

**The North Carolina State Budget** 

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# **Recommended Adjustments**

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**2008-2009**

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

[www.osbm.state.nc.us](http://www.osbm.state.nc.us)

David T. McCoy, State Budget Officer  
Charles E. Perusse, Deputy State Budget Officer

May 2008





**State of North Carolina**  
**Office of the Governor**  
**20301 Mail Service Center • Raleigh, NC 27699-0301**

May 12, 2008

The North Carolina Senate  
The Honorable Marc Basnight, President Pro Tempore

The North Carolina House of Representatives  
The Honorable Joe Hackney, Speaker

The Citizens of North Carolina

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

I am pleased to submit to you my operating and capital budget recommendations for fiscal year 2008-09.

North Carolina continues to be a national leader in population, employment and economic growth. Our population growth was fifth highest in the nation last year, totaling 191,000 residents, a 2.2 percent increase. We have added 46,000 jobs since March 2007, a 1.1 percent increase, ranking us number two among the southeastern states and well above the national median growth rate of 0.6 percent. Even though the economy has slowed down, our conservative budget practices make North Carolina one of only a handful of states that are not experiencing a budget shortfall in the current year or expecting one next year. It is estimated that the surplus at the end of this fiscal year will total \$152 million. We anticipate moderate revenue growth throughout fiscal year 2008-09.

North Carolina continues to be a national leader in education innovation and investment. My budget contains \$12.5 billion for education from pre-K through the university to build a skilled workforce prepared to compete in the global economy. It includes a 7 percent average pay increase for public school teachers to fulfill our commitment to meet the national average, adjusted for education level and experience. Additional funds are provided to expand the More-at-Four Program, to upgrade school connectivity to ensure Learn and Earn Online is available at every high school, and to assist local school districts with rising fuel costs.

My recommended budget provides additional funds to ensure a college education is accessible and safe for students. The budget fully funds higher education enrollment growth and greatly enhances financial aid opportunities for children of our military veterans. Monies have also been provided to implement recommendations outlined in the University System's Campus Safety Task Force Report, to expand allied health programs, and for professional training to recruit and retain quality teachers.

My budget makes substantial investments to protect and help our most vulnerable populations. It includes \$68 million to enhance services in our mental health system. Specifically, funds are recommended to expand local crisis system services, to improve clinical staffing ratios in our psychiatric hospitals, and to enhance facility management systemwide. Monies are also recommended to reduce the

waiting list for child care subsidies, to increase foster care and adoption assistance payments, and to enhance local obesity and health promotion programs.

This budget provides funds to increase the safety of our communities. Funds are provided to enhance case management and supervision of probation and parole offenders, to provide substance abuse services for female parolees, and to expand mental health services for delinquent juveniles. It also includes funds to assist children of National Guard soldiers currently serving abroad, to hire additional staff to expedite the processing of firearms and ballistic samples, and to ensure floodplain maps are updated every five years.

The budget solidifies North Carolina as a national leader in recruiting new business and growing existing businesses. It includes funds for the One NC Fund, which has resulted in the creation of 28,000 jobs and \$4 billion in investment throughout the state. The budget also provides support for new and emerging companies through investments in biotechnology and in the Small Business Innovation Research matching grant program.

My budget proposal provides additional funds for the environment, drought and agriculture. It includes a substantial investment to preserve farmland, to enhance sustainable water supply programs, and to improve fire suppression and drought response capabilities statewide. Funds are also provided for forest development and habitat protection programs and to increase disease surveillance and detection programs to ensure a safe food supply.

The budget provides funding for priority public safety, cultural, and university projects outlined in the state's Capital Improvement Plan. State agency projects include expanding several correctional facilities to meet the anticipated growth in prison population, constructing a new Capital Area Visitors Center, and developing the Green Square Complex. University System projects include East Carolina University's new School of Dentistry, an addition at UNC-Chapel Hill's School of Dentistry, UNC-Greensboro's new academic building, NC State University's James B. Hunt Library on Centennial Campus, and the Upper Coastal Plain Higher Education Center.

I recognize and appreciate the work of our state employees and recommend a 1.5 percent cost-of-living adjustment and a \$1,000 one-time bonus, which is equivalent to an average four percent total increase. The budget also includes a cost of living adjustment for state and judicial system retirees.

I look forward to working cooperatively with members of the General Assembly to construct a fiscally responsible and sustainable budget that meets the needs for all North Carolinians.

With kindest regards, I remain

Very truly yours,

A handwritten signature in black ink, appearing to read "Mike Easley". The signature is written in a cursive, flowing style.

Michael F. Easley

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# Preface

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*The North Carolina State Budget: Recommended Adjustments, 2008-2009* reflects the work of multiple people within the Office of State Budget and Management (OSBM), including budget administrators and analysts, economists, technical staff, and paraprofessionals. The OSBM team is listed below by administrative area.

For additional information about its contents, please contact the appropriate administrator at the e-mail address cited below or by telephone at 919/807-4700. The mailing address for OSBM is 20320 Mail Service Center, Raleigh, NC 27699-0320. This document is also available online at [www.osbm.state.nc.us](http://www.osbm.state.nc.us).

**David McCoy, State Budget Director** ([david.mccoy@osbm.nc.gov](mailto:david.mccoy@osbm.nc.gov))

Debbie Young, Executive Assistant to State Budget Director ([debbie.young@osbm.nc.gov](mailto:debbie.young@osbm.nc.gov))

**Julie Mitchel**, Associate State Budget Director ([julie.mitchel@osbm.nc.gov](mailto:julie.mitchel@osbm.nc.gov))

**Charles Perusse**, Deputy State Budget Director ([charles.perusse@osbm.nc.gov](mailto:charles.perusse@osbm.nc.gov))

Kela Lockamy, Executive Assistant to State Budget Director ([kela.lockamy@osbm.nc.gov](mailto:kela.lockamy@osbm.nc.gov))

**Mercidee Benton**, Associate State Budget Officer for Transportation  
([mercidee.benton@osbm.nc.gov](mailto:mercidee.benton@osbm.nc.gov))

**Sheryl Kelly**, Associate State Budget Officer for JPS ([sheryl.kelly@osbm.nc.gov](mailto:sheryl.kelly@osbm.nc.gov))

Aaron Gallagher, Budget Analyst ([aaron.gallagher@osbm.nc.gov](mailto:aaron.gallagher@osbm.nc.gov))

Cheryl Reed, Budget Analyst ([cheryl.reed@osbm.nc.gov](mailto:cheryl.reed@osbm.nc.gov))

**Erin Wuchte**, Results Based Budgeting Coordinator ([erin.wuchte@osbm.nc.gov](mailto:erin.wuchte@osbm.nc.gov))

Joe White, Results Based Budgeting Analyst ([joseph.white@osbm.nc.gov](mailto:joseph.white@osbm.nc.gov))

## Budget

**Arnetha Dickerson**, Director ([arnetha.dickerson@osbm.nc.gov](mailto:arnetha.dickerson@osbm.nc.gov))

Frances Doak, Administrative Support Specialist ([frances.doak@osbm.nc.gov](mailto:frances.doak@osbm.nc.gov))

Laveta Pickett, Administrative Support Specialist ([laveta.pickett@osbm.nc.gov](mailto:laveta.pickett@osbm.nc.gov))

## Capital Improvements

**Jim Lora**, Assistant State Budget Officer ([jim.lora@osbm.nc.gov](mailto:jim.lora@osbm.nc.gov))

Adam Breuggemann, Budget Analyst ([adam.breuggemann@osbm.nc.gov](mailto:adam.breuggemann@osbm.nc.gov))

Kristen Crosson, Budget Analyst ([kristen.crosson@osbm.nc.gov](mailto:kristen.crosson@osbm.nc.gov))

Jennifer Wimmer, Budget Analyst ([jennifer.wimmer@osbm.nc.gov](mailto:jennifer.wimmer@osbm.nc.gov))

## Technology and Data Services

**Joel Sigmon**, Assistant State Budget Officer ([joel.sigmon@osbm.nc.gov](mailto:joel.sigmon@osbm.nc.gov))

Bob Coats, BTA Analyst ([bob.coats@osbm.nc.gov](mailto:bob.coats@osbm.nc.gov))

---

Agness Gunter, BTA Specialist ([agness.gunter@osbm.nc.gov](mailto:agness.gunter@osbm.nc.gov))  
Paula Jones, Research Assistant ([paula.jones@osbm.nc.gov](mailto:paula.jones@osbm.nc.gov))  
Ernest Pecounis, BTA Analyst ([ernest.pecounis@osbm.nc.gov](mailto:ernest.pecounis@osbm.nc.gov))  
Lucy Ringland, Technical Editor/Applications Analyst ([lucy.ringland@osbm.nc.gov](mailto:lucy.ringland@osbm.nc.gov))  
Francine Stephenson, BTA Specialist ([francine.stephenson@osbm.nc.gov](mailto:francine.stephenson@osbm.nc.gov))  
Paul Young, BTA Specialist ([paul.young@osbm.nc.gov](mailto:paul.young@osbm.nc.gov))

### **Economic and Demographic Research**

**Jonathan Womer**, Assistant State Budget Officer ([jonathan.womer@osbm.nc.gov](mailto:jonathan.womer@osbm.nc.gov))  
Will Crumbley, Economic Analyst ([will.crumbley@osbm.nc.gov](mailto:will.crumbley@osbm.nc.gov))  
Nathan Knuffman, Economic Analyst ([nathan.knuffman@osbm.nc.gov](mailto:nathan.knuffman@osbm.nc.gov))  
Warren Plonk, Economic Analyst ([warren.plonk@osbm.nc.gov](mailto:warren.plonk@osbm.nc.gov))  
Bill Tillman, State Demographer, BTA Analyst ([bill.tillman@osbm.nc.gov](mailto:bill.tillman@osbm.nc.gov))  
Jennifer Song, Associate State Demographer, BTA Analyst ([jennifer.song@osbm.nc.gov](mailto:jennifer.song@osbm.nc.gov))

### **Education**

**Elizabeth Grovenstein**, Assistant State Budget Officer ([elizabeth.grovenstein@osbm.nc.gov](mailto:elizabeth.grovenstein@osbm.nc.gov))  
Bryan Conrad, Budget Analyst ([bryan.conrad@osbm.nc.gov](mailto:bryan.conrad@osbm.nc.gov))  
Alicia James, Budget Analyst ([alicia.james@osbm.nc.gov](mailto:alicia.james@osbm.nc.gov))  
Pam Leaman, Budget Analyst ([pam.leaman@osbm.nc.gov](mailto:pam.leaman@osbm.nc.gov))  
Trey O'Quinn, Budget Analyst ([trey.oquinn@osbm.nc.gov](mailto:trey.oquinn@osbm.nc.gov))  
Susie Esealuka, Administrative Support Associate ([susie.esenaluka@osbm.nc.gov](mailto:susie.esenaluka@osbm.nc.gov))

### **General Government/NER**

**David Brown**, Assistant State Budget Officer ([david.brown@osbm.nc.gov](mailto:david.brown@osbm.nc.gov))  
Thomas Cheek, Budget Analyst ([thomas.cheek@osbm.nc.gov](mailto:thomas.cheek@osbm.nc.gov))  
Celia Cox, Budget Analyst ([celia.cox@osbm.nc.gov](mailto:celia.cox@osbm.nc.gov))  
Donna Cox, Budget Analyst ([donna.cox@osbm.nc.gov](mailto:donna.cox@osbm.nc.gov))  
Jack Hubbard, Budget Analyst ([jack.hubbard@osbm.nc.gov](mailto:jack.hubbard@osbm.nc.gov))  
Pat Taylor, Administrative Support Associate ([pat.taylor@osbm.nc.gov](mailto:pat.taylor@osbm.nc.gov))

### **Health and Human Services**

**Jennifer Hoffmann**, Assistant State Budget Officer ([jennifer.hoffmann@osbm.nc.gov](mailto:jennifer.hoffmann@osbm.nc.gov))  
Kari Barsness, Budget Analyst ([kari.barsness@osbm.nc.gov](mailto:kari.barsness@osbm.nc.gov))  
Pam Kilpatrick, Budget Analyst ([pam.kilpatrick@osbm.nc.gov](mailto:pam.kilpatrick@osbm.nc.gov))  
Melvin Lee, Budget Analyst ([melvin.lee@osbm.nc.gov](mailto:melvin.lee@osbm.nc.gov))  
Wayne Williams, Budget Analyst ([wayne.williams@osbm.nc.gov](mailto:wayne.williams@osbm.nc.gov))  
Pat Taylor, Administrative Support Associate ([pat.taylor@osbm.nc.gov](mailto:pat.taylor@osbm.nc.gov))

### **Human Resources**

**Ursula Hairston**, Director ([ursula.hairston@osbm.nc.gov](mailto:ursula.hairston@osbm.nc.gov))  
Tonya Austin, Administrative Support Associate ([tonya.austin@osbm.nc.gov](mailto:tonya.austin@osbm.nc.gov))  
Janie Johnson, (part-time) ([janie.johnson@osbm.nc.gov](mailto:janie.johnson@osbm.nc.gov))

---

## Management

**Tom Newsome**, Assistant State Budget Officer ([tom.newsome@osbm.nc.gov](mailto:tom.newsome@osbm.nc.gov))

### *Management Analysis*

Philip Bartholomew, Management Analyst ([philip.bartholomew@osbm.nc.gov](mailto:philip.bartholomew@osbm.nc.gov))

Donald Crooke, Management Analyst ([donald.crooke@osbm.nc.gov](mailto:donald.crooke@osbm.nc.gov))

Regina Hill, Management Analyst ([regina.hill@osbm.nc.gov](mailto:regina.hill@osbm.nc.gov))

Angela Houston, Management Analyst ([angela.houston@osbm.nc.gov](mailto:angela.houston@osbm.nc.gov))

Joe Turlington, Management Analyst ([joe.turlington@osbm.nc.gov](mailto:joe.turlington@osbm.nc.gov))

Sally Hunter, (part-time) ([sally.hunter@osbm.nc.gov](mailto:sally.hunter@osbm.nc.gov))

### *Salary and Benefits*

Bill Stockard, Salary & Benefits Analyst ([bill.stockard@osbm.nc.gov](mailto:bill.stockard@osbm.nc.gov))

Brandon James, Management Analyst ([brandon.james@osbm.nc.gov](mailto:brandon.james@osbm.nc.gov))

### *Office of Internal Audit*

Kay Radford, Quality Assurance & Development (Internal Audit) Manager  
([kay.radford@osbm.nc.gov](mailto:kay.radford@osbm.nc.gov))

Barbara Baldwin, Internal Audit Manager ([barbara.baldwin@osbm.nc.gov](mailto:barbara.baldwin@osbm.nc.gov))

Courtney Michelle, Internal Auditor ([Courtney.michelle@osbn.nc.gov](mailto:Courtney.michelle@osbn.nc.gov))

Betty Haley, Research Assistant ([betty.haley@osbm.nc.gov](mailto:betty.haley@osbm.nc.gov))

### *Statewide Information Technology*

Jim Dolan, Associate State Budget Officer for Statewide IT ([jim.dolan@osbm.nc.gov](mailto:jim.dolan@osbm.nc.gov))



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# Introduction

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This document describes the Governor's recommended state budget adjustments for fiscal year 2008-09. These recommended changes are based on the certified budget approved by the 2007 session of the General Assembly.

