**945,258,842**	**1,013,809,381**	**1,002,081,608**	**1,040,421,605**
Tuition Receipts + Appropriation	**1,162,517,730**	**1,121,053,736**	**1,208,463,807**	**1,321,984,437**	**1,349,248,751**	**1,399,277,977**
% Tuition Receipts + Appropriation	**91.9%**	**89.3%**	**94.1%**	**93.4%**	**95.8%**	**96.0%**
%Tuition Receipts	14.36%	15.66%	20.50%	21.78%	24.64%	24.61%
%Federal Receipts	2.19%	2.25%	2.33%	2.45%	1.99%	2.51%
%Other Receipts	5.93%	8.46%	3.53%	4.10%	2.25%	1.53%
%Appropriation	77.53%	73.63%	73.64%	71.66%	71.12%	71.34%

State Authorized Tuition Receipts	181,647,348	196,651,285	263,204,965	308,175,055	347,167,143	358,856,372
State Authorized Appropriation	980,870,382	924,402,451	945,258,842	1,013,809,381	1,002,081,608	1,040,421,605
Subtotal State Funding	**1,162,517,730**	**1,121,053,736**	**1,208,463,807**	**1,321,984,437**	**1,349,248,751**	**1,399,277,977**
Annual $ Change		(41,463,994)	87,410,070	113,520,630	27,264,314	50,029,226
Annual % Change		-3.6%	7.8%	9.4%	2.1%	3.7%
$ Increase from 2007-08		(41,463,994)	45,946,077	159,466,707	186,731,021	236,760,247
% Increase from 2007-08		-3.6%	4.0%	13.7%	16.1%	20.4%

Source: Actuals from June 29 BD701 Reports, 2012-13 Authorized Budget from 2013-15 Continuation Budget Worksheet I Reports

Appendix Table 7A

Total North Carolina State Budget by Function, Department, and Source of Funds, FY 2013-14

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
	Education:					
13510	Public Schools	$ 7,899,768,926	$ 27,222,628	$ 122,356,664	$ 2,716,489,342	$ 10,765,837,560
23510	Public Schools - Special	-	-	6,672,452	-	6,672,452
23511	DPI - School Technology Fund (GF)	-	-	1,088,518	-	1,088,518
23515	DPI - IT Projects	-	-	-	-	-
29110	DPI - Public School Building Fund	-	-	1,972,473	-	1,972,473
63501	DPI - Trust	-	-	1,172,445	-	1,172,445
63503	DPI - Trust - GF	-	-	2,355,344	-	2,355,344
63510	DPI - Trust	-	-	10,250,000	-	10,250,000
63511	DPI - Trust	-	-	140,000	-	140,000
73510	DPI - Internal Service	-	-	3,100,000	-	3,100,000
	Subtotal Public School	**7,899,768,926**	**27,222,628**	**149,107,896**	**2,716,489,342**	**10,792,588,792**
16800	NC Community Colleges (NCCCS)	1,026,803,219	-	378,974,213	20,198,567	1,425,975,999
06800	NCCU Institutional	-	-	26,241	-	26,241
26800	NCCCS - Special Funds	-	-	1,968,500	-	1,968,500
26802	NCCCS - Information Technology	-	-	-	-	-
66800	NCCCS - Trust	-	-	784,050	-	784,050
66801	NCCCS - Special Funds Interest Earning	-	-	746,732	-	746,732
	Subtotal Community Colleges	**1,026,803,219**	**-**	**382,499,736**	**20,198,567**	**1,429,501,522**
160xx	**University System:**					
16010	UNC - GA	34,752,475	-	28,850	-	34,781,325
16011	UNC - Institutional Programs	(116,112,032)	-	(4,298,878)	-	(120,410,910)
16012	UNC - Related Education Programs	109,018,793	-	-	-	109,018,793
16015	UNC-Aid Private Institutions	81,851,588	-	-	-	81,851,588
16020	UNC - CH Academic Affairs	273,208,385	-	269,936,066	346,696	543,491,147
16021	UNC - CH Health Affairs	202,260,403	-	93,737,069	-	295,997,472
16022	UNC - CH Area Health Education	42,418,348	-	-	-	42,418,348
16030	NCSU - Academic	389,047,413	-	307,920,215	200,000	697,167,628
16031	NCSU - Agri. Research Svcs.	54,911,053	-	4,807,403	8,873,550	68,592,006
16032	NCSU - Agri. Extension Svcs.	39,825,861	-	524,949	14,968,697	55,319,507
16040	UNC - Greensboro	153,296,502	-	87,075,653	111,798	240,483,953
16050	UNC - Charlotte	191,185,276	-	124,135,764	150,000	315,471,040
16055	UNC - Asheville	37,465,299	-	18,796,241	10,400	56,271,940
16060	UNC - Wilmington	96,014,220	-	74,466,103	75,075	170,555,398
16065	ECU - Academic	218,854,429	-	156,798,348	145,900	375,798,677
16066	ECU - Health Svcs.	64,841,247	-	6,358,397	-	71,199,644
16070	NC A & T	96,423,834	-	61,889,994	58,714	158,372,542
16075	Western Carolina	82,264,105	-	38,086,075	-	120,350,180
16080	Appalachian State	127,747,265	-	83,995,776	81,502	211,824,543
16082	UNC - Pembroke	53,552,323	-	24,063,663	42,968	77,658,954
16084	Winston Salem State	68,778,852	-	23,392,567	25,000	92,196,419
16086	Elizabeth City State	35,133,311	-	14,367,149	48,400	49,548,860
16088	Fayetteville State	49,336,186	-	19,727,875	-	69,064,061
16090	NC Central	84,084,488	-	44,017,161	163,948	128,265,597
16092	UNC School of the Arts	31,358,470	-	13,186,910	4,550	44,549,930
16094	NC School of Science and Math	19,126,182	-	779,745	-	19,905,927
16095	UNC Hospitals	-	-	-	-	-
56096	UNC Hospitals - Operating Fund	-	-	-	-	-
	Total UNC System	**2,520,644,276**	**-**	**1,463,793,095**	**25,307,198**	**4,009,744,569**
	Total Education	**11,447,216,421**	**27,222,628**	**1,995,400,727**	**2,761,995,107**	**16,231,834,883**
	General Government:					
14100	Administration	78,059,517	-	10,241,217	-	88,300,734
24100	DOA - Special	-		19,847,189	561,964	20,409,153
24102	DOA - Special	-	-	619,526	-	619,526
24105	DOA - Special	-	-	9,500	4,136,259	4,145,759
54100	DOA - Enterprise Fund	-	-	-	-	-
64100	DOA - Trust	-	-	1,000	-	1,000
64106	DOA - NC Veteran Trust	-	-	19,310,996	-	19,310,996
74103	DOA - Internal Service	-	-	1,835,722	-	1,835,722
74100	DOA - Internal Service	-	-	74,605,787	-	74,605,787
18210	Office of Administrative Hearings	4,976,436	-	1,782,492	-	6,758,928
28210	Office of Administrative Hearings - It Projects	-	-	-	-	-
64190	OSC - Proceeds Higher Ed - CC2	-	-	-	-	-
64220	OSC - Proceeds 2007A GO Public Imp	-	-	-	-	-
13300	State Auditor	11,013,547	-	50	-	11,013,597
18025	State Board of Elections (SBE)	5,584,003	-	104,500	-	5,688,503
28025	SBE - HAVA Federal Funds	-	-	30,000	1,961,150	1,991,150
68025	SBE - NC Candidate	-	-	4,758,363	-	4,758,363
68026	SBE - NC Political Party	-	-	1,500,000	-	1,500,000
14160	Office of State Controller (OSC)	29,125,970	481,835	27,530	-	29,635,335
24160	OSC - Special Revenue	-	-	-	-	-
24171	OSC - Central Account - Special Fund	-	-	76,392	-	76,392
24172	OSC - Recovery Fund	-	-	364,245	-	364,245
74170	OSC - Workers' Comp Cost Cont.	-	-	77,014,512	-	77,014,512
14800	Cultural Resources	63,067,172	-	1,441,112	6,570,227	71,078,511
14802	Cultural Resources - Roanoke Island	-	-	300,000	-	300,000
24800	Cultural Resources - Special	-	-	465,924	-	465,924