Recommendations for all governmental and proprietary funds are included in this document. This is a major change from previous years, when the focus of this document was almost exclusively on the General Fund, Highway Fund, and Highway Trust Fund. As in previous years, this document also contains recommendations for capital improvements, reserves, debt service, and other adjustments.

The inclusion of all governmental and proprietary funds is a requirement of the State Budget Act (Chapter 143C of the North Carolina General Statutes). A complete list of these funds can be found in Appendix A, and is organized first by department and then in numerical order by budget code. A summary of the Governor's recommended changes to the General Fund, with the budget codes as traditionally presented, appears in Table 3, Governor's Recommended General Fund Budget, 2008-09 on page 5.

Also new this year is a change in format of the summary table for the "Governor's Recommended General Fund Budget." In addition to the recommended General Fund appropriation for each General Fund budget code, the table includes total requirements and anticipated receipts. The presentation of all other governmental and proprietary funds in the Appendix follows the same format of total requirements and receipts, except fund balance replaces General Fund appropriation. A position count is included for all budget codes.

Three types of changes are usually included in the Governor's adjustments document: reduc-

tions, expansion, or technical adjustments. "Reductions" denotes recommended decreases to budgets that support current operations, while "Expansion" denotes new programs, expansion of existing programs, and salary and benefit increases. "Technical Adjustments" is a category for describing other pertinent changes in school-age populations or Medicaid enrollments that necessitate a recommended change in the certified budget.

For each reduction, expansion and technical adjustment that is described, there is a listing of the resulting fiscal change, as well as the change in number of positions, when appropriate. Fiscal changes are categorized as "Requirements" or "Nonrecurring Requirements." They may also be categorized as "Receipts" or "Nonrecurring Receipts" to designate changes in departmental receipts. Always, "requirements" less "receipts" equals "appropriation."

This year a fourth type of change has been added: recommended increases to the certified budget that were approved on a one-time basis during the current fiscal year, and for which the Governor is proposing funding again in the upcoming fiscal year. These are budget adjustments that were approved by the Office of State Budget and Management and which changed the enacted budget by making transfers among lines of expenditure, purposes, or programs, or by increasing expenditures funded by departmental receipts. These recommended increases are summarized by budget code and can be found in a column entitled, "Anticipated Recurring Adjustments." A new supplemental Budget Support Document has been created and submitted to the General Assembly, and it lists each recommended increase by budget revision with a brief description of the change.

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A summary table for the revised recommended budget for 2008-09 is presented at the beginning of each department/budget code or section. In addition, there are summary tables for the items of change following each of the change types, i.e., reduction adjustments, expansion adjustments, and technical adjustments. At the end of each department/budget code or section, there is a table that summarizes all recommended changes. Only budget codes with recommended changes are shown.

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# **Executive Priorities and Budget Summary**

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# Executive Priorities and Budget Summary

## for 2008-09

- Governor Easley's priorities include the following:
- Making North Carolina the nation's leader in education innovation to build a skilled workforce prepared to compete in the global economy.
  - Creating jobs, supporting business innovation and growing the economy.
  - Protecting and helping our most vulnerable populations.
  - Preserving the environment and promoting conservation.
  - Increasing the safety of our communities.
  - Making government more effective and efficient.
  - Developing cultural and natural resources that enhance the quality of life for citizens and visitors to North Carolina.

Figure 1  
**Recommended Appropriation for General Fund Operating Budget, 2008-09**

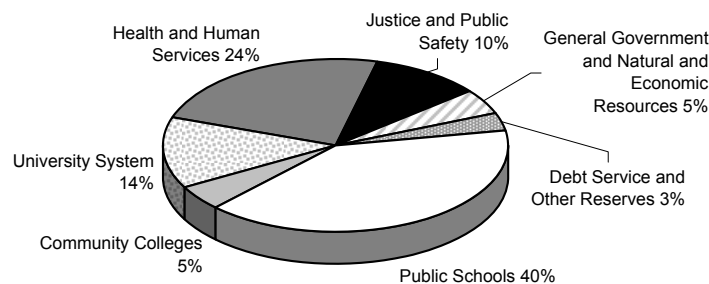


Table 1  
**Recommended General Fund Budget, 2008-09**  
**Appropriations (\$ millions)**

	Authorized FY 2007-08	Recommended FY 2008-09	Percent Change 2007-08 to 2008-09	Percent of Total Operating Budget
Public Schools	\$8,055	\$8,550	6.1%	40%
Community Colleges	993	1,012	1.9%	5%
University System	2,753	2,899	5.3%	14%
<b>Total Education</b>	<b>11,801</b>	<b>12,461</b>	<b>5.6%</b>	<b>58%</b>
Health and Human Services	4,655	5,042	8.3%	24%
Justice and Public Safety	2,132	2,228	4.5%	10%
General Government and Natural and Economic Resources	1,146	1,004	-12.4%	5%
Debt Service and Other Reserves	695	700	0.7%	3%
<b>Total Operating Budget</b>	<b>\$20,429</b>	<b>\$21,435</b>	<b>4.9%</b>	<b>100%</b>
Capital Improvements	231	97	-58.0%	
<b>Total General Fund Budget</b>	<b>\$20,660</b>	<b>\$21,532</b>	<b>4.2%</b>	

Figure 2  
**General Fund Supported Positions**  
**2008-09**

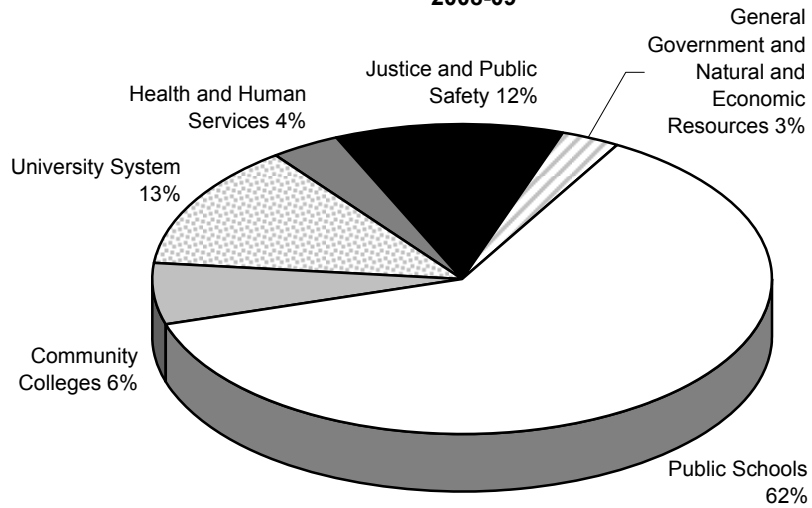


Table 2  
**Recommended General Fund Supported Positions, 2008-09**

	Authorized 2008-09	Recommended 2008-09	Change 2007-08 to 2008-09	Percent of Total Positions
Public Schools	159,728	162,735	1.9%	62%
Community Colleges	16,126	16,685	3.5%	6%
University System	34,190	34,166	-0.1%	13%
Health and Human Services	9,066	9,550	5.3%	4%
Justice and Public Safety	30,471	31,030	1.8%	12%
General Government and Natural and Economic Resources	8,219	8,315	1.2%	3%
<b>Total Positions</b>	<b>257,800</b>	<b>262,481</b>	<b>1.8%</b>	<b>100%</b>

Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Education</b>									
<b>Public Instruction</b>									
<b>13510</b>	<b>Public Instruction Requirements</b>								
	Receipts	9,540,535,941	(256,848,564)	(59,380,731)	(4,500,000)	69,337,637	122,344,780	(129,046,878)	9,411,489,063
	General Fund Appropriation	(1,832,220,656)	256,848,564	(27,000,000)	-	(616,491)	-	229,232,073	(1,602,988,583)
	Positions	7,708,315,285	-	(86,380,731)	(4,500,000)	68,721,146	122,344,780	100,185,195	7,808,500,480
		636.20	14.00	-	-	-	-	14.00	650.20
<b>Community Colleges</b>									
<b>16800</b>	<b>Community Colleges Requirements</b>								
	Receipts	1,122,535,857	745,853	(4,526,595)	(5,283,246)	36,828,754	8,813,952	36,578,718	1,159,114,575
	General Fund Appropriation	(222,892,854)	(745,853)	(4,500,000)	-	(6,672,670)	-	(11,918,523)	(234,811,377)
	Positions	899,643,003	-	(9,026,595)	(5,283,246)	30,156,084	8,813,952	24,660,195	924,303,198
		203.00	-	-	-	2.00	-	2.00	205.00
<b>Component Units</b>									
<b>University System</b>									
<b>16010</b>	<b>UNC - General Administration Requirements</b>								
	Receipts	51,542,724	-	(698,003)	-	-	-	(698,003)	50,844,721
	General Fund Appropriation	(8,895,700)	-	-	-	-	-	-	(8,895,700)
	Positions	42,647,024	-	(698,003)	-	-	-	(698,003)	41,949,021
		365.52	-	-	-	-	-	-	365.52
<b>16011</b>	<b>UNC - Institutional Programs Requirements</b>								
	Receipts	132,917,624	-	-	-	51,607,952	8,680,200	60,288,152	193,205,776
	General Fund Appropriation	(132,917,624)	-	-	-	-	-	-	-
	Positions	49.00	-	-	-	60.40	8,680,200	60,288,152	193,205,776
		-	-	-	-	-	-	60.40	109.40
<b>16012</b>	<b>UNC - Educational Programs Requirements</b>								
	Receipts	294,667,162	-	-	-	-	-	-	294,667,162
	General Fund Appropriation	(166,321,590)	-	-	-	-	-	-	(166,321,590)
	Positions	128,345,572	-	-	-	-	-	-	128,345,572
		-	-	-	-	-	-	-	-
<b>16015</b>	<b>UNC - Aid to Private Institutions Requirements</b>								
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
<b>16020</b>	<b>UNC-CH Academic Affairs Requirements</b>								
	Receipts	463,148,464	-	(2,976,800)	(461,324)	-	-	(3,438,124)	459,710,340
	General Fund Appropriation	(187,291,887)	-	-	-	-	-	-	(187,291,887)
	Positions	275,856,577	-	(2,976,800)	(461,324)	-	-	(3,438,124)	272,418,453
		4,234.03	-	-	-	-	-	-	4,234.03
<b>16021</b>	<b>UNC-CH Health Affairs Requirements</b>								
	Receipts	242,964,860	-	(2,500,731)	(29,973)	-	-	(2,530,704)	240,434,156
	General Fund Appropriation	(48,557,497)	-	-	-	-	-	-	(48,557,497)
	Positions	194,407,363	-	(2,500,731)	(29,973)	-	-	(2,530,704)	191,876,659
		2,133.00	-	-	-	-	-	-	2,133.00
<b>16022</b>	<b>UNC-CH Health Education Requirements</b>								
	Receipts	47,818,875	-	(382,551)	-	-	-	(382,551)	47,436,324
	General Fund Appropriation	(47,818,875)	-	(382,551)	-	-	-	(382,551)	(47,436,324)
	Positions	95.08	-	-	-	-	-	-	95.08
<b>16030</b>	<b>UNC-NCSU - Academic Affairs Requirements</b>								
	Receipts	548,075,961	-	(4,191,292)	(308,156)	-	-	(4,499,448)	543,576,513
	General Fund Appropriation	(189,400,092)	-	-	-	-	-	-	(189,400,092)
	Positions	358,675,869	-	(4,191,292)	(308,156)	-	-	(4,499,448)	354,176,421
		5,734.28	-	-	-	-	-	-	5,734.28

Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>16031</b>	<b>UNC-NCSU - Agricultural Research Requirements</b>								
	Receipts	62,740,554	-	(1,727,832)	-	-	-	(1,727,832)	61,012,722
	General Fund Appropriation	(10,596,545)	-	-	-	-	-	-	(10,596,545)
	Positions	52,144,009	-	(1,727,832)	-	-	-	(1,727,832)	50,416,177
		917,53	-	-	-	-	-	-	917,53
<b>16032</b>	<b>UNC-NCSU - Agricultural Extension Requirements</b>								
	Receipts	57,561,381	-	(422,222)	-	-	-	(422,222)	57,139,159
	General Fund Appropriation	(15,435,194)	-	-	-	-	-	-	(15,435,194)
	Positions	42,126,187	-	(422,222)	-	-	-	(422,222)	41,703,965
		813,39	-	-	-	-	-	-	813,39
<b>16040</b>	<b>UNC-Greensboro Requirements</b>								
	Receipts	210,119,796	-	(1,301,393)	-	-	-	(1,301,393)	208,818,403
	General Fund Appropriation	(60,171,334)	-	-	-	-	-	-	(60,171,334)
	Positions	149,948,462	-	(1,301,393)	-	-	-	(1,301,393)	148,647,069
		2,214,52	-	-	-	-	-	-	2,214,52
<b>16050</b>	<b>UNC-Charlotte Requirements</b>								
	Receipts	250,467,764	-	(2,544,424)	-	-	-	(2,544,424)	247,923,340
	General Fund Appropriation	(83,366,912)	-	-	-	-	-	-	(83,366,912)
	Positions	167,100,852	-	(2,544,424)	-	-	-	(2,544,424)	164,556,428
		2,665,85	-	-	-	-	-	-	2,665,85
<b>16055</b>	<b>UNC-Asheville Requirements</b>								
	Receipts	47,760,338	-	(852,328)	(26,836)	-	-	(879,164)	46,881,174
	General Fund Appropriation	(13,608,752)	-	-	-	-	-	-	(13,608,752)
	Positions	34,151,586	-	(852,328)	(26,836)	-	-	(879,164)	33,272,422
		621,90	-	-	-	-	-	-	621,90
<b>16060</b>	<b>UNC-Wilmington Requirements</b>								
	Receipts	142,953,351	-	(1,748,746)	-	-	-	(1,748,746)	141,204,605
	General Fund Appropriation	(45,719,735)	-	-	-	-	-	-	(45,719,735)
	Positions	97,233,616	-	(1,748,746)	-	-	-	(1,748,746)	95,484,870
		1,654,30	-	-	-	-	-	-	1,654,30
<b>16065</b>	<b>UNC-ECU Requirements</b>								
	Receipts	307,955,018	-	(2,173,341)	1,665,101	-	-	(508,240)	307,486,778
	General Fund Appropriation	(100,196,850)	-	-	-	-	-	-	(100,196,850)
	Positions	207,798,168	-	(2,173,341)	1,665,101	-	-	(508,240)	207,289,928
		3,145,59	-	-	-	-	-	-	3,145,59
<b>16066</b>	<b>UNC-ECU Health Services Requirements</b>								
	Receipts	50,367,536	-	(389,192)	-	-	-	(389,192)	49,978,344
	General Fund Appropriation	(1,718,500)	-	-	-	-	-	-	(1,718,500)
	Positions	48,649,036	-	(389,192)	-	-	-	(389,192)	48,259,844
		535,75	-	-	-	-	-	-	535,75
<b>16070</b>	<b>UNC-A&amp;T Requirements</b>								
	Receipts	144,008,499	-	(1,195,054)	(80,938)	-	-	(1,275,992)	142,732,507
	General Fund Appropriation	(52,337,314)	-	-	-	-	-	-	(52,337,314)
	Positions	91,671,185	-	(1,195,054)	(80,938)	-	-	(1,275,992)	90,395,193
		1,677,25	-	-	-	-	-	-	1,677,25
<b>16075</b>	<b>UNC-Western Carolina Requirements</b>								
	Receipts	112,144,022	-	(956,545)	(11,332)	-	-	(967,877)	111,176,145
	General Fund Appropriation	(26,750,401)	-	-	-	-	-	-	(26,750,401)
	Positions	85,393,621	-	(956,545)	(11,332)	-	-	(967,877)	84,425,744
		1,359,21	-	-	-	-	-	-	1,359,21
<b>16080</b>	<b>UNC-Appalachian Requirements</b>								
	Receipts	175,488,056	-	(1,584,063)	-	-	-	(1,584,063)	173,903,993
	General Fund Appropriation	(52,003,757)	-	-	-	-	-	-	(52,003,757)
	Positions	123,484,299	-	(1,584,063)	-	-	-	(1,584,063)	121,900,236
		1,947,84	-	-	-	-	-	-	1,947,84
<b>16082</b>	<b>UNC-Pembroke Requirements</b>								
	Receipts	70,352,703	-	(1,031,722)	-	-	-	(1,031,722)	69,320,981
	General Fund Appropriation	(15,365,574)	-	-	-	-	-	-	(15,365,574)
	Positions	54,967,129	-	(1,031,722)	-	-	-	(1,031,722)	53,935,407
		749,26	-	-	-	-	-	-	749,26
<b>16084</b>	<b>UNC-Winston Salem State Requirements</b>								
	Receipts	86,244,210	-	(624,656)	-	-	-	(624,656)	85,619,554
	General Fund Appropriation	(16,691,824)	-	-	-	-	-	-	(16,691,824)
	Positions	69,552,386	-	(624,656)	-	-	-	(624,656)	68,927,730
		925,12	-	-	-	-	-	-	925,12

Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units  
 2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>16086</b>	<b>UNC-Elizabeth City State Requirements</b>								
	Receipts	40,888,108	-	(295,630)	-	-	-	(295,630)	40,592,478
	General Fund Appropriation	(8,300,722)	-	-	-	-	-	-	(8,300,722)
	Positions	32,587,386	-	(295,630)	-	-	-	(295,630)	32,291,756
		516.14	-	-	-	-	-	-	516.14
<b>16088</b>	<b>UNC-Fayetteville State Requirements</b>								
	Receipts	71,150,853	-	(768,967)	(14,072)	-	-	(783,039)	70,367,814
	General Fund Appropriation	(17,091,155)	-	-	-	-	-	-	(17,091,155)
	Positions	54,059,698	-	(768,967)	(14,072)	-	-	(783,039)	53,276,659
		862.15	-	-	-	-	-	-	862.15
<b>16090</b>	<b>UNC-INCCU Requirements</b>								
	Receipts	109,803,916	-	(800,290)	-	-	-	(800,290)	109,003,626
	General Fund Appropriation	(31,674,794)	-	-	-	-	-	-	(31,674,794)
	Positions	78,129,122	-	(800,290)	-	-	-	(800,290)	77,328,832
		1,150.20	-	-	-	-	-	-	1,150.20
<b>16092</b>	<b>UNC-NC School of the Arts Requirements</b>								
	Receipts	34,022,522	-	(502,470)	-	-	-	(502,470)	33,520,052
	General Fund Appropriation	(9,980,461)	-	-	-	-	-	-	(9,980,461)
	Positions	24,042,061	-	(502,470)	-	-	-	(502,470)	23,539,591
		417.14	-	-	-	-	-	-	417.14
<b>16094</b>	<b>UNC-NC School of Science and Math Requirements</b>								
	Receipts	17,903,753	-	(93,693)	-	-	-	(93,693)	17,810,060
	General Fund Appropriation	(838,331)	-	-	-	-	-	-	(838,331)
	Positions	17,065,422	-	(93,693)	-	-	-	(93,693)	16,971,729
		270.75	-	-	-	-	-	-	270.75
<b>16095</b>	<b>UNC - Hospitals Requirements</b>								
	Receipts	45,673,970	-	-	-	-	-	-	45,673,970
	General Fund Appropriation	(45,673,970)	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>Component Unit Total</b>									
	Total Requirement Budget - UNC System	3,818,782,020	-	(29,761,945)	732,470	51,607,952	8,680,200	31,258,677	3,850,040,697
	Total Receipts	(1,162,334,921)	-	-	-	-	-	-	(1,162,334,921)
	Total Appropriation	2,656,447,099	-	(29,761,945)	732,470	51,607,952	8,680,200	31,258,677	2,687,705,776
	Positions	35,054.78	-	-	-	60.40	-	60.40	35,115.18
	Total Requirement Budget - Education	14,481,853,818	(256,102,711)	(93,669,271)	(9,050,776)	157,774,343	139,838,932	(61,209,483)	14,420,644,335
	Total Receipts	(3,217,448,431)	256,102,711	(31,500,000)	-	(7,289,161)	-	217,313,550	(3,000,134,881)
	Total Appropriation	11,264,405,387	-	(125,169,271)	(9,050,776)	150,485,182	139,838,932	156,104,067	11,420,509,454
	Positions	35,893.98	14.00	-	-	62.40	-	76.40	35,970.38
<b>General Government</b>									
<b>Department of Administration</b>									
<b>14100</b>	<b>Administration Requirements</b>								
	Receipts	105,283,224	246,273	(638,636)	-	4,150,635	526,063	4,284,335	109,567,559
	General Fund Appropriation	(34,323,690)	(246,273)	-	-	(2,300,000)	-	(2,546,273)	(36,869,963)
	Positions	70,959,534	-	(638,636)	-	1,850,635	526,063	1,738,062	72,697,596
		746.11	-	-	-	9.00	-	9.00	755.11
<b>18210</b>	<b>Office of Administrative Hearings Requirements</b>								
	Receipts	3,576,594	-	(31,696)	-	91,840	253,400	313,544	3,890,138
	General Fund Appropriation	(54,859)	-	-	-	-	-	-	(54,859)
	Positions	3,521,735	-	(31,696)	-	91,840	253,400	313,544	3,835,279
		45.00	-	-	-	-	-	-	45.00
<b>13300</b>	<b>Office of the State Auditor</b>								
	Receipts	15,803,310	802,493	-	-	82,128	-	884,621	16,687,931
	General Fund Appropriation	(3,056,831)	(802,493)	(316,066)	-	-	-	(1,118,559)	(4,175,390)
	Positions	12,746,479	-	(316,066)	-	82,128	-	(233,938)	12,512,541
		192.00	9.00	-	-	-	-	9.00	201.00

Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units  
 2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>State Board of Elections (SBOE)</b>									
18025	Board of Elections Requirements	13,158,985	-	(48,135)	-	285,962	-	237,828	13,396,813
	Receipts	(3,552,117)	-	-	-	-	-	-	(3,552,117)
	General Fund Appropriation	9,626,868	-	(48,135)	-	285,962	-	237,828	9,864,696
	Positions	62.00	-	-	-	5.00	-	5.00	67.00
<b>Office of State Controller (OSC)</b>									
14160	OSC Requirements	20,805,378	-	(103,638)	-	-	-	(103,638)	20,701,740
	Receipts	(77,680)	-	-	-	-	-	-	(77,680)
	General Fund Appropriation	20,727,698	-	(103,638)	-	-	-	(103,638)	20,624,060
	Positions	142.50	-	-	-	-	-	-	142.50
<b>Department of Cultural Resources</b>									
14800	Cultural Resources Requirements	79,664,614	244,162	(646,933)	-	1,814,800	500,000	1,912,029	81,576,643
	Receipts	(7,783,190)	(244,162)	-	-	-	-	(244,162)	(8,027,352)
	General Fund Appropriation	71,881,424	-	(646,933)	-	1,814,800	500,000	1,667,867	73,549,291
	Positions	785.17	2.00	-	-	1.00	-	3.00	788.17
14802	Cultural Resources - Roanoke Island Comm. Requirements	2,020,023	-	-	-	-	-	-	2,020,023
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	2,020,023	-	-	-	-	-	-	2,020,023
	Positions	-	-	-	-	-	-	-	-
<b>General Assembly</b>									
11000	General Assembly Requirements	56,884,593	-	(636,000)	-	-	-	(636,000)	56,248,593
	Receipts	(1,143,807)	-	-	-	-	-	-	(1,143,807)
	General Fund Appropriation	55,740,786	-	(636,000)	-	-	-	(636,000)	55,104,786
	Positions	339.00	-	-	-	-	-	-	339.00
<b>Office of the Governor</b>									
13000	Governors Office Requirements	6,731,692	-	(56,705)	-	39,789	-	(16,916)	6,714,776
	Receipts	(431,105)	-	-	-	-	-	-	(431,105)
	General Fund Appropriation	6,300,587	-	(56,705)	-	39,789	-	(16,916)	6,283,671
	Positions	63.72	-	-	-	0.43	-	0.43	64.15
13085	Governors Reserve for Appropriation	6,741,446	-	-	-	300,000	1,000,000	1,300,000	8,041,446
	Receipts	(1,120,000)	-	-	-	-	-	-	(1,120,000)
	General Fund Appropriation	5,621,446	-	-	-	300,000	1,000,000	1,300,000	6,921,446
	Positions	-	-	-	-	-	-	-	-
<b>Office of State Budget and Management</b>									
13005	OSBM Requirements	6,091,884	-	(52,897)	-	101,594	-	48,697	6,140,581
	Receipts	(214,444)	-	-	-	-	-	-	(214,444)
	General Fund Appropriation	5,877,440	-	(52,897)	-	101,594	-	48,697	5,926,137
	Positions	62.00	-	-	-	1.00	-	1.00	63.00
<b>Component Units</b>									
<b>Housing Financing Agency</b>									
13010	NC Housing Finance Requirements	9,608,417	-	-	-	-	2,500,000	2,500,000	12,108,417
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	9,608,417	-	-	-	-	2,500,000	2,500,000	12,108,417
	Positions	-	-	-	-	-	-	-	-
<b>Department of Insurance</b>									
13900	Insurance Requirements	35,746,002	88,093	-	-	233,040	6,000	327,133	36,073,135
	Receipts	(4,809,298)	(88,093)	-	-	-	-	(88,093)	(4,897,391)
	General Fund Appropriation	30,936,704	-	-	-	233,040	6,000	239,040	31,175,744
	Positions	408.70	3.00	-	-	1.00	-	4.00	412.70



Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>DHHS-Education Services</b>									
14424	Education Services Requirements	41,111,244	-	-	-	-	-	776,406	41,887,650
	Receipts	(2,255,787)	-	-	-	-	-	(77,466)	(2,333,253)
	General Fund Appropriation	38,855,457	-	-	-	-	-	698,940	39,554,397
	Positions	658.13	-	-	-	-	-	-	658.13
<b>DHHS - Public Health</b>									
14430	Public Health Requirements	706,467,937	40,292,095	(2,705,095)	-	2,778,168	3,708,300	44,073,468	750,541,405
	Receipts	(524,305,227)	(38,994,765)	(401,379)	-	(1,844,203)	-	(41,240,347)	(565,545,574)
	General Fund Appropriation	182,162,710	1,297,330	(3,106,474)	-	933,965	3,708,300	2,833,121	184,995,831
	Positions	2,051.97	1.00	-	-	13.00	-	14.00	2,065.97
<b>DHHS - Social Services</b>									
14440	Social Services Requirements	1,487,090,178	(2,674,512)	(14,252,223)	-	26,877,151	-	9,950,416	1,497,040,594
	Receipts	(1,285,863,140)	2,674,512	2,500,000	-	(18,540,230)	-	(13,365,718)	(1,279,228,858)
	General Fund Appropriation	221,227,038	-	(11,752,223)	-	8,336,921	-	(3,415,302)	217,811,736
	Positions	772.00	-	-	-	-	-	-	772.00
<b>DHHS - Medical Assistance</b>									
14445	Medical Assistance Requirements	12,151,849,862	(1,490,467)	(222,115,200)	(40,706,624)	(837,246)	29,046,396	(236,103,141)	11,915,746,721
	Receipts	(8,761,856,392)	1,490,467	76,204,412	25,100,326	965,857	(17,988,962)	85,772,100	(8,676,084,292)
	General Fund Appropriation	3,389,993,470	-	(145,910,788)	(15,606,298)	128,611	11,057,434	(150,331,041)	3,239,662,429
	Positions	391.25	12.00	-	-	18.00	-	30.00	421.25
<b>DHHS - NC Health Choice</b>									
14446	NC Health Choice Requirements	226,556,984	-	-	-	41,919,491	6,013,072	47,932,563	274,489,547
	Receipts	(167,165,829)	-	-	-	(31,531,841)	(4,517,454)	(36,049,295)	(203,215,124)
	General Fund Appropriation	59,391,155	-	-	-	10,387,650	1,495,618	11,883,268	71,274,423
	Positions	1.00	-	-	-	-	-	-	1.00
<b>DHHS Services for the Blind and Deaf</b>									
14450	Blind/Deaf Requirements	30,035,144	4,493	-	-	-	-	4,493	30,039,637
	Receipts	(18,600,501)	(4,493)	-	-	-	-	(4,493)	(18,604,994)
	General Fund Appropriation	11,434,643	-	-	-	-	-	-	11,434,643
	Positions	319.00	-	-	-	-	-	-	319.00
<b>DHHS - Mental Health/Devel. Disab./SAS</b>									
14460	Mental Health/Devel.Disab./SAS Requirements	1,210,827,959	1,841,754	-	-	73,613,696	11,047,829	86,503,279	1,297,331,238
	Receipts	(489,188,236)	(1,841,754)	(11,500,000)	(600,000)	(18,352,335)	(1,021,419)	(33,215,508)	(522,403,744)
	General Fund Appropriation	721,639,723	-	(11,500,000)	(600,000)	55,261,361	10,026,410	53,287,771	774,927,494
	Positions	11,714.33	-	-	-	436.75	-	436.75	12,151.08
<b>DHHS - Health Services Regulation</b>									
14470	Health Services Regulation Requirements	53,994,094	(907,721)	-	-	787,918	34,110	(85,693)	53,908,401
	Receipts	(33,337,866)	(328,771)	-	-	-	-	(328,771)	(33,666,637)
	General Fund Appropriation	20,656,228	(1,236,492)	-	-	787,918	34,110	(414,464)	20,241,764
	Positions	505.00	0.50	-	-	8.00	-	8.50	513.50
<b>DHHS - Vocational Rehabilitation</b>									
14480	VR Requirements	138,878,370	374,140	(2,000,000)	-	-	-	(1,625,860)	137,252,510
	Receipts	(93,360,005)	(374,140)	-	-	-	-	(374,140)	(93,734,145)
	General Fund Appropriation	45,518,365	-	(2,000,000)	-	-	-	(2,000,000)	43,518,365
	Positions	1,054.01	2.00	-	-	-	-	2.00	1,056.01
<b>Total Requirement Budget - DHHS</b>									
Total Receipts		16,913,902,326	38,774,130	(245,007,484)	(40,706,624)	154,629,334	63,013,779	(29,296,865)	16,884,605,461
Total Appropriation		(11,813,701,973)	(38,774,130)	59,803,033	17,400,326	(78,326,963)	(32,609,967)	(72,507,301)	(11,886,209,274)
Total Appropriation		5,100,200,353	-	(185,204,451)	(23,306,298)	76,302,771	30,403,812	(101,804,166)	4,998,396,187
Positions		18,535.68	17.50	-	-	482.75	-	500.25	19,035.93



Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Justice and Public Safety</b>									
<b>Department of Correction</b>									
14500	Correction Requirements	1,256,420,592	-	(8,125,000)	(4,375,000)	16,364,562	821,709	4,686,271	1,261,106,863
	Receipts	(29,793,011)	-	(3,699,375)	-	-	-	(3,699,375)	(33,492,386)
	General Fund Appropriation	1,226,627,581	-	(11,824,375)	(4,375,000)	16,364,562	821,709	986,896	1,227,614,477
	Positions	21,223.00	-	-	-	83.00	-	83.00	21,306.00
<b>Department of Crime Control and Public Safety</b>									
14900	CC&PS Requirements	109,893,289	46,908,503	(160,482)	(140,421)	1,145,000	800,000	48,552,600	158,445,889
	Receipts	(68,404,252)	(46,908,503)	-	-	(222,000)	-	(47,160,503)	(115,564,755)
	General Fund Appropriation	41,489,037	-	(160,482)	(140,421)	893,000	800,000	1,392,097	42,881,134
	Positions	515.75	3.00	-	-	-	-	3.00	518.75
<b>Judicial Branch</b>									
12000	AOC Requirements	454,699,297	15,399	(2,620,486)	(1,701,752)	1,865,815	34,605	(2,406,419)	452,292,878
	Receipts	(2,309,380)	(15,399)	-	-	-	-	(15,399)	(2,324,779)
	General Fund Appropriation	452,399,917	-	(2,620,486)	(1,701,752)	1,865,815	34,605	(2,421,818)	449,968,099
	Positions	6,313.20	-	-	-	22.00	-	22.00	6,335.20
12001	AOC - Indigent Defense Requirements	124,862,463	-	(200,000)	-	3,000,000	-	2,800,000	127,662,463
	Receipts	(8,871,115)	-	-	-	-	-	-	(8,871,115)
	General Fund Appropriation	115,991,348	-	(200,000)	-	3,000,000	-	2,800,000	118,791,348
	Positions	376.50	-	-	-	-	-	-	376.50
<b>Department of Justice</b>									
13600	Justice Requirements	118,699,794	775,649	(456,525)	(311,959)	1,128,061	191,301	1,326,527	120,026,261
	Receipts	(26,528,064)	(775,649)	-	-	(422,866)	(63,529)	(1,262,044)	(27,790,108)
	General Fund Appropriation	92,171,670	-	(456,525)	(311,959)	705,195	127,772	64,483	92,236,153
	Positions	1,329.75	3.00	-	-	12.00	-	15.00	1,344.75
<b>Juvenile Justice and Delinquency Prevention</b>									
14060	Juvenile Justice Requirements	150,336,289	-	(739,954)	(474,277)	25,243,447	26,400	24,065,616	174,391,915
	Receipts	(10,780,195)	-	-	-	(847,609)	(10,560)	(11,638,364)	(11,738,559)
	General Fund Appropriation	139,556,104	-	(739,954)	(474,277)	24,395,838	15,840	23,197,447	162,753,551
	Positions	1,943.06	-	-	-	47.00	-	47.00	1,990.06
	<b>Total Requirement Budget - Justice and Public Safety</b>	2,214,911,674	47,699,551	(12,302,447)	(7,003,409)	45,746,885	4,874,015	79,014,595	2,293,926,269
	<b>Total Receipts</b>	(146,686,017)	(47,699,551)	(3,699,375)	-	(1,522,475)	(74,089)	(52,995,490)	(199,681,507)
	<b>Total Appropriation</b>	2,068,225,657	-	(16,001,822)	(7,003,409)	44,224,410	4,799,926	26,019,105	2,094,244,762
	Positions	31,701.25	6.00	-	-	164.00	-	170.00	31,871.25
<b>Natural and Economic Resources</b>									
<b>Department of Agriculture and Consumer Services</b>									
13700	Agriculture Requirements	84,927,771	568,745	-	-	309,132	5,002,705	5,880,582	90,808,353
	Receipts	(24,228,770)	(568,745)	(606,990)	-	(21,213)	-	(1,196,948)	(25,425,718)
	General Fund Appropriation	60,699,001	-	(606,990)	-	287,919	5,002,705	4,683,634	65,382,635
	Positions	1,189.00	6.00	-	-	6.00	-	12.00	1,201.00
<b>Department of Commerce</b>									
14600	Commerce Requirements	97,713,036	68,868	(303,502)	(1,476,535)	746,517	16,975,000	16,010,348	113,723,384
	Receipts	(62,423,695)	(68,868)	-	-	(110,620)	-	(179,488)	(62,603,183)
	General Fund Appropriation	45,289,341	-	(303,502)	(1,476,535)	635,897	16,975,000	15,830,860	61,120,201
	Positions	458.57	-	-	-	1.00	-	1.00	459.57
<b>Commerce - State Aid</b>									
14601	Commerce - State Aid Requirements	61,247,487	-	-	-	1,500,000	2,500,000	4,000,000	65,247,487
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	61,247,487	-	-	-	1,500,000	2,500,000	4,000,000	65,247,487
	Positions	-	-	-	-	-	-	-	-

Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Environment and Natural Resources (DENR)</b>									
<b>14300</b>	<b>DENR Requirements</b>								
	Receipts	317,161,761	(7,500,223)	(1,988,157)	-	1,427,384	9,685,431	1,624,435	318,786,196
	General Fund Appropriation	(124,346,098)	7,500,223	-	-	608,950	-	8,108,773	(116,237,325)
	Positions	192,815,663	(11,000)	(1,988,157)	-	2,035,934	9,685,431	9,733,208	202,548,871
		3,411.79	(11.00)	-	-	22.62	-	11.62	3,423.41
<b>DENR - Clean Water Management Trust Fund</b>									
<b>14301</b>	<b>DENR - Clean Water Management Trust Fund Requirements</b>								
	Receipts	100,000,000	-	-	-	-	-	-	100,000,000
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	100,000,000	-	-	-	-	-	-	100,000,000
<b>Department of Labor</b>									
<b>13800</b>	<b>Labor Requirements</b>								
	Receipts	25,249,877	-	-	-	893,493	-	893,493	26,143,370
	General Fund Appropriation	(8,654,926)	-	-	-	(174,000)	-	(174,000)	(8,828,926)
	Positions	16,594,951	-	-	-	719,493	-	719,493	17,314,444
		363.75	-	-	-	-	-	-	363.75
	<b>Total Requirement Budget - Natural and Economic Resources</b>	686,299,932	(6,862,610)	(2,291,659)	(1,476,535)	4,876,526	34,163,136	28,408,858	714,708,790
	<b>Total Receipts</b>	(209,653,489)	6,862,610	(606,990)	-	302,717	-	6,558,337	(203,095,152)
	<b>Total Appropriation</b>	476,646,443	-	(2,898,649)	(1,476,535)	5,179,243	34,163,136	34,967,195	511,613,638
	Positions	5,423.11	(5.00)	-	-	29.62	-	24.62	5,447.73
<b>Debt Service</b>									
<b>19420</b>	<b>Debt Service - Requirements</b>								
	Receipts	701,629,121	-	-	-	-	-	-	701,629,121
	General Fund Appropriation	(42,612,214)	-	-	(17,500,000)	-	-	(17,500,000)	(60,112,214)
	Positions	659,016,907	-	-	(17,500,000)	-	-	(17,500,000)	641,516,907
<b>19425</b>	<b>Debt Service - Falls Lake Requirements</b>								
	Receipts	1,616,380	-	-	-	-	-	-	1,616,380
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	1,616,380	-	-	-	-	-	-	1,616,380
	<b>Total Requirement Budget - Debt Service</b>	703,245,501	-	-	-	-	-	-	703,245,501
	<b>Total Receipts</b>	(42,612,214)	-	-	(17,500,000)	-	-	(17,500,000)	(60,112,214)
	<b>Total Appropriation</b>	660,633,287	-	-	(17,500,000)	-	-	(17,500,000)	643,133,287
	Positions	-	-	-	-	-	-	-	-
<b>Capital Improvements</b>									
<b>19600</b>	<b>Capital Improvements</b>								
	Receipts	-	-	-	-	96,998,826	-	96,998,826	96,998,826
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>Reserves</b>									
<b>19001</b>	<b>Contingency and Emergency Reserve</b>								
	Receipts	5,000,000	-	-	-	-	-	-	5,000,000
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	5,000,000	-	-	-	-	-	-	5,000,000
<b>19003</b>	<b>Compensation Increase Reserve</b>								
	Receipts	499,667,978	-	-	-	404,000,000	190,200,000	594,200,000	1,093,867,978
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	499,667,978	-	-	-	404,000,000	190,200,000	594,200,000	1,093,867,978
<b>19004</b>	<b>Salary Adjustment Reserve</b>								
	Receipts	23,688,000	-	-	-	-	-	-	23,688,000
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	23,688,000	-	-	-	-	-	-	23,688,000
<b>190xx</b>	<b>Pesticide Prevention Program Reserve</b>								
	Receipts	-	-	-	-	442,748	271,362	714,110	714,110
	General Fund Appropriation	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	442,748	271,362	714,110	714,110
		-	-	-	-	8.00	-	8.00	8.00