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
24801	Cultural Resources - Art Museum	-	-	10,000	-	10,000
24802	Cultural Resources - Roanoke Island - Special	-	-	-	-	-
24803	Cultural Resources - Special			7,000		7,000
24804	Cultural Resources - Tryon Palace	-	-	739,542	-	739,542
24805	Cultural Resources - Special	-	-	255,916	-	255,916
24806	Cultural Resources - Interest	-	-	8,612	-	8,612
24807	Cultural Resources - Interest Earning from Hist	-	-	199,129	-	199,129
24811	Cultural Resources - Interest Earning - Special	-	-	-	-	-
54800	Cultural Resources - Enterprise	-	-	92,025	-	92,025
54801	Cultural Resources - USSNC Battleship Commission	-	-	1,471,638	-	1,471,638
54803	Cultural Resources - Enterprise	-	-	638,167		638,167
54804	Cultural Resources - Enterprise	-	-	736,174	-	736,174
11000	General Assembly	51,811,897	-	906,000	-	52,717,897
13000	Governor's Office	5,120,050	-	244,512	-	5,364,562
13001	Governor's Office - Special Project	-	-	-	103,069,806	103,069,806
23000	Governor's Office - Special	-	-	-	-	-
23001	Governor's Office - Interest Earning Spc.	-	-	-	-	-
23002	Governor's Office - Special Revenue - GF	-	-	-	-	-
24667	Information Technology Services (ITS)	-	-	16,000	-	16,000
24669	ITS - Wireless Fund	-	-	89,748,686	-	89,748,686
74660	ITS - Internal Service Fund	-	-	157,210,091	134,752	157,344,843
13005	State Budget and Management (OSBM)	7,001,706	-	500	-	7,002,206
13085	OSBM - Special Appropriations	1,000,000	-	-	-	1,000,000
23003	OSBM - NC Education Lottery Fund	-	-	-	-	-
23004	OSBM - NC Education Lottery Reserve	-	-	2,594,265	-	2,594,265
23005	OSBM - Fines and Penalties	-	-	400,000	-	400,000
23009	OSBM - Disaster Relief - GF	-	-	-	-	-
13010	NC Housing Finance	9,376,249	-	-	-	9,376,249
23010	NC Housing Finance - Special	-	-	17,504,320	4,508,740	22,013,060
63011	NC Housing Finance - Partnership	-	-	1,320,000	-	1,320,000
13900	Insurance	37,533,269	-	3,774,440	15,921,366	57,229,075
23900	Insurance - Special - Interest Earning	-	-	33,822,465	-	33,822,465
13901	Insurance - Worker's Compensation Fund	2,300,000	-	-	-	2,300,000
23901	Insurance - Special - Non-Interest Earning	-	-	1,163,846	122,224	1,286,070
23902	Insurance - Special - Interest Earning	-	-	208,120	-	208,120
23903	Insurance - Special - Non-Interest Earning	-	-	252,829	-	252,829
63901	Insurance - Trust	-	-	5,975,386	-	5,975,386
63902	Insurance - Trust	-	-	2,623,654	-	2,623,654
63903	Insurance - Trust - Internal Service	-	-	17,261,268	-	17,261,268
13100	Lieutenant Governor	588,581	-	-	-	588,581
14700	Revenue	80,913,442	5,112,866	73,675	-	86,099,983
24700	Revenue - Special	-	-	12,143,764	-	12,143,764
24704	Revenue - Project Collect Tax	-	-	-	-	-
24707	Revenue - Tax Transaction Fees	-	-	723,507	-	723,507
24708	Revenue - IT Projects	-	-	-	-	-
13200	Secretary of State	11,541,831	-	61,625	-	11,603,456
23200	Secretary of State - Special	-	-	2,484,487	-	2,484,487
63201	Secretary of State - Trust Special Revenue	-	-	197,098	-	197,098
13410	State Treasurer (DST)	8,137,890	-	6,893,490	-	15,031,380
13412	State Treasurer - Retirement / Benefits	23,179,042	-	-	-	23,179,042
23410	DST - Combined Motor Vehicle	-	-	6,241,549	-	6,241,549
23420	DST - Appropriated IT Project	-	-	15,000	-	15,000
23470	DST - Supplemental Retirement Plan	-	-	736,325	-	736,325
23480	DST - Blount Street Properties	-	-	60,000	-	60,000
68190	DST - Interest Public Improvement Bond	-	-	11,336,982	-	11,336,982
68188	DST - Interest Higher Ed. CC 2001A	-	-	3,048,744	-	3,048,744
68183	DST - Interest Clean Water Bond 1999C	-	-	-	-	-
68175	DST - Interest Public School 1997 Bond	-	-	-	-	-
68174	DST - Interest CI 1997	-	-	290,715	-	290,715
68163	DST - Bond Refund	-	-	351,057	-	351,057
68157	DST - Interest 2006A Clean Water	-	-	-	-	-
68158	DST - Interest 2006A Higher Ed	-	-	19,196,825	-	19,196,825
68154	DST - Interest Public Imp. 2005A	-	-	34,260,718	-	34,260,718
68150	DST - Interest Drinking Water 2004A	-	-	23,219	-	23,219
63412	DST - Escheats	-	-	202,107,116	-	202,107,116
63414	DST - Fire Loan Trust	-	-	13,450	-	13,450
63415	DST - Assurance Land Titles	-	-	5,070	-	5,070
63422	DST - Legislative Retirement	-	-	22,319	-	22,319
68126	DST - Drinking Water Rept. 1999C	-	-	12,751	-	12,751
68132	DST - Interest Clean Water Revolving Loans	-	-	-	-	-
68133	DST - Interest Wastewater Repayment 2003A	-	-	26,571	-	26,571
68137	DST - Interest Drinking Water Repayment 2003A	-	-	8,566	-	8,566
68140	DST - 2003B Interest Clean Water	-	-	-	-	-
68141	DST - Interest Wastewater Repayment 2003B	-	-	22,670	-	22,670
68142	DST - Interest Drinking Water Repayment 2003B	-	-	11,217	-	11,217
68148	DST - Interest Clean Water Revolving Loan 2004A	-	-	-	-	-
68149	DST - Interest Wastewater Repayment 2004A	-	-	62,265	-	62,265
68192	DST - Interest Drinking Water Repayment 2002C	-	-	-	-	-
68193	DST - Interest Clean Water 2002C	-	-	-	-	-
68198	DST - Interest Wastewater Repayment 2002	-	-	112,325	-	112,325
68220	DST - Interest 2007A GO Public Imp.	-	-	30,170,483	-	30,170,483
68221	DST - Interest 2008A CI Limited Obligation Bonds	-	-	235,290,113	-	235,290,113
68222	DST - Interest 2/3 GO Bonds	-	-	56,085,048	-	56,085,048