Table 3

**Governor's Recommended General Fund Budget and Selected Component Units  
2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>19015</b>	<b>Vacant Eliminated Position Reserve</b>	(10,038,466)	-	-	-	-	-	-	(10,038,466)
	Receipts								
	General Fund Appropriation	(10,038,466)	-	-	-	-	-	-	(10,038,466)
	Positions								
<b>190xx</b>	<b>Drought and Energy Efficiency Reserve</b>								
	Receipts								
	General Fund Appropriation								
	Positions								
<b>19043</b>	<b>Hospitalization Reserve</b>	122,890,207	-	(5,000,000)	-	-	-	(5,000,000)	117,890,207
	Receipts								
	General Fund Appropriation	122,890,207	-	(5,000,000)	-	-	-	(5,000,000)	117,890,207
	Positions								
<b>19044</b>	<b>Information Technology Reserve</b>	7,840,000	-	-	-	-	-	-	7,840,000
	Receipts								
	General Fund Appropriation	7,840,000	-	-	-	-	-	-	7,840,000
	Positions								
<b>19047</b>	<b>Retirement Rate Adjustment Reserve</b>	35,705,000	-	-	-	-	-	-	35,705,000
	Receipts								
	General Fund Appropriation	35,705,000	-	-	-	-	-	-	35,705,000
	Positions								
<b>19051</b>	<b>Reserve - Judicial Longevity Additional Steps</b>	566,643	-	-	-	-	-	-	566,643
	Receipts								
	General Fund Appropriation	566,643	-	-	-	-	-	-	566,643
	Positions								
<b>19052</b>	<b>Reserve - Transfer Public Defenders to Judicial Retire. System</b>	573,000	-	-	-	-	-	-	573,000
	Receipts								
	General Fund Appropriation	573,000	-	-	-	-	-	-	573,000
	Positions								
<b>190xx</b>	<b>Geographic Information System (GIS) Study Recommendations</b>								
	Receipts								
	General Fund Appropriation								
	Positions								
<b>190xx</b>	<b>Census 2010 Outreach and Promotion</b>								
	Receipts								
	General Fund Appropriation								
	Positions								
<b>190xx</b>	<b>Multipurpose Database Reserve</b>								
	Receipts								
	General Fund Appropriation								
	Positions								
<b>19013</b>	<b>Job Development Incentive Grant Reserve</b>	12,400,000	-	-	-	17,700,000	-	17,700,000	30,100,000
	Receipts								
	General Fund Appropriation	12,400,000	-	-	-	17,700,000	-	17,700,000	30,100,000
	Positions								
<b>19053</b>	<b>ITS Hold Harmless for Agencies (Replacement Reserve)</b>								
	Receipts								
	General Fund Appropriation								
	Positions								

Table 3  
**Governor's Recommended General Fund Budget and Selected Component Units  
 2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments *	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Total Requirement Budget - Reserves</b>									
Total Receipts		698,292,362	-	(5,000,000)	-	427,642,748	198,971,362	621,614,110	1,319,906,472
Total Appropriation		-	-	(5,000,000)	-	427,642,748	198,971,362	621,614,110	1,319,906,472
<b>Total Change in Fund Balance</b>									
Positions		-	-	-	-	-	-	-	-
<b>Total Requirement Budget</b>									
Total Receipts		36,235,542,798	(174,877,244)	(361,307,190)	(58,237,344)	797,949,742	567,679,060	674,208,198	36,909,750,996
Total Appropriation		(15,541,296,260)	174,877,244	23,680,602	(99,674)	(89,135,482)	(42,684,056)	66,638,634	(15,474,657,626)
Positions		20,694,246,538	-	(337,626,588)	(58,337,018)	708,814,260	524,995,004	740,846,832	21,532,092,196
		96,469,71	49.50	-	-	768.20	-	826.70	97,296.41

\* Adjustments subject to GS 143C-6-4. (b)(3)(iii)

Table 4  
**Governor's Recommended Highway Fund and Highway Trust Fund Budgets and Component Units  
 2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>84210</b>	<b>HIGHWAY FUND</b>								
	DOT Administration Requirements	96,344,426	8,202	(12,000,000)	-	2,416,692	5,240,299	(4,334,807)	92,009,619
	Receipts	(12,500,239)	(8,202)	-	-	-	(5,240,299)	(5,248,501)	(17,748,740)
	Highway Fund Appropriation	83,844,187	-	(12,000,000)	-	2,416,692	-	(9,583,308)	74,260,879
	Division of Highways Administration Requirements	58,604,076	889,984	-	-	-	-	889,984	59,494,060
	Receipts	(25,900,940)	(889,984)	-	-	-	-	(889,984)	(26,790,924)
	Highway Fund Appropriation	32,703,136	-	-	-	-	-	-	32,703,136
	Highway - Construction Requirements	1,032,173,949	-	-	-	1,807,592	-	1,807,592	1,033,981,541
	Receipts	(882,000,000)	-	-	-	-	-	-	(882,000,000)
	Highway Fund Appropriation	150,173,949	-	-	-	1,807,592	-	1,807,592	151,981,541
	Highway - Maintenance Requirements	909,599,625	-	-	-	6,256,119	22,549,593	28,805,712	938,405,337
	Receipts	-	-	-	-	-	-	-	-
	Highway Fund Appropriation	909,599,625	-	-	-	6,256,119	22,549,593	28,805,712	938,405,337
	Highway - Planning and Research Requirements	22,700,000	-	-	-	-	-	-	22,700,000
	Receipts	(18,000,000)	-	-	-	-	-	-	(18,000,000)
	Highway Fund Appropriation	4,700,000	-	-	-	-	-	-	4,700,000
	Highway - OSHA Program Requirements	425,000	-	-	-	-	-	-	425,000
	Receipts	-	-	-	-	-	-	-	-
	Highway Fund Appropriation	425,000	-	-	-	-	-	-	425,000
	Ferry Operations Requirements	31,313,921	-	-	-	-	-	-	31,313,921
	Receipts	-	-	-	-	-	-	-	-
	Highway Fund Appropriation	31,313,921	-	-	-	-	-	-	31,313,921
	State Aid - Municipalities Requirements	93,073,949	-	-	-	1,807,592	-	1,807,592	94,881,541
	Receipts	-	-	-	-	-	-	-	-
	Highway Fund Appropriation	93,073,949	-	-	-	1,807,592	-	1,807,592	94,881,541
	State Aid - Public Transportation Requirements	83,144,229	-	-	-	-	-	-	83,144,229
	Receipts	(10,000,000)	-	-	-	-	-	-	(10,000,000)
	Highway Fund Appropriation	73,144,229	-	-	-	-	-	-	73,144,229
	State Aid - Airports Requirements	47,758,616	-	-	-	-	-	-	47,758,616
	Receipts	(28,350,801)	-	-	-	-	-	-	(28,350,801)
	Highway Fund Appropriation	19,407,815	-	-	-	-	-	-	19,407,815
	State Aid - Railroads Requirements	20,330,883	-	-	-	-	-	-	20,330,883
	Receipts	-	-	-	-	-	-	-	-
	Highway Fund Appropriation	20,330,883	-	-	-	-	-	-	20,330,883
	Governor's Highway Safety Program Req.	4,670,899	-	-	-	-	-	-	4,670,899
	Receipts	(4,335,450)	-	-	-	-	-	-	(4,335,450)
	Highway Fund Appropriation	335,449	-	-	-	-	-	-	335,449
	Division of Motor Vehicles Requirements	124,294,456	9,233,333	-	-	195,266	-	9,428,599	133,723,055
	Receipts	(24,365,752)	(9,233,333)	-	-	-	-	(9,233,333)	(33,599,085)
	Highway Fund Appropriation	99,928,704	-	-	-	195,266	-	195,266	100,123,970

Table 4  
**Governor's Recommended Highway Fund and Highway Trust Fund Budgets and Component Units  
 2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
	<b>Other State Agencies Requirements</b>								
	Receipts	262,547,389	-	(185,000)	-	667,068	-	482,068	263,029,457
	Highway Fund Appropriation	(400,880)	-	-	-	-	-	-	(400,880)
	<b>Reserves and Transfers Requirements</b>								
	Receipts	262,146,509	-	(185,000)	-	667,068	-	482,068	262,628,577
	Highway Fund Appropriation	29,862,644	-	-	-	10,594,671	12,450,407	23,045,078	52,907,722
	Receipts	29,862,644	-	-	-	10,594,671	12,450,407	23,045,078	52,907,722
	Highway Fund Appropriation								
	<b>Total Requirements - Highway Fund</b>	<b>2,816,844,062</b>	<b>10,131,519</b>	<b>(12,185,000)</b>	<b>-</b>	<b>23,745,000</b>	<b>40,240,299</b>	<b>61,931,818</b>	<b>2,878,775,880</b>
	<b>Total Receipts</b>	<b>(1,005,854,062)</b>	<b>(10,131,519)</b>	<b>-</b>	<b>-</b>	<b>(5,240,299)</b>	<b>(5,240,299)</b>	<b>(15,374,818)</b>	<b>(1,021,225,880)</b>
	<b>Total Highway Fund Appropriation</b>	<b>1,810,990,000</b>	<b>-</b>	<b>(12,185,000)</b>	<b>-</b>	<b>23,745,000</b>	<b>35,000,000</b>	<b>46,560,000</b>	<b>1,857,550,000</b>
	Positions	14,680	-	-	-	-	-	-	14,680
<b>84290</b>	<b>HIGHWAY TRUST FUND</b>								
	<b>Administration Requirements</b>								
	Receipts	47,782,560	-	-	-	3,627,360	-	3,627,360	51,409,920
	Highway Trust Fund Appropriation	47,782,560	-	-	-	3,627,360	-	3,627,360	51,409,920
	<b>Construction - Intrastate System Requirements</b>								
	Receipts	544,982,323	-	(40,691,948)	-	-	-	(40,691,948)	504,290,375
	Highway Trust Fund Appropriation	544,982,323	-	(40,691,948)	-	-	-	(40,691,948)	504,290,375
	<b>Construction - Urban Loops Requirements</b>								
	Receipts	220,368,154	-	(16,454,129)	-	-	-	(16,454,129)	203,914,025
	Highway Trust Fund Appropriation	220,368,154	-	(16,454,129)	-	-	-	(16,454,129)	203,914,025
	<b>Construction - Secondary Roads Requirements</b>								
	Receipts	95,790,568	-	(7,687,956)	-	-	-	(7,687,956)	88,102,612
	Highway Trust Fund Appropriation	95,790,568	-	(7,687,956)	-	-	-	(7,687,956)	88,102,612
	<b>Construction - Other Authorized Purposes Requirements</b>								
	Receipts	-	-	-	-	25,000,000	-	25,000,000	25,000,000
	Highway Trust Fund Appropriation	-	-	-	-	-	-	-	-
	<b>State Aid to Municipalities Requirements</b>								
	Receipts	57,181,357	-	(4,269,534)	-	-	-	(4,269,534)	52,911,823
	Highway Trust Fund Appropriation	57,181,357	-	(4,269,534)	-	-	-	(4,269,534)	52,911,823
	<b>Transfer to General Fund Requirements</b>								
	Receipts	172,675,038	-	(25,143,793)	-	-	-	(25,143,793)	147,531,245
	Highway Trust Fund Appropriation	172,675,038	-	(25,143,793)	-	-	-	(25,143,793)	147,531,245
	<b>Total Requirement - Highway Trust Fund</b>	<b>1,138,780,000</b>	<b>-</b>	<b>(94,247,360)</b>	<b>-</b>	<b>28,627,360</b>	<b>-</b>	<b>(65,620,000)</b>	<b>1,073,160,000</b>
	<b>Total Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Highway Trust Fund Appropriation</b>	<b>1,138,780,000</b>	<b>-</b>	<b>(94,247,360)</b>	<b>-</b>	<b>28,627,360</b>	<b>-</b>	<b>(65,620,000)</b>	<b>1,073,160,000</b>
	Positions	-	-	-	-	-	-	-	-

Table 4  
**Governor's Recommended Highway Fund and Highway Trust Fund Budgets and Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Component Units</b>									
<b>NC Turnpike Authority</b>									
64208	DOT-Turnpike Authority Requirements	1,662,946	3,322,998	-	-	-	-	3,322,998	4,985,944
	Receipts	(1,662,946)	(3,322,998)	-	-	-	-	(3,322,998)	(4,985,944)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	12	3	-	-	-	-	3	15
<b>Total Requirements - Transportation Program</b>		<b>3,957,287,008</b>	<b>13,454,517</b>	<b>(106,432,360)</b>	<b>-</b>	<b>52,372,360</b>	<b>40,240,299</b>	<b>(365,184)</b>	<b>3,956,921,824</b>
<b>Total Receipts</b>		<b>(1,007,517,008)</b>	<b>(13,454,517)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,240,299)</b>	<b>(18,694,816)</b>	<b>(1,026,211,824)</b>
<b>Total Transportation Program Approp.</b>		<b>2,949,770,000</b>	<b>-</b>	<b>(106,432,360)</b>	<b>-</b>	<b>52,372,360</b>	<b>35,000,000</b>	<b>(19,060,000)</b>	<b>2,930,710,000</b>
<b>Total Change in Fund Balance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Positions</b>		<b>14,692</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>14,695</b>

Total requirements for the Highway Fund include \$44,709,805 in Highway Trust Fund administration funds that support Highway Trust Fund administration activities paid out of the Highway Fund. The funds are also reflected in the total requirements for the Highway Trust Fund.