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
69430	DST - Debt Service Clearing	-	-	400,429,913	-	400,429,913
69440	DST - Infrastructure Finance Corp.	-	-	-	-	-
69442	DST - Trust - CI	-	-	453,787	-	453,787
69444	DST - Trust - Special	-	-	329,124,084	-	329,124,084
69450	DST - Basis SWAP	-	-	5,836,628	-	5,836,628
28101	NC State Board of Barber Examiners	-	-	751,628	-	751,628
28102	NC State Board of Cosmetology	-	-	1,675,000	-	1,675,000
28103	NC State Board of Opticians	-	-	163,592	-	163,592
28104	NC Psychology Board	-	-	774,301	-	774,301
28106	NC State Auctioneer Licensing Board	-	-	440,374	-	440,374
28107	NC State Board of Electrolysis Examiners	-	-	22,101	-	22,101
28410	NC State Health Plan	-	-	500	-	500
	Total General Government	**430,330,602**	**5,594,701**	**1,915,281,625**	**136,986,488**	**2,488,193,416**
	Health and Human Services:					
14410	Central Administration	58,894,045	-	1,514,296	40,939,736	101,348,077
24410	Central Administration - Special	-	-	-	119,274,891	119,274,891
64410	Central Administration - Trust	-	-	292,952	-	292,952
64412	Central Administration - Trust Interest	-	-	-	-	-
14411	Aging	54,942,341	-	11,100,434	48,816,493	114,859,268
14420	Child Development	264,823,328	-	1,443,985	344,088,079	610,355,392
14430	Public Health	142,836,502	572,321	106,297,214	574,323,552	824,029,589
24430	Public Health - Special	-	-	1,551,038	-	1,551,038
24432	Public Health - Special Revenue GF	-	-	480,389	-	480,389
14440	Social Services	176,877,922	-	678,199,279	756,969,739	1,612,046,940
24441	Social Services - Special	-	-	1,893,373	-	1,893,373
64440	Social Services - Trust	-	-	-	-	-
14445	Medical Assistance	3,212,080,320	-	904,066,363	7,771,315,878	11,887,462,561
24445	Medical Assistance - Special	-	-	233,811,100	-	233,811,100
14446	NC Health Choice	70,082,285	-	250,000	253,945,652	324,277,937
14450	Services for the Blind, Deaf and Hard of Hearing	8,178,618	-	1,000,056	19,546,343	28,725,017
24450	Services for the Blind - Special	-	-	1,244,081	1,249,799	2,493,880
54450	Services for the Blind - Enterprise	-	-	66,363	-	66,363
64450	Services for the Blind - Trust	-	-	1,025	-	1,025
64451	Services for the Blind - Trust - Ag	-	-	505,405	-	505,405
67425	Services for the Blind - Trust	-	-	5,709,100	-	5,709,100
14460	Mental Health/DD/SAS	714,174,172	-	66,920,146	108,134,137	889,228,455
24401	Mental Health - Julian Keith ADATC	-	-	18,919	-	18,919
24403	Mental Health - WB Jones ADATC	-	-	24,717	-	24,717
24404	Mental Health - NC SPC. Care Center	-	-	57,759	-	57,759
24406	Mental Health - Black Mt. Center	-	-	31,387	-	31,387
24460	Mental Health - Special	-	-	-	-	-
24462	Mental Health - Dorothea Dix	-	-	231,958	-	231,958
24463	Mental Health - Broughton Hospital	-	-	90,375	-	90,375
24464	Mental Health - Cherry Hospital	-	-	172,815	-	172,815
24465	Mental Health - Umstead Hospital	-	-	303,751	-	303,751
24466	Mental Health - Car. Center	-	-	339,572	251,516	591,088
24467	Mental Health - O'Berry Center	-	-	334,579	-	334,579
24468	Mental Health - Murdoch Center	-	-	76,148	-	76,148
24469	Mental Health - Caswell Center	-	-	225,756	309,536	535,292
64404	Mental Health - Longleaf Neuro-Medical	-	-	4,095	-	4,095
64405	Mental Health - Trust - Interest Bearing	-	-	47,745	-	47,745
64406	Mental Health - Black Mt. Center	-	-	10,001	-	10,001
64462	Mental Health - Dorothea Dix - Trust	-	-	10	-	10
64463	Mental Health - Broughton Hospital	-	-	43,422	-	43,422
64464	Cherry Hospita - Trust	-	-	21,800	-	21,800
67465	Umstead Hospita l- Trust - Interest	-	-	17,326	-	17,326
64465	Umstead Hospital - Trust	-	-	12,229	-	12,229
64466	Mental Health - J. Iverson Riddle Dev. Ctr.	-	-	115,251	-	115,251
64467	Mental Health - O'Berry Center	-	-	126,610	-	126,610
64468	Mental Health - Murdoch Center	-	-	47,524	-	47,524
64469	Mental Health - Caswell Center	-	-	1,632	-	1,632
67406	Mental Health - Black Mountain Center	-	-	7,950	-	7,950
67462	Mental Health - Dorothea Dix	-	-	3,554	-	3,554
67463	Mental Health - Broughton Hospital	-	-	83,484	-	83,484
67464	Mental Health - Cherry Hospital	-	-	142,500	-	142,500
67466	Mental Health - West Car. Center	-	-	76,409	-	76,409
67467	Mental Health - O'Berry Center	-	-	62,443	-	62,443
67468	Mental Health - Murdoch Center	-	-	125,680	-	125,680
67469	Mental Health - Caswell Center	-	-	478,679	-	478,679
54465	MH/DD/SAS - Butner Enterprises	-	-	4,250	-	4,250
74465	MH/DD/SAS - Umstead Hospital - Internal Service	-	-	792,896	-	792,896
14470	Health Service Regulation	16,761,992	-	11,733,799	34,572,623	63,068,414
24470	Health Service Regulation - Special	-	-	1,531,781	-	1,531,781
14480	Vocational Rehabilitation	39,274,143	-	6,063,593	93,944,290	139,282,026
24480	Vocational Rehabilitation - Special	-	-	481,652	-	481,652
24481	Disability Determination - Special	-	-	-	73,150,147	73,150,147
	Total Health and Human Services	**4,758,925,668**	**572,321**	**2,040,290,650**	**10,240,832,411**	**17,040,621,050**
	Justice and Public Safety:					
14550	Department of Public Safety	1,708,808,266	-	45,055,521	135,714,857	1,889,578,644
04553	Correction - Canteen Fund	-	-	32,805,107	-	32,805,107
24550	DPS - Other Special Grants	-	2,010,053	27,989,183	-	29,999,236

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
24551	DPS - Disaster Prior 07/01/2006	-	-	-	621,263	621,263
24552	DPS - Disaster After 07/01/2006	-	-	-	627,335	627,335
24553	DPS - Welfare Funds	-	-	7,856,224	-	7,856,224
24554	DPS - IT Fund	-	-	-	-	-
24555	DPS - Special Interest Bearing	-	-	241,236	-	241,236
64550	DPS - Trust Funds	-	-	4,086,287	-	4,086,287
74550	DPS - Correction Enterprise	-	-	92,587,681	-	92,587,681
12000	Judicial - AOC	459,008,142	-	424,683	-	459,432,825
12001	Judicial - Indigent Defense	119,429,109	-	13,029,360	-	132,458,469
22001	AOC - Special Revenue Funds	-	-	20,356,120	2,124,095	22,480,215
22004	AOC - Reserve for Safe Roads	-	-	1,965,554	-	1,965,554
22005	AOC - Worthless Check Fund	-	-	193,111	-	193,111
22006	AOC - IT Fund	-	-	13,453,203	-	13,453,203
22007	AOC - Appellate Courts Printing/Comp.	-	-	647,750	-	647,750
22008	AOC - Special Revenue - GF	-	-	-	-	-
13600	Justice	76,364,535	-	10,752,257	4,309,554	91,426,346
23600	Justice - Special	-	-	6,426,674	213,322	6,639,996
23606	Justice - Seized and Forfeited Assets	-	-	-	-	-
63600	Justice - PPS and Alarm Boa	-	-	4,038,535	-	4,038,535
	Total Justice and Public Safety	**2,363,610,052**	**2,010,053**	**281,908,486**	**143,610,426**	**2,791,139,017**
	Natural and Economic Resources:					
13700	Agriculture and Consumer Services	106,917,756	5,053,457	30,362,319	17,556,019	159,889,551
23700	Agriculture - Livestock Special	-	-	3,833,336	-	3,833,336
23702	DACS - Disaster Recovery	-	-	-	-	-
23703	Agriculture - Tobacco Trust - Special	-	-	251,776	-	251,776
23704	DACS - Soil and Water Conservation	-		1,829,700	-	1,829,700
23705	DACS - Forest Development	-	-	1,118,534	-	1,118,534
53700	Agriculture - Raleigh Farmers Market	-	-	2,489,230	-	2,489,230
53725	Agriculture - WNC AG CT/MTN Fair	-	-	2,694,821	-	2,694,821
53750	Agriculture - State Fair	-	-	14,463,699	-	14,463,699
63700	Agriculture - Trust Special	-	-	153,250	-	153,250
63702	Agriculture - Rural Rehab Loans	-	-	769,423	-	769,423
63703	Agriculture - Finance Authority	-	-	612,574	-	612,574
63704	Agriculture - Cooperative Grading Program	-	-	6,801,058	-	6,801,058
14600	Commerce	39,368,324	-	13,593,086	45,020,327	97,981,737
14601	Commerce - State Aid	28,452,642	-	-	-	28,452,642
24600	Commerce - Special Revenue	-	-	10,899,642	10,360,864	21,260,506
24602	Commerce - Special Disaster Relief	-	-	1,500,000	-	1,500,000
24604	Commerce - Special - Morehead	-	-	11,000	-	11,000
24605	Commerce - Special Cape Fear	-	-	6,000	-	6,000
24606	Commerce - Special Clean Water Bonds	-	-	-	-	-
24609	Commerce - Special Revenue - Grants	-	-	-	-	-
24610	Commerce - Second Injury Fund	-	-	66,100	-	66,100
24611	Commerce - IT Projects	-	-	-	-	-
24650	Commerce - ESC	-	-	-	-	-
24651	Commarce - Special Workforce			20,045,000	149,760,801	169,805,801
54600	Commerce - Enterprise Fund	-	-	29,294,993	746,943	30,041,936
64605	Commerce - Utilities Commission	-	-	14,000,000	-	14,000,000
64612	Commerce - NC Rural Electrification Authority	-	-	203,226	-	203,226
64650	Commerce - Employment Security Commission Trust	-	-	6,000,000	-	6,000,000
64651	Commerce - Employment Security Commission Trust, Claims/Benefits	-	-	1,000,000	1,300,200,000	1,301,200,000
64652	Commerce - Employment Security Commission Trust Clearing	-	-	1,307,000,000	-	1,307,000,000
64653	Commerce - Employment Security Commission Trust Reserve	-	-	193,500,000	-	193,500,000
54670	NC Education Lottery Commission	-	-	-	-	-
54641	NC Education Lottery Proceeds	-	-	1,605,825,000	-	1,605,825,000
14300	Environment and Natural Resources	117,261,525	-	32,429,040	42,630,755	192,321,320
24300	DENR - Special	-	-	32,397,337	-	32,397,337
24301	DENR - Air Quality - Fuel Tax Special	-	-	9,664,348	-	9,664,348
24303	DENR - Marine Fish Conservation	-	-	47,737	-	47,737
24304	DENR - Wetlands Trust-Special	-	-	66,614,116	-	66,614,116
24305	DENR - Clean Water Mgmt. Trust-Special	-	-	260,000	-	260,000
24306	DENR - Special Dry Cleaning Solvent Tax	-	-	13,329,331	-	13,329,331
24307	DENR - Special Forest Development	-	-	-	-	-
24309	DENR - PART F - Special	-	-	36,546,794	-	36,546,794
24310	DENR - Disaster Relief Programs	-	-	181,100	-	181,100
24317	DENR - Special - GF	-	-	-	2,500,000	2,500,000
24318	DENR - Special - Interest	-	-	71,887	-	71,887
24321	DENR - CWB - WS Loan 1998 Program	-	-	-	-	-
24323	DENR - Marine Resources Fund	-	-	7,123,185	-	7,123,185
24325	DENR - DWR - FERC Interest	-	-	150,000	-	150,000
64300	DENR - Trust - Special	-	-	2,509	-	2,509
64301	DENR - Waste Water Oper. Train. Special	-	-	568,384	-	568,384
64302	DENR - Natural Heritage Trust - Special	-	-	4,299,439	-	4,299,439
64303	DENR - Solid Waste Management Trust - Special	-	-	7,955,262	-	7,955,262
64304	DENR - Clean Water Revolving Loan	-	-	5,621,481	-	5,621,481
64305	DENR - Commercial LUST Cleanup-Special	-	-	30,978,200	-	30,978,200
64306	DENR - Waste Water Treatment	-	-	20,000	-	20,000
64307	DENR - Conservation Grant Endowment	-	-	83,591	-	83,591
64311	DENR - Water Pollution Revolving Loan	-	-	62,012,830	43,450,243	105,463,073

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
64312	DENR - Federal Bond Revolving Loan	-	-	2,520,348	-	2,520,348
64318	DENR - High Unit Cost WW Grants 1998	-	-	-	-	-
64319	DENR - CWSRF Federal Program	-	-	7,450,600	-	7,450,600
64320	DENR - Drinking Water SRF	-	-	11,780,841	33,919,197	45,700,038
64321	DENR - High Unit Cost WS Grants	-	-	-	-	-
64322	DENR - Drinking Water SRF Match	-	-	2,020,012	1,445,160	3,465,172
64323	DENR - Drinking Water SRF Bond Match	-	-	1,120,080	-	1,120,080
64324	DENR - Drinking Water Reserve	-	-	472,051	-	472,051
64325	DENR - Trust - Special	-	-	63,143	-	63,143
64326	DENR - Trust - Special	-	-	1,000	-	1,000
14301	Clean Water Management Trust Fund	6,750,000	-	-	-	6,750,000
14350	Wildlife Resources Commission	17,886,979	-	2,322,577	6,003,269	26,212,825
24350	Wildlife Resources - Special	-	-	1,308,382	-	1,308,382
24351	Wildlife Resources - Special - Interest	-	-	19,684,600	9,370,694	29,055,294
24352	Wildlife Resources - Special - Non-Interest	-	-	6,309,041	2,468,305	8,777,346
64350	Wildlife Resources Endowment	-	-	6,601,571	-	6,601,571
13800	Labor	15,696,339	-	9,388,527	7,882,810	32,967,676
23800	Labor - Special Revenue Fund	-	-	58,640	-	58,640
	Total Natural and Economic Resources	**332,333,565**	**5,053,457**	**3,649,781,751**	**1,673,315,387**	**5,660,484,160**
84210/290	**Transportation (1)**	**-**	**2,687,086,606**	**86,164,478**	**1,092,158,494**	**3,865,409,578**
	Net Agency	**19,332,416,308**	**2,727,539,766**	**9,968,827,717**	**16,048,898,313**	**48,077,682,104**
19600	**Capital Improvements**	**32,067,122**	**18,055,500**	**-**	**-**	**50,122,622**
	Debt Service:					
19420	General Debt Service	716,493,616	79,170,090	52,450,000	86,325,200	934,438,906
19425	Federal Reimbursement	1,616,380	-	-	-	1,616,380
	Total Debt Service	**718,109,996**	**79,170,090**	**52,450,000**	**86,325,200**	**936,055,286**
	Reserves and Adjustments:					
19001	Contingency and Emergency Reserve	5,000,000	-	-	-	5,000,000
19003	Compensation Adjustment Reserve - State Employees and Teachers	135,700,000	-	-	-	135,700,000
19003	Compensation Adjustment Reserve - Retirees	35,000,000	-	-	-	35,000,000
19004	Salary Adjustment Reserve	20,000,000	-	-	-	20,000,000
19013	Job Development Incentive Grants Reserve	60,000,000	-	-	-	60,000,000
19042	Severance Reserve	-		-	-	-
19043	State Health Plan Reserve	45,000,000	-	-	-	45,000,000
19044	IT Initiative	6,053,142	-	-	-	6,053,142
19047	Retirement Rate Adjustment Reserve	36,100,000	-	-	-	36,100,000
19047	Judicial Retirement System Reserve	-	-	-	-	-
19047	Fireman and Rescue Squad Pension Fund	-	-	-	-	-
19xxx	Savings Reserve	-	-	-	-	-
19059	Controller - Fraud Detetion Development	-	-	-	-	-
19060	Review of Compensation Plan	-	-	-	-	-
19061	Reserve for Payment to Escheat Fund	-	-	-	-	-
19xxx	Disaster Reserve	10,000,000	-	-	-	10,000,000
19063	GF - Reserve for ONC NC Fund	9,000,000	-	-	-	9,000,000
19xxx	Information Technology Reserve	27,000,000	-	8,000,000	-	35,000,000
19xxx	Natural Heritage Trust Fund Reserve	4,230,000	-	-	-	4,230,000
19xxx	Parks and Recreation Trust Fund Reserve	15,500,000	-	-	-	15,500,000
19xxx	Solid Waste Trust Fund Reserve	2,462,000	-	-	-	2,462,000
19xxx	Scrap Tire Reserve	1,079,717	-	-	-	1,079,717
19xxx	Severance Reserve	7,500,000	-	-	-	7,500,000
19xxx	Medicaid Risk Reserve	90,000,000	-	-	-	90,000,000
19xxx	Reserve for Department of Justice Legal Positions	7,450,319	-	-	-	7,450,319
19xxx	NC Government Efficiency and Reform project (NC GEAR)	2,000,000	-	-	-	2,000,000
	Total Reserves and Adjustments	**519,075,178**	**-**	**8,000,000**	**-**	**527,075,178**
	Grand Total Budget	**20,601,668,604**	**2,824,765,356**	**10,029,277,717**	**16,135,223,513**	**49,590,935,190**

(1) Excludes $218,134,644 of Highway Fund transfer to General Fund plus transfers to other General Fund Budget Codes.

Appendix Table 7B

Total North Carolina State Budget by Function, Department, and Source of Funds, FY 2014-15