Table 5  
**Recommended Availability and Appropriations  
 For General Fund and Selected Component Units  
 2008-2009**

<b>Description</b>	<b>2008-2009 Recommended</b>
<i>Budget Availability</i>	
<b>Beginning Credit Balance:</b>	
Unappropriated Balance from FY 2007-08	\$ 269,254,098
Adjustment from Estimated to Actual FY 2007-08	47,867,864
Beginning Unreserved Balance	
Anticipated Reversions from FY 2007-08	150,000,000
Anticipated Overcollections from FY 2007-08	151,500,000
Credit to Savings Reserve	(61,490,219)
Credit to Repair and Renovation Reserve	(65,000,000)
<b>Anticipated Beginning Unreserved Credit Balance</b>	<b>492,131,743</b>
<b>Recommended Budgeted Revenue:</b>	
Tax Revenue	20,062,300,000
Non-tax Revenue	712,560,453
Highway Fund Transfer	17,600,000
Highway Trust Fund Transfer	147,500,000
Disproportionate Share Receipts	100,000,000
<b>Total General Fund Revenue</b>	<b>21,039,960,453</b>
<b>Total Availability</b>	<b>21,532,092,196</b>
<b>Recommended Appropriations:</b>	
Original Certified Budget	20,694,246,538
Recommended Reductions	(395,963,606)
Recommended Expansion	1,233,809,264
<b>Total Appropriations Recommended</b>	<b>21,532,092,196</b>
<b>Total Ending Balance</b>	<b>\$ -</b>

Selected Component Units that are Included:

General Administration	ECU - Academic
Lump-Sum Institutional Programs	ECU - Health Affairs
Related Educational Programs	N.C. Agricultural & Technical State University
UNC-Aid Private Institutions	Western Carolina University
UNC - Academic	Appalachian State University
UNC - Health Affairs	University of N.C. at Pembroke
UNC - Area Health Education Centers	Winston-Salem State University
NCSU - Academic	Elizabeth City State University
NCSU - Agricultural Research Service	Fayetteville State University
UNC - Agricultural Extension Service	North Carolina Central University
University of N.C. at Greensboro	N.C. School of the Arts
University of N.C. at Charlotte	N. C. School of Science and Mathematics
University of N.C. at Asheville	Univ. of N.C. Hospitals at Chapel Hill
University of N.C. at Wilmington	NC Housing Finance



Table 6  
**Recommended Availability and Appropriations**  
**Highway Fund**  
**2008-2009**

<b>Description</b>	<b>2008-2009 Recommended</b>
<i>Budget Availability</i>	
<b>Beginning Credit Balance:</b>	
Unappropriated Balance from FY 2007-08	\$ -
Anticipated Reversions from FY 2007-08	15,000,000
Anticipated Overcollections from FY 2007-08	20,000,000
Anticipated Beginning Unreserved Credit Balance	35,000,000
 <b>Recommended Budgeted Revenue:</b>	
Tax Revenue	1,199,675,000
Non-tax Revenue	622,875,000
Total Highway Fund Revenue	1,822,550,000
 <b>Total Availability</b>	 1,857,550,000
 <b>Recommended Appropriations:</b>	
Original Certified Budget	1,810,990,000
Recommended Reductions	(12,185,000)
Recommended Expansion	58,745,000
Total Appropriations Recommended	1,857,550,000
 <b>Total Ending Balance</b>	 \$ -

Table 7  
**Recommended Availability and Appropriations**  
**Highway Trust Fund**  
**2008-2009**

<u>Description</u>	<u>2008-2009</u> <u>Recommended</u>
<b><i>Budget Availability</i></b>	
<b>Beginning Credit Balance:</b>	
Unappropriated Balance from FY 2007-08	\$ -
Anticipated Reversions from FY 2007-08	-
Anticipated Overcollections from FY 2007-08	-
Anticipated Beginning Unreserved Credit Balance	-
<b>Recommended Budgeted Revenue:</b>	
Tax Revenue	964,820,000
Non-tax Revenue	108,340,000
Total Highway Trust Fund Revenue	1,073,160,000
<b>Total Availability</b>	<b>1,073,160,000</b>
<b>Recommended Appropriations:</b>	
Original Certified Budget	1,138,780,000
Recommended Reductions	(94,247,360)
Recommended Expansion	28,627,360
Total Appropriations Recommended	1,073,160,000
<b>Total Ending Balance</b>	<b>\$ -</b>

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# **Major Expansion Budget Recommendations**

by Subject Area

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Fiscal Responsibility

Education

General Government

Health and Human Services

Economic Development and Infrastructure

Justice and Public Safety

Natural and Economic Resources

Transportation

Capital Improvements

Teachers and State Employees

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# Fiscal Responsibility

## Major Recommendations

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### Saving for the Future

- Deposit \$61 million in the Rainy Day Fund, thereby increasing the balance to \$848 million, or 4.2% of prior year budget (see Figure 3).

- Invest \$6.5 million to develop and maintain geographic information system data, which facilitates economic growth, security, efficiency, and environmental protection.
- Spend \$15 million to upgrade the Integrated Tax Administration System.

### Investing in Our Infrastructure

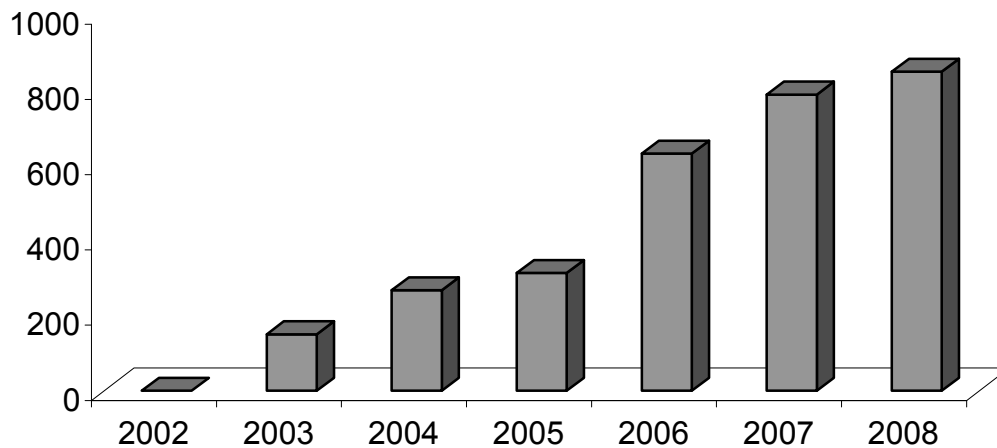
- Reserve \$65 million to repair university and state buildings.
- Appropriate \$97 million in “pay-as-you-go” financing plus \$553 million in special financing to implement the Capital Improvement Plan.

### Making Government More Effective and Efficient

- Identify \$396 million in General Fund budget reductions, or 1.9% of the operating budget.
- Implement results-based budgeting initiative that directly ties program resources to outcomes.

Figure 3

**Savings Reserve Account Balance**  
Rainy Day Fund, June 30 (\$mil)



# Education

## Major Recommendations

### Public Education

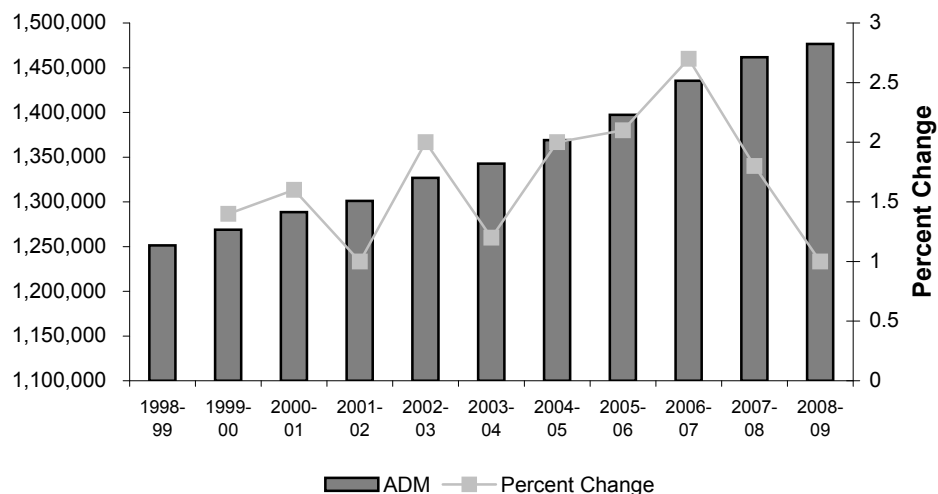
Governor Easley's budget provides an additional \$492 million (including salary and benefits) for public schools, a 6.4% increase over FY 2007-08.

- The budget provides funding for enrollment increase of 14,826 (or 1% more) than the 1,461,740 students enrolled in the 2007-08 school year.
- The governor's budget provides a significant increase in teacher salaries, a flat \$2,000, compression of steps 0-2 and 3-4, plus the step increase (for an overall average 7%), which substantially improves the competitiveness of North Carolina's beginning teacher salary.
- Full funding for the ABCs accountability program is provided in the 2008-09 budget.
- An increase in the number of slots in More at Four classrooms by 6,345 is included
- Expansion of the Governor's Learn and Earn High School program by \$6.6 million is included to improve graduation rates, student performance and competitiveness in the 21st century. These funds will ensure operations of 55 Learn and Earn schools in 2008-09 and provide planning grants to expand by an additional 16 schools in 2009-10.
- A \$6 million appropriation is recommended to expand access to broadband connectivity for the state's K-12 public schools.
- A \$2 million appropriation is recommended to assure that continued assistance is available for the schools and LEAs in greatest need.

to significantly improve access to quality education for at risk four-year olds. This will increase the total number of available slots to 35,000.

Figure 4

### Average Daily Membership Budgeted NC Public Schools



Average Daily Membership is the number of days in membership for all students divided by the number of school days in a particular term (school month or school year).

## Community Colleges

Governor Easley's budget provides an additional \$58.3 million (including salary and benefits) for community colleges, a 6.2% increase over FY 2007-08.

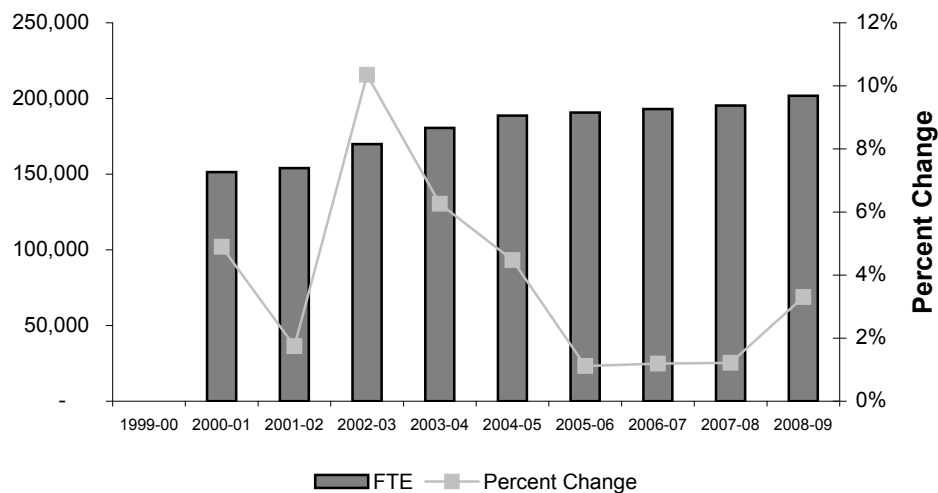
- Full funding for enrollment growth at all community college locations is provided.
- The budget appropriates \$4.8 million to address nursing accreditation and 55 additional allied-health faculty positions needed to reduce program waiting lists.
- A \$5 million non-recurring appropriation will address equipment needs at the community

colleges, including allied-health equipment to reduce program waiting lists.

- The budget provides for one-half position at each college to address the increased workload resulting from the implementation of the College Information System project.
- A \$2.5 million appropriation is provided to enhance and expand the existing NC Community College System Data Warehouse.
- Funds are provided to expand the Minority Male Mentoring initiative to increase the success of students from minority populations that have been historically underserved by higher education.

Figure 5

### Enrollment in Community College System Curriculum, Continuing Education, Basic Skills Budgeted FTE



Curriculum FTE is the annual total of fall and spring semester FTE -- the traditional college course-defined students (16 credit hrs/semester). Continuing Education FTE is the annual total of spring, summer, and fall (in that sequence). Continuing Education and Basic Skills FTE are calculated as those courses occurring during the same time period as semesters, although they may be of varying duration and not confined specifically to that semester.

Source: NCCCS System Office

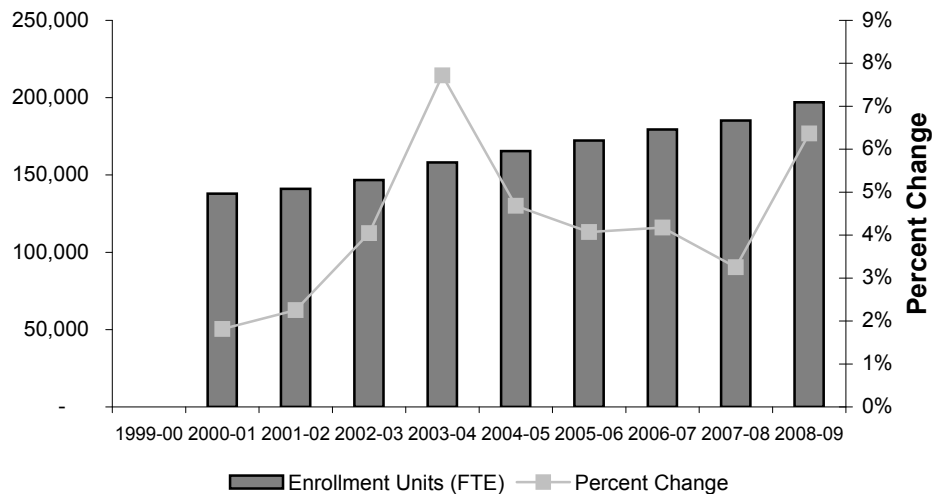
## University System

Governor Easley's budget provides an additional \$107.5 million (including salary and benefits) for The University of North Carolina, a 4.1% increase over FY 2007-08.

- The budget provides funding for a 6.4% full time equivalent (FTE) enrollment increase in 2008-09.
- To address safety deficiencies at the UNC system campuses, \$11 million is recommended, per the University of North Carolina Campus Safety Task Force.
- A \$2.5 million appropriation to support East Carolina University Hospital's service to the indigent care patient population is recommended.
- The Governor's budget authorizes that the EARN Scholars Program grants be available to the fully accredited Independent Colleges and Universities. These institutions would provide two years of education debt-free for eligible students.
- The budget provides \$2.5 million to implement American Bar Association accreditation recommendations for the North Carolina Central University Law School.
- A \$2 million appropriation is recommended to support new faculty in bioengineering and other areas in the NCSU College of Engineering.

Figure 6

### Enrollment in the University System Budgeted FTE



The UNC enrollment data measures budgeted FTEs. The FTE figures are a result of General Administration converting budgeted Student Credit Hours (fall and spring) into the measure of Regular Term Full Time Equivalent Students (FTEs).

Source: UNC General Administration



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# General Government

## Major Recommendations

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### Office of State Fire Marshal and Company Services Group

- Appropriate \$150,000 for training and inspection travel to remain in compliance with state and federal guidelines.
- Appropriate \$89,040 for an Insurance Examiner II to provide additional regulatory oversight and enforce the Professional Employer Organizations (PEO) NC Act.

### Campaign Reporting

- Approve \$179,244 to convert three time-limited positions to permanent status to continue auditing campaign finance reports.
- Recommend \$59,748 for an additional audit specialist to further assist with the auditing of campaign finance reports.

### Ethics

- Appropriate \$43,200 to establish an Office Assistant V to provide staff resources necessary due to the enactment and amendment of the new Lobbying Law.
- Appropriate \$242,282 to fund two new positions (Attorney II and Paralegal III) plus increased operating costs for the State Ethics Commission. The demands upon the Commission have far exceeded initial predictions.

### Cultural Resources for School Children

- Appropriate \$1 million to expand cultural opportunities for elementary school children, including theatre, dance and ballet performances.

### Replacement of Tax Administration System

- Increase appropriation to \$15 million to assist the Department of Revenue in implementing its 2010 e-business solution strategy. This seven-year, \$106 million project will replace the Integrated Tax Administration System (ITAS) with a new Tax Information System (TIMS).

### Support for the Military

- Sustain the \$1 million funding for military morale, welfare, and recreation grants to military installations. These grants fund community service and quality of life programs for military members and their families in North Carolina.

### Fire Protection for State-Owned Facilities

- Appropriate \$300,000 for the Fire Protection Grants-in-Aid program. This funding will assist local fire districts that provide fire protection and other services to state-owned facilities.

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# Health and Human Services

## Major Recommendations

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Governor Easley is committed to serving the most vulnerable citizens of North Carolina – those who struggle with mental health disorders, substance abuse problems and developmental disabilities - by increasing access to effective local crisis services, by ensuring that services are available in the communities where people reside, and by providing safe and effective patient care in facilities that are well managed and well maintained, with dedicated and well trained staff.

The Governor's budget also continues his commitment to supporting North Carolina's working and military families through his investment in child care subsidies, the expansion of Health Choice, the state's child health insurance program serving children ages 6 through 18 from families with incomes up to 200% of the federal poverty level, as well as extending mental health, substance abuse and traumatic brain injury services to combat veterans and their families.

His budget includes \$217.6 million in new or expanded initiatives supported from \$106.7 million in General Fund appropriations and \$110.9 million in increased receipts.

### **Increase Crisis Services**

The Governor proposes to continue the implementation of a statewide crisis service system to ensure that community capacity exists, provide acute treatment and services to stabilize crisis occurrences and provide an alternative to admission to state facilities.

- Expand mobile crisis teams by providing \$6.8 million to support 30 mobile crisis teams staffed with clinical professionals to respond to crisis situations in the locations where they are occurring.
- Invest \$20.9 million in community hospitals to provide short-term stabilization in psy-

chiatric inpatient services by creating 187 beds that will provide services for more than 10,000 uninsured, indigent patients in local hospitals.

- Develop intensive crisis intervention services for people who have developmental disabilities by establishing 9 regional START Model Crisis Teams (Systemic, Therapeutic, Assessment, Respite and Treatment) and purchasing group home beds for crisis respite.
- Create walk-in crisis and psychiatric aftercare by supporting 30 full-time psychiatrists (10 per region) to provide brief treatment and medication management following an inpatient stay until a relationship with a community provider can be established to provide on-going care.

### **Strengthen State Hospitals**

The Governor proposes to address patient and staff safety and improve the direct care of patients.

- Enhance state facilities operations by establishing the capacity to proactively monitor and ensure compliance with federal and state regulations.
- Improve clinical staff ratios by adding 107 positions to provide closer patient supervision, increase compliance with regulations and implement best practices in hospital settings.
- Intensify recruitment and enhance workforce development by expanding the loan repayment program and Psychiatry Nurse Practitioner's scholarship program and creating a career development system for certain entry-level positions using defined skill and competency sets.

- Develop pharmacy services at Julian F. Keith Alcohol and Drug Abuse Treatment Center to meet the needs of the patients admitted to 20 new acute detox beds opening in the fall and to alleviate admissions to state psychiatric hospitals due to substance abuse diagnosis.
- Improve treatment, habilitation and living settings by replacing old, worn, and outdated patient and resident furnishings in the state's mental health, substance abuse, and developmental facilities.
- Address critical budget shortfalls in shift premium and workers' compensation payments by budgeting over-realized receipts and providing additional funds.

### **Build Local Capacity**

The Governor proposes the continued development of appropriate community services to support the full continuum of care necessary to serve our citizens.

- Expand adult psychiatric inpatient capacity on a short-term basis by maintaining a 60-bed adult unit on the Dix Campus until community services and alternative inpatient options are developed.
- Expand locally-hosted, regionally-purchased substance abuse services to provide compre-

hensive treatment services and supportive housing.

- Expand housing supports for individuals leaving state facilities to assist with up front costs of housing.
- Improve services to combat veterans and their families by expanding mental health, substance abuse and traumatic brain injury services to meet their emerging needs and by improving provider training of early diagnosis and intervention.

### **Support Families and Children**

- Expand Health Choice to an additional 10,683 children from low-income families.
- Remove 1,110 children from waiting lists for child care subsidies and keep 931 children from being dropped by providing \$9 million in additional TANF Block grant funds.
- Increase foster care and adoption assistance payments through a new reimbursement system that more equitably reimburses families and providers for foster care services and reduces financial barriers to adoption.
- Expand Newborn Screening Program to include Cystic Fibrosis and provide outreach to families whose child is affected by the disorder.

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# Justice and Public Safety

## Major Recommendations

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The Governor recommends an expansion of \$49 million for justice and public safety. The recommendations enhance support for victims of crime, juvenile crime prevention, local law enforcement, and public safety programs.

### Expanding Criminal Investigation Resources

- Appropriate \$260,000 to enhance North Carolina's law enforcement intelligence sharing database on gang members by incorporating gang data currently collected in the Department of Correction's Offender Population Unified System.
- Provide \$355,000 for additional State Bureau of Investigation firearms analyst positions to expedite the processing of firearm and ballistic evidence analysis, leading to faster conviction rates for violent crimes.
- Allocate \$130,000 to investigate fraudulent activities related to community mental health services providers and recover restitution and civil penalties for the benefit of the Medicaid program.

### Enhancing Public Safety

- Appropriate \$4 million to improve case management and supervision of adult offenders on probation, parole, and post-release supervision.
- Provide \$500,000 to the Floodplain Mapping Program to initiate routine maintenance of

flood hazard maps that are used in emergency management and preparedness efforts.

- Ensure female parolees and probationers have access to residential substance abuse treatment services through the allocation of \$1.9 million to start such a program.
- Provide \$600,000 in additional funding for the Rape Victims Assistance Program so that victims will no longer have to pay a portion of the cost of forensic exams.
- Add \$215,000 to support the delivery of increased annual in-service training for all North Carolina law enforcement officers and to ensure all officers maintain current certifications.
- Appropriate an additional \$193,000 to Tarheel Challenge to expand the number of high school dropouts who are kept off the streets through participation in a program in which youth learn critical life skills and self-discipline while obtaining their GED's.

### Improving Court Operations

- Restore \$400,000 in funding for the Conference of District Attorneys, which provides prosecution support, public outreach, and research and planning for the district attorneys of North Carolina.
- Allocate \$625,000 for additional Deputy Clerk positions to more effectively manage

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court caseloads, particularly in the urban areas of the state.

- Restore \$120,000 in funding for the Clerks of Superior Court Conference, which seeks to improve the administrative operations of the Clerks of Superior Court while increasing public accessibility to the courts.

### **Supporting Community Programs**

- Restore \$22.6 million in funding for community programs that reach out to delinquent and at-risk youth to reduce and prevent juvenile crime.

- Restore \$9.1 million in funding for community-based programs aimed at reducing recidivism, probation revocations, and alcoholism and other drug dependencies for the adult population.
- Appropriate \$200,000 for Operation Kids on Guard, a nonprofit program created specifically for the children of the North Carolina National Guard as a way to assist children in coping with deployment fears and issues when their parents are deployed.

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# Natural and Economic Resources

## Major Recommendations

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### Water for the Future

- Approve \$5.5 million for the Drinking Water State Revolving Fund as a 20% state match for \$27.6 million in federal funds used to provide low-interest loans for water supply infrastructure improvements.
- Appropriate \$2.4 million as a 20% required match to receive EPA Capitalization Grants for the Clean Water Revolving Fund Programs that enable local governments to address wastewater treatment needs and improve water quality.
- Provide \$870,000 to establish a Drought Response Unit to assure a sustainable water supply for North Carolina and prepare the state to withstand periodic droughts with minimum economic and environmental impact.
- Appropriate \$171,527 to geographically expand and financially sustain the nationally recognized technical assistance services of the Waste Reduction Partners (WRP) statewide.
- Allocate \$108,550 to support three existing positions in the Permitting and Compliance Sections due to the termination of the Smithfield Agreement.
- Fund \$400,000 for cleanup of inactive hazardous waste sites to prevent runoff of contaminants into well water.
- Approve \$315,405 to develop and maintain a groundwater database system to manage contaminant site information in an enterprise level system.

### One NC Naturally

- Provide \$224,134 to continue to provide grants that assist in the conversion of existing anaerobic lagoon animal waste management systems to more innovative animal waste management systems.
- Allocate \$150,000 to provide resources to continue a variety of river herring research projects.
- Provide \$350,000 to support a 50:50 cost share program with soil and water conservation districts and counties for technical and engineering assistance.
- Fund \$150,000 to support a 40:60 cost share program to assist private woodland owners to reforest their land after harvest.

### Protecting Farm Workers, the Food Supply, and Animals

- Provide \$5 million for the NC Agricultural Development and Farmland Preservation Trust Fund.
- Provide \$141,335 to support the establishment of two food safety and security inspectors for a continually expanding meat and poultry industry.
- Fund \$117,417 to support the transfer of three critical support positions in the Veterinary Division of the NC Department of Agriculture.
- Allocate funds to establish a Soil Receiving Position to track the increasing number of incoming soil samples from North Carolina farmers.

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### **The One North Carolina Fund**

- Provide \$10 million to recruit new businesses or aid industries interested in relocating or significantly expanding in the state.

### **The One North Carolina Small Business Innovation Research Program**

- Appropriate \$5 million as incentive funding for small businesses to apply for federal innovation research grants.

### **Biotechnology Center and Green Business Fund**

- Provide \$4 million for the North Carolina Biotechnology Center to help maintain

North Carolina's status as a national leader in Biotechnology. Also, one million in grant funding dollars will go to the North Carolina Green Business Fund. Grants will be available to private businesses with less than 100 employees, non-profit organizations, and state agencies to encourage the growth of a green economy in the state.

### **Travel and Tourism**

- Provide an additional \$750,000 to market the state as a travel destination. In 2006 domestic travelers spent \$15.4 billion in the state. The additional funding will bring the travel and tourism advertising budget up to \$8,620,930.

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# Transportation

## Major Recommendations

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Governor Easley remains committed to restoring and maintaining the state's transportation infrastructure as a key component to continued economic growth. The Governor recommends that the transfer from the Highway Trust Fund to the General Fund be reduced by \$25 million. The reduction is the first in a series aimed at fully phasing out the \$172.6 million annual transfer allowing the funds to be used to support the Transportation Program. The Governor also recommends \$938 million (51% of Highway Fund appropriations) to support transportation maintenance for 2008-09 (see Figure 7).

In addition, the Governor's budget recommendations include funds for initiatives aimed at making government more effective and efficient through improved customer service delivery and investment in information technology projects that streamline program operations. Figures 8 and 9 show the distribution of funding sources and appropriations for transportation for fiscal year 2008-09.

### **Construction and Maintenance**

- Provide \$25 million in funds that may be used for gap funding for NC Turnpike Authority projects authorized by the General

Assembly or urban loop projects in the Transportation Improvement Program by reducing the annual transfer from the Highway Trust Fund to the General Fund.