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
	Education:					
13510	Public Schools	$ 8,119,774,153	$ 27,788,472	$ 122,952,247	$ 2,716,489,342	$ 10,987,004,214
23510	Public Schools - Special	-	-	6,672,452	-	6,672,452
23511	DPI - School Technology Fund (GF)	-	-	1,088,518	-	1,088,518
23515	DPI - IT Projects	-	-	-	-	-
29110	DPI - Public School Building Fund	-	-	1,972,473	-	1,972,473
63501	DPI - Trust	-	-	1,172,445	-	1,172,445
63503	DPI - Trust - GF	-	-	2,355,344	-	2,355,344
63510	DPI - Trust	-	-	10,250,000	-	10,250,000
63511	DPI - Trust	-	-	140,000	-	140,000
73510	DPI - Internal Service	-	-	3,100,000	-	3,100,000
	Subtotal Public School	8,119,774,153	27,788,472	149,703,479	2,716,489,342	11,013,755,446
16800	NC Community Colleges (NCCCS)	1,035,803,219	-	378,974,213	20,198,567	1,434,975,999
06800	NCCU Institutional	-	-	26,241	-	26,241
26800	NCCCS - Special Funds	-	-	1,968,500	-	1,968,500
26802	NCCCS - Information Technology	-	-	-	-	-
66800	NCCCS - Trust	-	-	784,050	-	784,050
66801	NCCCS - Special Funds Interest Earning	-	-	746,732	-	746,732
	Subtotal Community Colleges	**1,035,803,219**	**-**	**382,499,736**	**20,198,567**	**1,438,501,522**
160xx	**University System:**					
16010	UNC - GA	34,752,475	-	28,850	-	34,781,325
16011	UNC - Institutional Programs	(82,893,408)	-	(4,298,878)	-	(87,192,286)
16012	UNC - Related Education Programs	110,107,420	-	-	-	110,107,420
16015	UNC-Aid Private Institutions	81,851,588	-	-	-	81,851,588
16020	UNC - CH Academic Affairs	273,090,851	-	269,936,066	346,696	543,373,613
16021	UNC - CH Health Affairs	205,741,444	-	93,737,069	-	299,478,513
16022	UNC - CH Area Health Education	42,418,348	-	-	-	42,418,348
16030	NCSU - Academic	389,115,499	-	307,920,215	200,000	697,235,714
16031	NCSU - Agri. Research Svcs.	54,911,053	-	4,807,403	8,873,550	68,592,006
16032	NCSU - Agri. Extension Svcs.	39,825,861	-	524,949	14,968,697	55,319,507
16040	UNC - Greensboro	153,242,270	-	87,075,653	111,798	240,429,721
16050	UNC - Charlotte	191,170,762	-	124,135,764	150,000	315,456,526
16055	UNC - Asheville	37,465,299	-	18,796,241	10,400	56,271,940
16060	UNC - Wilmington	96,014,220	-	74,466,103	75,075	170,555,398
16065	ECU - Academic	219,457,605	-	156,798,348	145,900	376,401,853
16066	ECU - Health Svcs.	64,841,247	-	6,358,397	-	71,199,644
16070	NC A & T	96,423,834	-	61,889,994	58,714	158,372,542
16075	Western Carolina	82,264,105	-	38,086,075	-	120,350,180
16080	Appalachian State	127,747,265	-	83,995,776	81,502	211,824,543
16082	UNC - Pembroke	53,552,323	-	24,063,663	42,968	77,658,954
16084	Winston Salem State	68,801,280	-	23,392,567	25,000	92,218,847
16086	Elizabeth City State	35,155,156	-	14,367,149	48,400	49,570,705
16088	Fayetteville State	49,336,186	-	19,727,875	-	69,064,061
16090	NC Central	84,084,488	-	44,017,161	163,948	128,265,597
16092	UNC School of the Arts	28,957,213	-	13,186,910	4,550	42,148,673
16094	NC School of Science and Math	19,126,182	-	779,745	-	19,905,927
16095	UNC Hospitals	-	-	-	-	-
56096	UNC Hospitals - Operating Fund	-	-	-	-	-
	Total UNC System	**2,556,560,566**	**-**	**1,463,793,095**	**25,307,198**	**4,045,660,859**
	Total Education	**11,712,137,938**	**27,788,472**	**1,995,996,310**	**2,761,995,107**	**16,497,917,827**
	General Government:					
14100	Administration	67,792,769	-	10,241,217	-	78,033,986
24100	DOA - Special	-		19,847,189	561,964	20,409,153
24102	DOA - Special	-	-	619,526	-	619,526
24105	DOA - Special	-	-	9,500	4,136,259	4,145,759
54100	DOA - Enterprise Fund	-	-	-	-	-
64100	DOA - Trust	-	-	1,000	-	1,000
64106	DOA - NC Veteran Trust	-	-	19,310,996	-	19,310,996
74103	DOA - Internal Service	-	-	1,835,722	-	1,835,722
74100	DOA - Internal Service	-	-	74,605,787	-	74,605,787
18210	Office of Administrative Hearings	4,736,047	-	1,782,492	-	6,518,539
28210	Office of Administrative Hearings - It Projects	-	-	-	-	-
64190	OSC - Proceeds Higher Ed - CC2	-	-	-	-	-
64220	OSC - Proceeds 2007A GO Public Imp	-	-	-	-	-
13300	State Auditor	11,013,547	-	50	-	11,013,597
18025	State Board of Elections (SBE)	5,584,003	-	104,500	-	5,688,503
28025	SBE - HAVA Federal Funds	-	-	30,000	1,961,150	1,991,150
68025	SBE - NC Candidate	-	-	4,758,363	-	4,758,363
68026	SBE - NC Political Party	-	-	1,500,000	-	1,500,000
14160	Office of State Controller (OSC)	29,125,970	481,835	27,530	-	29,635,335
24160	OSC - Special Revenue	-	-	-	-	-
24171	OSC - Central Account - Special Fund	-	-	76,392	-	76,392
24172	OSC - Recovery Fund	-	-	364,245	-	364,245
74170	OSC - Workers' Comp Cost Cont.	-	-	77,014,512	-	77,014,512
14800	Cultural Resources	63,070,175	-	1,441,112	6,570,227	71,081,514
14802	Cultural Resources - Roanoke Island	-	-	300,000	-	300,000
24800	Cultural Resources - Special	-	-	465,924	-	465,924

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
24801	Cultural Resources - Art Museum	-	-	10,000	-	10,000
24802	Cultural Resources - Roanoke Island - Special	-	-	-	-	-
24803	Cultural Resources - Special			7,000		7,000
24804	Cultural Resources - Tryon Palace	-	-	739,542	-	739,542
24805	Cultural Resources - Special	-	-	255,916	-	255,916
24806	Cultural Resources - Interest	-	-	8,612	-	8,612
24807	Cultural Resources - Interest Earning from Hist	-	-	199,129	-	199,129
24811	Cultural Resources - Interest Earning - Special	-	-	-	-	-
54800	Cultural Resources - Enterprise	-	-	92,025	-	92,025
54801	Cultural Resources - USSNC Battleship Commission	-	-	1,471,638	-	1,471,638
54803	Cultural Resources - Enterprise	-	-	638,167		638,167
54804	Cultural Resources - Enterprise	-	-	736,174	-	736,174
11000	General Assembly	51,811,897	-	906,000	-	52,717,897
13000	Governor's Office	5,122,132	-	244,512	-	5,366,644
13001	Governor's Office - Special Project	-	-	-	103,069,806	103,069,806
23000	Governor's Office - Special	-	-	-	-	-
23001	Governor's Office - Interest Earning Spc.	-	-	-	-	-
23002	Governor's Office - Special Revenue - GF	-	-	-	-	-
24667	Information Technology Services (ITS)	-	-	16,000	-	16,000
24669	ITS - Wireless Fund	-	-	89,748,686	-	89,748,686
74660	ITS - Internal Service Fund	-	-	157,210,091	134,752	157,344,843
13005	State Budget and Management (OSBM)	7,034,217	-	500	-	7,034,717
13085	OSBM - Special Appropriations	-	-	-	-	-
23003	OSBM - NC Education Lottery Fund	-	-	-	-	-
23004	OSBM - NC Education Lottery Reserve	-	-	2,594,265	-	2,594,265
23005	OSBM - Fines and Penalties	-	-	400,000	-	400,000
23009	OSBM - Disaster Relief - GF	-	-	-	-	-
13010	NC Housing Finance	9,376,249	-	-	-	9,376,249
23010	NC Housing Finance - Special	-	-	17,504,320	4,508,740	22,013,060
63011	NC Housing Finance - Partnership	-	-	1,320,000	-	1,320,000
13900	Insurance	37,542,889	-	3,774,440	15,921,366	57,238,695
23900	Insurance - Special - Interest Earning	-	-	33,822,465	-	33,822,465
13901	Insurance - Worker's Compensation Fund	2,300,000	-	-	-	2,300,000
23901	Insurance - Special - Non-Interest Earning	-	-	1,163,846	122,224	1,286,070
23902	Insurance - Special - Interest Earning	-	-	208,120	-	208,120
23903	Insurance - Special - Non-Interest Earning	-	-	252,829	-	252,829
63901	Insurance - Trust	-	-	5,975,386	-	5,975,386
63902	Insurance - Trust	-	-	2,623,654	-	2,623,654
63903	Insurance - Trust - Internal Service	-	-	17,261,268	-	17,261,268
13100	Lieutenant Governor	584,581	-	-	-	584,581
14700	Revenue	80,893,782	5,112,866	73,675	-	86,080,323
24700	Revenue - Special	-	-	12,143,764	-	12,143,764
24704	Revenue - Project Collect Tax	-	-	-	-	-
24707	Revenue - Tax Transaction Fees	-	-	723,507	-	723,507
24708	Revenue - IT Projects	-	-	-	-	-
13200	Secretary of State	11,541,831	-	61,625	-	11,603,456
23200	Secretary of State - Special	-	-	2,484,487	-	2,484,487
63201	Secretary of State - Trust Special Revenue	-	-	197,098	-	197,098
13410	State Treasurer (DST)	7,026,305	-	6,893,490	-	13,919,795
13412	State Treasurer - Retirement / Benefits	23,179,042	-	-	-	23,179,042
23410	DST - Combined Motor Vehicle	-	-	6,241,549	-	6,241,549
23420	DST - Appropriated IT Project	-	-	15,000	-	15,000
23470	DST - Supplemental Retirement Plan	-	-	736,325	-	736,325
23480	DST - Blount Street Properties	-	-	60,000	-	60,000
68190	DST - Interest Public Improvement Bond	-	-	11,336,982	-	11,336,982
68188	DST - Interest Higher Ed. CC 2001A	-	-	3,048,744	-	3,048,744
68183	DST - Interest Clean Water Bond 1999C	-	-	-	-	-
68175	DST - Interest Public School 1997 Bond	-	-	-	-	-
68174	DST - Interest CI 1997	-	-	290,715	-	290,715
68163	DST - Bond Refund	-	-	351,057	-	351,057
68157	DST - Interest 2006A Clean Water	-	-	-	-	-
68158	DST - Interest 2006A Higher Ed	-	-	19,196,825	-	19,196,825
68154	DST - Interest Public Imp. 2005A	-	-	34,260,718	-	34,260,718
68150	DST - Interest Drinking Water 2004A	-	-	23,219	-	23,219
63412	DST - Escheats	-	-	202,107,116	-	202,107,116
63414	DST - Fire Loan Trust	-	-	13,450	-	13,450
63415	DST - Assurance Land Titles	-	-	5,070	-	5,070
63422	DST - Legislative Retirement	-	-	22,319	-	22,319
68126	DST - Drinking Water Rept. 1999C	-	-	12,751	-	12,751
68132	DST - Interest Clean Water Revolving Loans	-	-	-	-	-
68133	DST - Interest Wastewater Repayment 2003A	-	-	26,571	-	26,571
68137	DST - Interest Drinking Water Repayment 2003A	-	-	8,566	-	8,566
68140	DST - 2003B Interest Clean Water	-	-	-	-	-
68141	DST - Interest Wastewater Repayment 2003B	-	-	22,670	-	22,670
68142	DST - Interest Drinking Water Repayment 2003B	-	-	11,217	-	11,217
68148	DST - Interest Clean Water Revolving Loan 2004A	-	-	-	-	-
68149	DST - Interest Wastewater Repayment 2004A	-	-	62,265	-	62,265
68192	DST - Interest Drinking Water Repayment 2002C	-	-	-	-	-
68193	DST - Interest Clean Water 2002C	-	-	-	-	-
68198	DST - Interest Wastewater Repayment 2002	-	-	112,325	-	112,325
68220	DST - Interest 2007A GO Public Imp.	-	-	30,170,483	-	30,170,483
68221	DST - Interest 2008A CI Limited Obligation Bonds	-	-	235,290,113	-	235,290,113
68222	DST - Interest 2/3 GO Bonds	-	-	56,085,048	-	56,085,048

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
69430	DST - Debt Service Clearing	-	-	400,429,913	-	400,429,913
69440	DST - Infrastructure Finance Corp.	-	-	-	-	-
69442	DST - Trust - CI	-	-	453,787	-	453,787
69444	DST - Trust - Special	-	-	329,124,084	-	329,124,084
69450	DST - Basis SWAP	-	-	5,836,628	-	5,836,628
28101	NC State Board of Barber Examiners	-	-	751,628	-	751,628
28102	NC State Board of Cosmetology	-	-	1,675,000	-	1,675,000
28103	NC State Board of Opticians	-	-	163,592	-	163,592
28104	NC Psychology Board	-	-	774,301	-	774,301
28106	NC State Auctioneer Licensing Board	-	-	440,374	-	440,374
28107	NC State Board of Electrolysis Examiners	-	-	22,101	-	22,101
28410	NC State Health Plan	-	-	500	-	500
	Total General Government	**417,735,436**	**5,594,701**	**1,915,281,625**	**136,986,488**	**2,475,598,250**
	Health and Human Services:					
14410	Central Administration	66,009,244	-	1,514,296	40,939,736	108,463,276
24410	Central Administration - Special	-	-	-	119,274,891	119,274,891
64410	Central Administration - Trust	-	-	292,952	-	292,952
64412	Central Administration - Trust Interest	-	-	-	-	-
14411	Aging	55,142,341	-	11,100,434	48,816,493	115,059,268
14420	Child Development	264,823,328	-	1,443,985	344,088,079	610,355,392
14430	Public Health	142,836,502	572,321	106,302,547	574,323,552	824,034,922
24430	Public Health - Special	-	-	1,551,038	-	1,551,038
24432	Public Health - Special Revenue GF	-	-	480,389	-	480,389
14440	Social Services	177,005,066	-	678,199,279	756,969,739	1,612,174,084
24441	Social Services - Special	-	-	1,893,373	-	1,893,373
64440	Social Services - Trust	-	-	-	-	-
14445	Medical Assistance	3,436,424,046	-	904,066,363	7,771,315,878	12,111,806,287
24445	Medical Assistance - Special	-	-	233,811,100	-	233,811,100
14446	NC Health Choice	61,183,541	-	250,000	253,945,652	315,379,193
14450	Services for the Blind, Deaf and Hard of Hearing	8,178,618	-	1,000,056	19,546,343	28,725,017
24450	Services for the Blind - Special	-	-	1,244,081	1,249,799	2,493,880
54450	Services for the Blind - Enterprise	-	-	66,363	-	66,363
64450	Services for the Blind - Trust	-	-	1,025	-	1,025
64451	Services for the Blind - Trust - Ag	-	-	505,405	-	505,405
67425	Services for the Blind - Trust	-	-	5,709,100	-	5,709,100
14460	Mental Health/DD/SAS	696,657,624	-	66,920,146	108,134,137	871,711,907
24401	Mental Health - Julian Keith ADATC	-	-	18,919	-	18,919
24403	Mental Health - WB Jones ADATC	-	-	24,717	-	24,717
24404	Mental Health - NC SPC. Care Center	-	-	57,759	-	57,759
24406	Mental Health - Black Mt. Center	-	-	31,387	-	31,387
24460	Mental Health - Special	-	-	-	-	-
24462	Mental Health - Dorothea Dix	-	-	231,958	-	231,958
24463	Mental Health - Broughton Hospital	-	-	90,375	-	90,375
24464	Mental Health - Cherry Hospital	-	-	172,815	-	172,815
24465	Mental Health - Umstead Hospital	-	-	303,751	-	303,751
24466	Mental Health - Car. Center	-	-	339,572	251,516	591,088
24467	Mental Health - O'Berry Center	-	-	334,579	-	334,579
24468	Mental Health - Murdoch Center	-	-	76,148	-	76,148
24469	Mental Health - Caswell Center	-	-	225,756	309,536	535,292
64404	Mental Health - Longleaf Neuro-Medical	-	-	4,095	-	4,095
64405	Mental Health - Trust - Interest Bearing	-	-	47,745	-	47,745
64406	Mental Health - Black Mt. Center	-	-	10,001	-	10,001
64462	Mental Health - Dorothea Dix - Trust	-	-	10	-	10
64463	Mental Health - Broughton Hospital	-	-	43,422	-	43,422
64464	Cherry Hospita - Trust	-	-	21,800	-	21,800
67465	Umstead Hospita l- Trust - Interest	-	-	17,326	-	17,326
64465	Umstead Hospital - Trust	-	-	12,229	-	12,229
64466	Mental Health - J. Iverson Riddle Dev. Ctr.	-	-	115,251	-	115,251
64467	Mental Health - O'Berry Center	-	-	126,610	-	126,610
64468	Mental Health - Murdoch Center	-	-	47,524	-	47,524
64469	Mental Health - Caswell Center	-	-	1,632	-	1,632
67406	Mental Health - Black Mountain Center	-	-	7,950	-	7,950
67462	Mental Health - Dorothea Dix	-	-	3,554	-	3,554
67463	Mental Health - Broughton Hospital	-	-	83,484	-	83,484
67464	Mental Health - Cherry Hospital	-	-	142,500	-	142,500
67466	Mental Health - West Car. Center	-	-	76,409	-	76,409
67467	Mental Health - O'Berry Center	-	-	62,443	-	62,443
67468	Mental Health - Murdoch Center	-	-	125,680	-	125,680
67469	Mental Health - Caswell Center	-	-	478,679	-	478,679
54465	MH/DD/SAS - Butner Enterprises	-	-	4,250	-	4,250
74465	MH/DD/SAS - Umstead Hospital - Internal Service	-	-	792,896	-	792,896
14470	Health Service Regulation	16,761,992	-	11,733,799	34,572,623	63,068,414
24470	Health Service Regulation - Special	-	-	1,531,781	-	1,531,781
14480	Vocational Rehabilitation	39,274,143	-	6,063,593	93,944,290	139,282,026
24480	Vocational Rehabilitation - Special	-	-	481,652	-	481,652
24481	Disability Determination - Special	-	-	-	73,150,147	73,150,147
	Total Health and Human Services	**4,964,296,445**	**572,321**	**2,040,295,983**	**10,240,832,411**	**17,245,997,160**
	Justice and Public Safety:					
14550	Department of Public Safety	1,713,052,829	-	45,055,521	135,714,857	1,893,823,207
04553	Correction - Canteen Fund	-	-	32,805,107	-	32,805,107
24550	DPS - Other Special Grants	-	2,010,053	29,999,236	-	32,009,289

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
24551	DPS - Disaster Prior 07/01/2006	-	-	-	621,263	621,263
24552	DPS - Disaster After 07/01/2006	-	-	-	627,335	627,335
24553	DPS - Welfare Funds	-	-	7,856,224	-	7,856,224
24554	DPS - IT Fund	-	-	-	-	-
24555	DPS - Special Interest Bearing	-	-	241,236	-	241,236
64550	DPS - Trust Funds	-	-	4,086,287	-	4,086,287
74550	DPS - Correction Enterprise	-	-	92,587,681	-	92,587,681
12000	Judicial - AOC	459,247,481	-	424,683	-	459,672,164
12001	Judicial - Indigent Defense	114,486,998	-	13,029,360	-	127,516,358
22001	AOC - Special Revenue Funds	-	-	20,356,120	2,124,095	22,480,215
22004	AOC - Reserve for Safe Roads	-	-	1,965,554	-	1,965,554
22005	AOC - Worthless Check Fund	-	-	193,111	-	193,111
22006	AOC - IT Fund	-	-	13,453,203	-	13,453,203
22007	AOC - Appellate Courts Printing/Comp.	-	-	647,750	-	647,750
22008	AOC - Special Revenue - GF	-	-	-	-	-
13600	Justice	74,046,309	-	10,752,257	4,309,554	89,108,120
23600	Justice - Special	-	-	6,426,674	213,322	6,639,996
23606	Justice - Seized and Forfeited Assets	-	-	-	-	-
63600	Justice - PPS and Alarm Boa	-	-	4,038,535	-	4,038,535
	Total Justice and Public Safety	**2,360,833,617**	**2,010,053**	**283,918,539**	**143,610,426**	**2,790,372,635**
	Natural and Economic Resources:					
13700	Agriculture and Consumer Services	106,916,956	5,053,457	30,362,319	17,556,019	159,888,751
23700	Agriculture - Livestock Special	-	-	3,833,336	-	3,833,336
23702	DACS - Disaster Recovery	-	-	-	-	-
23703	Agriculture - Tobacco Trust - Special	-	-	251,776	-	251,776
23704	DACS - Soil and Water Conservation	-		1,829,700	-	1,829,700
23705	DACS - Forest Development	-	-	1,118,534	-	1,118,534
53700	Agriculture - Raleigh Farmers Market	-	-	2,489,230	-	2,489,230
53725	Agriculture - WNC AG CT/MTN Fair	-	-	2,694,821	-	2,694,821
53750	Agriculture - State Fair	-	-	14,463,699	-	14,463,699
63700	Agriculture - Trust Special	-	-	153,250	-	153,250
63702	Agriculture - Rural Rehab Loans	-	-	769,423	-	769,423
63703	Agriculture - Finance Authority	-	-	612,574	-	612,574
63704	Agriculture - Cooperative Grading Program	-	-	6,801,058	-	6,801,058
14600	Commerce	40,880,494	-	11,353,086	45,020,327	97,253,907
14601	Commerce - State Aid	26,236,224	-	-	-	26,236,224
24600	Commerce - Special Revenue	-	-	10,899,642	10,360,864	21,260,506
24602	Commerce - Special Disaster Relief	-	-	1,500,000	-	1,500,000
24604	Commerce - Special - Morehead	-	-	11,000	-	11,000
24605	Commerce - Special Cape Fear	-	-	6,000	-	6,000
24606	Commerce - Special Clean Water Bonds	-	-	-	-	-
24609	Commerce - Special Revenue - Grants	-	-	-	-	-
24610	Commerce - Second Injury Fund	-	-	66,100	-	66,100
24611	Commerce - IT Projects	-	-	-	-	-
24650	Commerce - ESC	-	-	-	-	-
24651	Commarce - Special Workforce			20,045,000	149,760,801	169,805,801
54600	Commerce - Enterprise Fund	-	-	29,294,993	746,943	30,041,936
64605	Commerce - Utilities Commission	-	-	14,000,000	-	14,000,000
64612	Commerce - NC Rural Electrification Authority	-	-	203,226	-	203,226
64650	Commerce - Employment Security Commission Trust	-	-	6,000,000	-	6,000,000
64651	Commerce - Employment Security Commission Trust, Claims/Benefits	-	-	1,000,000	1,300,200,000	1,301,200,000
64652	Commerce - Employment Security Commission Trust Clearing	-	-	1,307,000,000	-	1,307,000,000
64653	Commerce - Employment Security Commission Trust Reserve	-	-	193,500,000	-	193,500,000
54670	NC Education Lottery Commission	-	-	-	-	-
54641	NC Education Lottery Proceeds	-	-	1,605,825,000	-	1,605,825,000
14300	Environment and Natural Resources	109,785,896	-	32,429,040	42,630,755	184,845,691
24300	DENR - Special	-	-	32,397,337	-	32,397,337
24301	DENR - Air Quality - Fuel Tax Special	-	-	9,664,348	-	9,664,348
24303	DENR - Marine Fish Conservation	-	-	47,737	-	47,737
24304	DENR - Wetlands Trust-Special	-	-	66,614,116	-	66,614,116
24305	DENR - Clean Water Mgmt. Trust-Special	-	-	260,000	-	260,000
24306	DENR - Special Dry Cleaning Solvent Tax	-	-	13,329,331	-	13,329,331
24307	DENR - Special Forest Development	-	-	-	-	-
24309	DENR - PART F - Special	-	-	36,546,794	-	36,546,794
24310	DENR - Disaster Relief Programs	-	-	181,100	-	181,100
24317	DENR - Special - GF	-	-	-	2,500,000	2,500,000
24318	DENR - Special - Interest	-	-	71,887	-	71,887
24321	DENR - CWB - WS Loan 1998 Program	-	-	-	-	-
24323	DENR - Marine Resources Fund	-	-	7,123,185	-	7,123,185
24325	DENR - DWR - FERC Interest	-	-	150,000	-	150,000
64300	DENR - Trust - Special	-	-	2,509	-	2,509
64301	DENR - Waste Water Oper. Train. Special	-	-	568,384	-	568,384
64302	DENR - Natural Heritage Trust - Special	-	-	4,299,439	-	4,299,439
64303	DENR - Solid Waste Management Trust - Special	-	-	7,955,262	-	7,955,262
64304	DENR - Clean Water Revolving Loan	-	-	5,621,481	-	5,621,481
64305	DENR - Commercial LUST Cleanup-Special	-	-	30,978,200	-	30,978,200
64306	DENR - Waste Water Treatment	-	-	20,000	-	20,000
64307	DENR - Conservation Grant Endowment	-	-	83,591	-	83,591
64311	DENR - Water Pollution Revolving Loan	-	-	62,012,830	43,450,243	105,463,073

General Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Budget Excluding Transfers
64312	DENR - Federal Bond Revolving Loan	-	-	2,520,348	-	2,520,348
64318	DENR - High Unit Cost WW Grants 1998	-	-	-	-	-
64319	DENR - CWSRF Federal Program	-	-	7,450,600	-	7,450,600
64320	DENR - Drinking Water SRF	-	-	11,780,841	33,919,197	45,700,038
64321	DENR - High Unit Cost WS Grants	-	-	-	-	-
64322	DENR - Drinking Water SRF Match	-	-	2,020,012	1,445,160	3,465,172
64323	DENR - Drinking Water SRF Bond Match	-	-	1,120,080	-	1,120,080
64324	DENR - Drinking Water Reserve	-	-	472,051	-	472,051
64325	DENR - Trust - Special	-	-	63,143	-	63,143
64326	DENR - Trust - Special	-	-	1,000	-	1,000
14301	Clean Water Management Trust Fund	-	-	-	-	-
14350	Wildlife Resources Commission	17,886,979	-	2,322,577	6,003,269	26,212,825
24350	Wildlife Resources - Special	-	-	1,308,382	-	1,308,382
24351	Wildlife Resources - Special - Interest	-	-	19,684,600	9,370,694	29,055,294
24352	Wildlife Resources - Special - Non-Interest	-	-	6,309,041	2,468,305	8,777,346
64350	Wildlife Resources Endowment	-	-	6,601,571	-	6,601,571
13800	Labor	15,696,339	-	9,388,527	7,882,810	32,967,676
23800	Labor - Special Revenue Fund	-	-	58,640	-	58,640
	Total Natural and Economic Resources	**317,402,888**	**5,053,457**	**3,647,541,751**	**1,673,315,387**	**5,643,313,483**
84210/290	**Transportation (1)**	**-**	**2,660,664,129**	**1,338,108,387**	**1,082,954,342**	**5,081,726,858**
	Net Agency	**19,772,406,324**	**2,701,683,133**	**11,221,142,595**	**16,039,694,161**	**49,734,926,213**
19600	**Capital Improvements**	**150,000,000**	**19,937,700**	**-**	**-**	**169,937,700**
	Debt Service:					
19420	General Debt Service	717,287,980	60,307,448	52,289,724	86,322,962	916,208,114
19425	Federal Reimbursement	1,616,380	-	-	-	1,616,380
	Total Debt Service	**718,904,360**	**60,307,448**	**52,289,724**	**86,322,962**	**917,824,494**
	Reserves and Adjustments:					
19001	Contingency and Emergency Reserve	5,000,000	-	-	-	5,000,000
19003	Compensation Adjustment Reserve - State Employees and Teachers	135,700,000	-	-	-	135,700,000
19003	Compensation Adjustment Reserve - Retirees	35,000,000	-	-	-	35,000,000
19004	Salary Adjustment Reserve	20,000,000	-	-	-	20,000,000
19013	Job Development Incentive Grants Reserve	71,000,000	-	-	-	71,000,000
19042	Severance Reserve	-	-	-	-	-
19043	State Health Plan Reserve	136,200,000	-	-	-	136,200,000
19044	IT Initiative	6,053,142	-	-	-	6,053,142
19047	Retirement Rate Adjustment Reserve	36,100,000	-	-	-	36,100,000
19047	Judicial Retirement System Reserve	-	-	-	-	-
19047	Fireman and Rescue Squad Pension Fund	-	-	-	-	-
19xxx	Savings Reserve	69,174,764	-	-	-	69,174,764
19059	Controller - Fraud Detetion Development	-	-	-	-	-
19060	Review of Compensation Plan	-	-	-	-	-
19061	Reserve for Payment to Escheat Fund	-	-	-	-	-
19xxx	Disaster Reserve	10,000,000	-	-	-	10,000,000
19063	GF - Reserve for One NC Fund	11,800,000	-	-	-	11,800,000
19xxx	Information Technology Reserve	32,000,000	-	-	-	32,000,000
19xxx	Natural Heritage Trust Fund Reserve	4,230,000	-	-	-	4,230,000
19xxx	Parks and Recreation Trust Fund Reserve	15,500,000	-	-	-	15,500,000
19xxx	Solid Waste Trust Fund Reserve	2,462,000	-	-	-	2,462,000
19xxx	Scrap Tire Reserve	1,079,717	-	-	-	1,079,717
19xxx	Severance Reserve	-	-	-	-	-
19xxx	Medicaid Risk Reserve	90,000,000	-	-	-	90,000,000
19xxx	Reserve for Department of Justice Legal Positions	9,933,759	-	-	-	9,933,759
19xxx	NC Government Efficiency and Reform project (NC GEAR)	2,000,000	-	-	-	2,000,000
	Total Reserves and Adjustments	**693,233,382**	**-**	**-**	**-**	**693,233,382**
	Grand Total Budget	**21,334,544,066**	**2,781,928,281**	**11,273,432,319**	**16,126,017,123**	**51,515,921,789**

(1) Excludes $215,871,719 of Highway Fund transfer to General Fund plus transfers to other General Fund Budget Codes.

Table 7C

Total North Carolina Transportation Program Budget by Function and Source of Funds, 2013-14

Function	Highway Fund	Highway Trust Fund	* Other	Federal	Total
DOT Administration	$ 94,481,079	$ 12,318,437	$ 4,824,858	$ -	$ 111,624,374
Division of Highways					
Administration	34,713,561	19,703,787	335,192	-	54,752,540
Construction	118,551,476	747,958,051	-	826,320,000	1,692,829,527
Maintenance	1,043,612,628	-	-	-	1,043,612,628
Planning and Research	4,055,402	-	-	17,680,000	21,735,402
OSHA Program	365,337	-	-	-	365,337
State Aid to Municipalities	87,400,234	55,191,859	-	-	142,592,093
Multi-Modal					
Airports	21,766,662	-	-	18,000,000	39,766,662
Bicycle	880,513	-	-	40,000,000	40,880,513
Ferry	35,935,538	-	5,000,000	-	40,935,538
Public Transportation	83,351,374	-	-	31,000,000	114,351,374
Railroads	21,461,294	-	-	131,158,494	152,619,788
Governor's Highway Safety	284,932	-	-	12,000,000	12,284,932
Division of Motor Vehicles	105,180,968	4,356,905	34,825,020	-	144,362,893
NC Turnpike Authority	-	114,283,916	14,379,408	16,000,000	144,663,324
NC Mobility Fund	-	58,000,000	-	-	58,000,000
Other State Agencies	40,453,160	-	26,800,000	-	67,253,160
Transfer to General Fund	218,134,644	-	-	-	218,134,644
Other Reserves	8,515,698	400,000	-	-	8,915,698
Capital Improvements	18,055,500	-	-	-	18,055,500
Debt Service	-	79,170,090	-	86,325,200	165,495,290
Uncommitted Trust Fund Administration	-	14,316,955	-	-	14,316,955
Total Transportation	**$ 1,937,200,000**	**$ 1,105,700,000**	**$ 86,164,478**	**$ 1,178,483,694**	**$ 4,307,548,172**

* Other does not include $3,492,041,645 in receipts related to projects that represent a duplication of other budgeted funds.

Table 7D

Total North Carolina Transportation Program Budget by Function and Source of Funds, 2014-15

Function	Highway Fund	Highway Trust Fund	* Other	Federal	Total
DOT Administration	$ 99,447,479	$ 12,318,437	$ 4,855,153	$ -	$ 116,621,069
Division of Highways					
Administration	34,713,561	19,703,787	335,192	-	54,752,540
Construction	118,336,391	766,594,709	-	826,320,000	1,711,251,100
Maintenance	994,083,252	-	-	-	994,083,252
Planning and Research	4,055,402	-	-	17,680,000	21,735,402
OSHA Program	365,337	-	-	-	365,337
State Aid to Municipalities	86,718,513	55,132,243	-	-	141,850,756
Multi-Miodal					
Airports	19,669,983	-	-	18,000,000	37,669,983
Bicycle	880,513	-	-	40,000,000	40,880,513
Ferry Operations	34,785,538	-	5,000,000	-	39,785,538
Public Transportation	82,851,374	-	-	31,000,000	113,851,374
Railroads	21,461,294	-	-	121,954,342	143,415,636
Governor's Highway Safety	284,932	-	-	12,000,000	12,284,932
Division of Motor Vehicles	104,702,310	4,356,905	33,878,634	-	142,937,849
NC Turnpike Authority	-	114,283,916	1,267,239,408	16,000,000	1,397,523,324
NC Mobility Fund	-	58,000,000	-	-	58,000,000
Other State Agencies	41,019,004	-	26,800,000	-	67,819,004
Transfer to General Fund	215,871,719	-	-	-	215,871,719
Other Reserves	13,215,698	400,000	-	-	13,615,698
Capital Improvements	19,937,700	-	-	-	19,937,700
Debt Service	-	60,307,448	-	86,322,962	146,630,410
					-
Uncommitted Trust Fund Administration	-	14,302,555	-	-	14,302,555
Total Transportation	**$ 1,892,400,000**	**$ 1,105,400,000**	**$ 1,338,108,387**	**$ 1,169,277,304**	**$ 5,505,185,691**

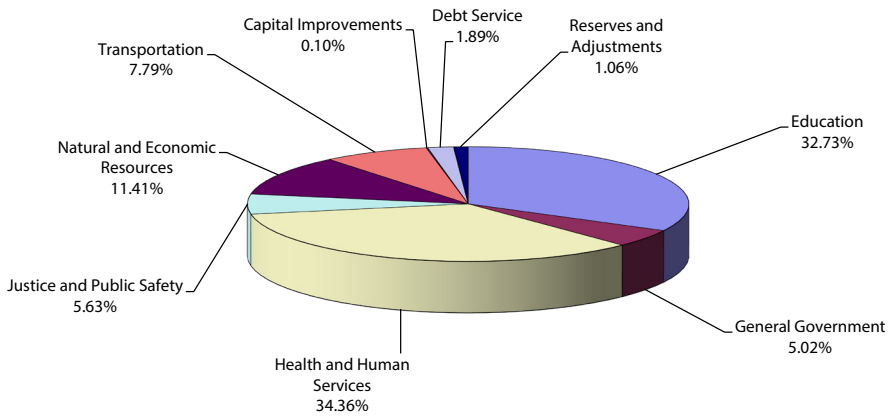
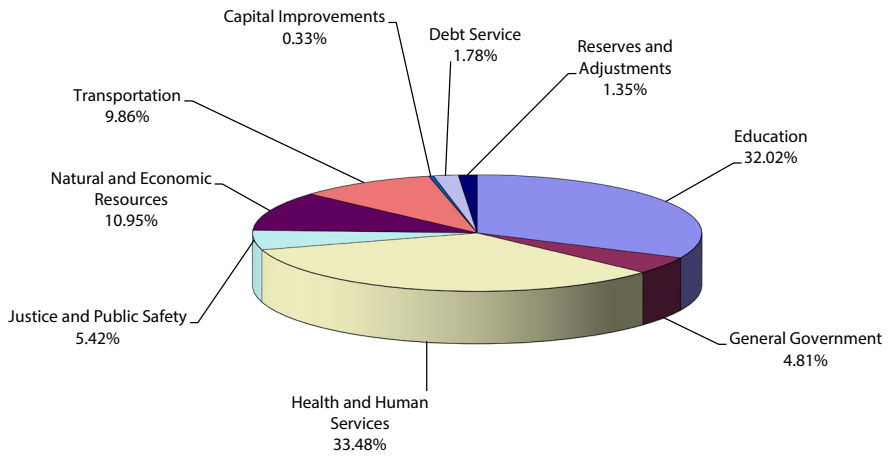
* Other does not include $3,492,041,645 in receipts related to projects that represent a duplication of other budgeted funds.

Table 7E

Total North Carolina Budget, 2013-15

	Recommended	%	Recommended	%
Education	16,231,834,883	32.73%	16,497,917,827	32.02%
General Government	2,488,193,416	5.02%	2,475,598,250	4.81%
Health and Human Services	17,040,621,050	34.36%	17,245,997,160	33.48%
Justice and Public Safety	2,791,139,017	5.63%	2,790,372,635	5.42%
Natural and Economic Resources	5,660,484,160	11.41%	5,643,313,483	10.95%
Transportation	3,865,409,578	7.79%	5,081,726,858	9.86%
Capital Improvements	50,122,622	0.10%	169,937,700	0.33%
Debt Service	936,055,286	1.89%	917,824,494	1.78%
Reserves and Adjustments	527,075,178	1.06%	693,233,382	1.35%
Total	**49,590,935,190**	**100.0%**	**51,515,921,789**	**100.0%**

Total North Carolina Budget
2013-14



Total North Carolina Budget
2014-15