- Provide an additional \$28.8 million (a 40% increase over the previous year) for highway maintenance activities that preserve and extend the life of infrastructure assets, including pavements, bridges, traffic control devices, and other roadside features.

### **Effective and Efficient Government**

- Reduce administrative budgets throughout the Department of Transportation by \$12 million (a 12% reduction over the previous fiscal year) and reallocate the funds for other programs and/or purposes.
- Invest \$5.2 million in receipt funds for information technology projects that will facilitate combined motor vehicle registration and collection of county property taxes by the Division of Motor Vehicles.
- Provide \$195,000 in additional funds to the Division of Motor Vehicles to increase the overall space requirements at several driver license offices throughout the state to allow for improved customer service delivery.



Figure 7  
**Transportation Program Maintenance Funding**  
 (\$mil)

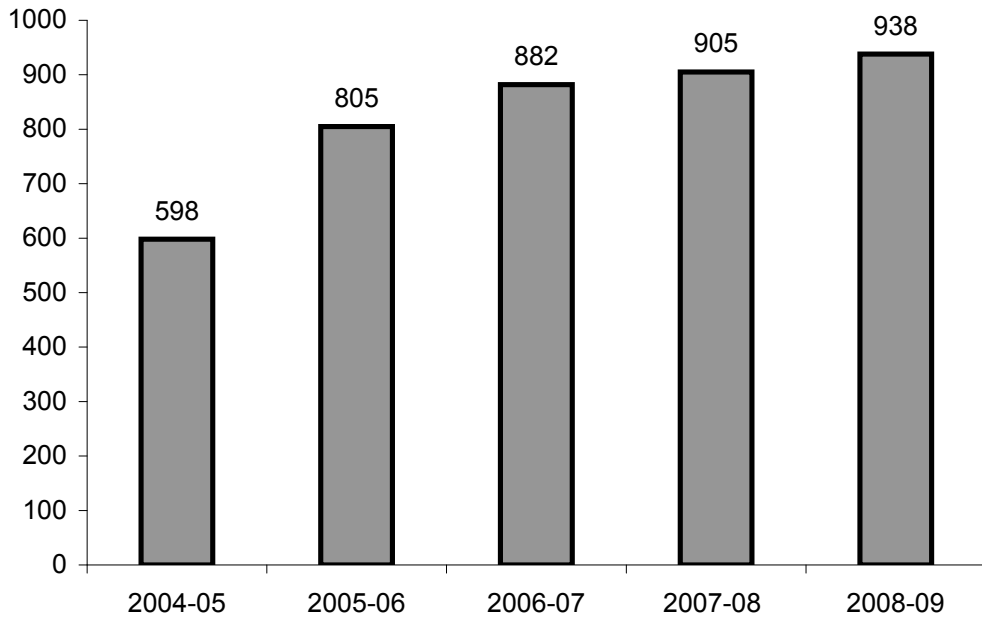
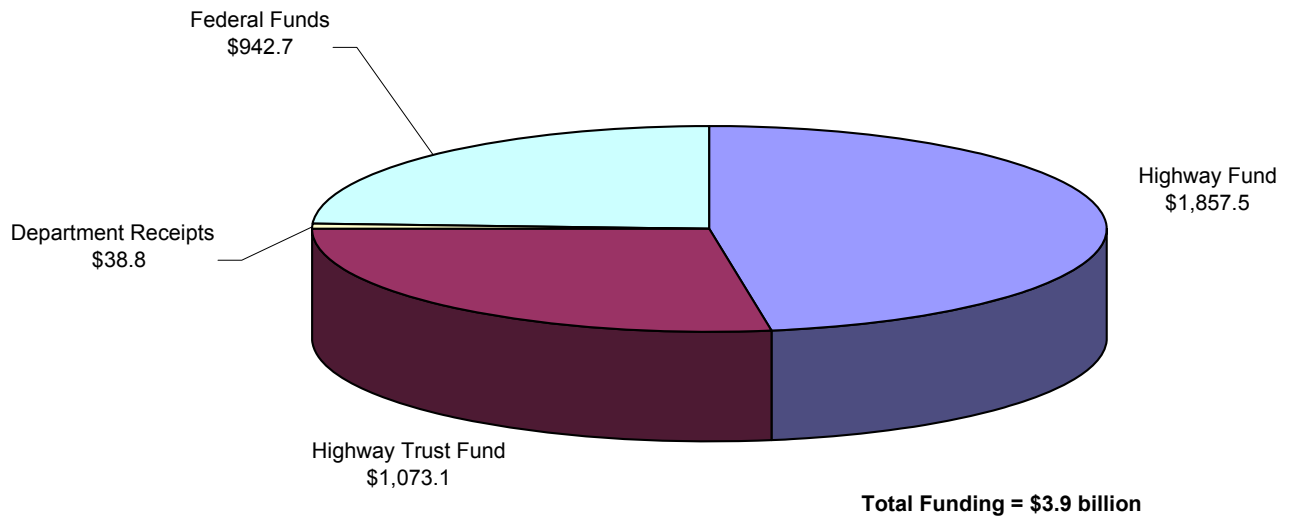
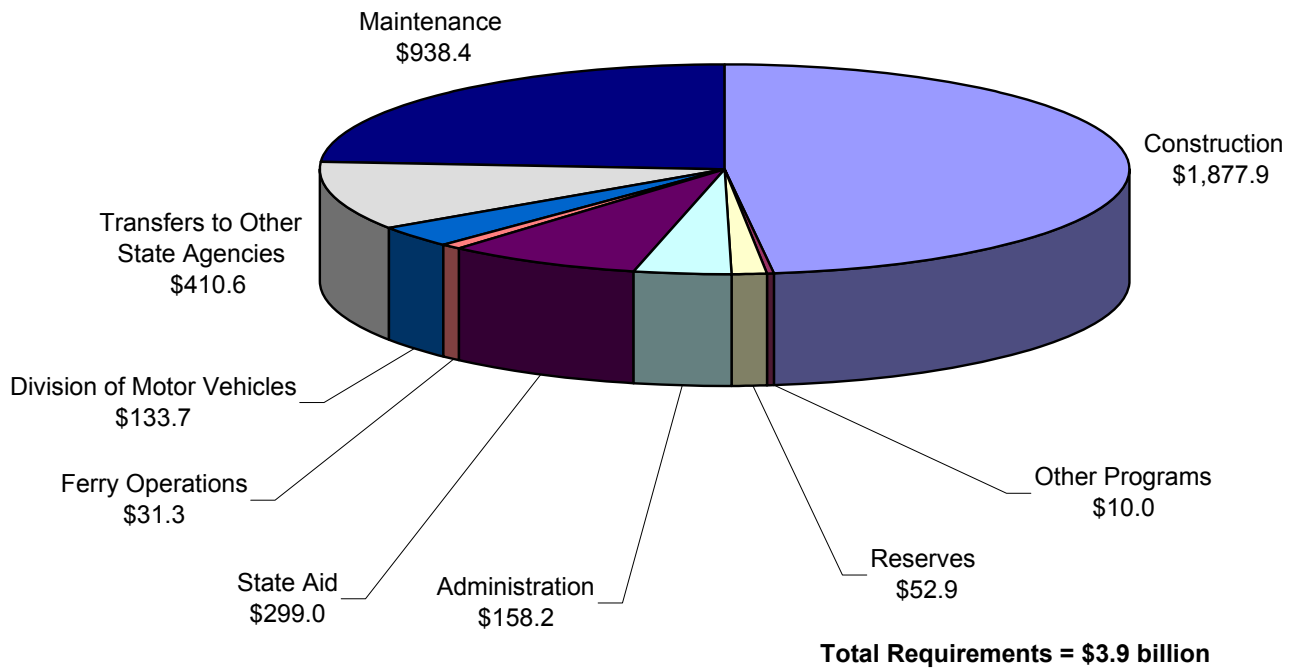


Figure 8  
**Funding Sources**  
**North Carolina Transportation Program**  
**2008-09**  
 (\$mil)



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Figure 9  
**Requirements**  
**North Carolina Transportation Program**  
**2008-09**  
(\$mil)



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# Capital Improvements

## Major Recommendations

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### Capital Budget

Governor Easley recommends a capital financing package, using a combination of pay-as-you-go and special indebtedness to ensure that the state does not overburden its debt capacity and that critical facility needs are provided, while acknowledging the most recent economic forecasts. The proposed capital budget includes \$97 million from General Fund appropriations, \$553.2 million in Special financing, and \$73.5 million from receipts. Special Financing would be limited and spread over the next three years to stay well within the debt service targets established by the 2008 Debt Affordability Study. In addition, \$65 million is recommended for the Repair and Renovation Reserve.

### Education

- Provide \$20 million in appropriations to be used to expedite the installation of fire sprinklers in university residence halls.
- Approve a total of \$280.5 million in special financing for 5 university projects that received Planning Funds in 2006 and/or 2007 and \$14.5 million for a new classroom building for the Upper Coastal Plains Higher Education Center.

Projects that had planning funds include:

- \$97 million for a new library on Centennial Campus at North Carolina State University
- \$62 million for a new School of Dentistry at East Carolina University
- \$69 million for a new School of Dentistry at the University of North Carolina
- \$42.6 million for a general classroom instructional facility at the University of North Carolina at Greensboro

- \$9.8 million for the completion of the Student Activity Center at Winston-Salem State University.

### Justice and Public Safety

- Approve \$3.5 million, including \$2.1 million appropriations and \$1.4 million federal funds, for National Guard armories.
- Appropriations of \$1.8 million for planning and design of new State Highway Patrol Training and Dormitory facilities and \$1.8 million for an addition to SBI Buildings 17 and 18 at the Garner Road Complex.
- Approve \$108.3 million, from special indebtedness (Certificates of Participation - COPs), including \$45.2 million for construction of a women's health and mental health medical facility and \$63.1 million for additions to Scotland, Bertie, Lanesboro, and Tabor Correctional Institutions.

### Natural and Economic Resources

- Approve \$83 million, including \$25.7 million appropriations and \$57.3 million federal and local matching funds for water resources development projects.
- Special financing totaling \$109.4 million for the completion of the Green Square Complex, including the DENR office building and the Nature Resource Center.
- Appropriate \$855,700 for environmental initiative, wastewater treatment, fire protection, and infrastructure projects at the Wanchese Seafood Industrial Park.
- Provide \$5 million from General Fund appropriations to be added to \$10.2 million in receipts to renovate Berth 8 at the Port of

Wilmington, and appropriate \$2.5 million for berth construction at the Port of Morehead City.

- Appropriate \$2.7 million to combine with \$1.8 million in gifts and grants for the Children’s Nature Zoo to expand interactive and educational exhibits for children at the North Carolina Zoo.
- Provide \$2.7 million to combine with \$1.8 million in gifts and grants for the expansion and renovation of the Polar Bear Exhibit at the NC Zoo.
- Appropriate \$620,000 for the Study Evaluation of Veterinary Diagnostic Labs, \$1.2 million for planning for comprehensive renovation of the Agriculture Building, \$1 million for planning for new Motor Fuels and Metrology labs, \$3.7 million for a new Southeastern NC Agricultural Center Pavilion, and \$900,000 for new barns at the Hunt Horse Center.

**Cultural Resources**

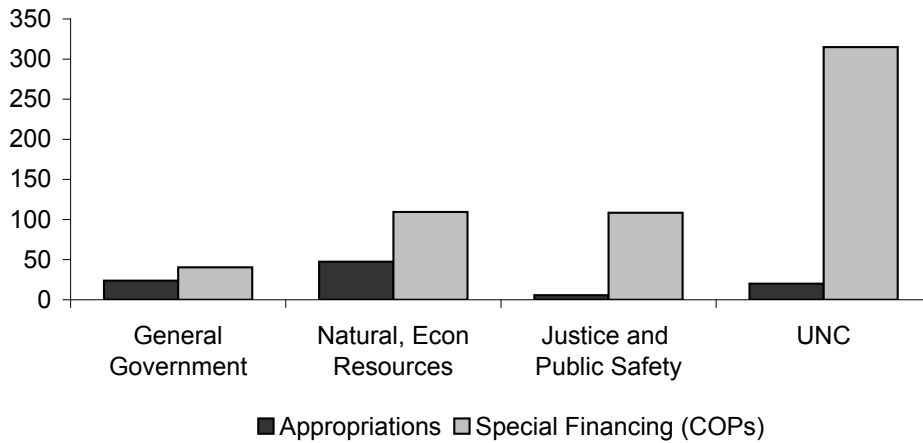
- Appropriate a \$5.1 million supplement to the Museum of Art Expansion project to complete the furnishings, fixtures, and equipment, to up-fit the cafeteria and gift shop, and provide security systems.
- Provide \$15 million for renovations to Mat-tamuskeet Lodge.
- Appropriate a \$2.6 million supplement for the Museum of History Chronology Exhibit.

**General Government**

- Provide special financing totaling \$40.4 million for a new Capital Area Visitor Center and parking deck in the downtown complex, and appropriate \$1 million for a new North Carolina Freedom Monument.

Figure 10

**Capital Funding  
2008-09  
(\$mil)**



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# Teachers and State Employees

## Major Recommendations

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- Appropriate \$302.7 million as a step increase plus a \$2,000 flat increase for public school teachers and administrators, equaling an average 7% increase for teachers and 6% for administrators. This provides sufficient funds to close the gap between North Carolina's and the national average pay for teachers with similar experience and education.
- Approve \$109.5 million for a 1.5% salary increase for all other state employees, including university and community college faculty and professional staff.
- Appropriate \$182 million in nonrecurring funds for a one-time, lump-sum bonus of \$1,000 for employees in state-funded positions not subject to the teacher salary schedule. Part-time permanent employees are to receive a proportional amount.
- Authorize a 1.2% cost-of-living adjustment (COLA) for retirees of the Teachers' and State Employees' Retirement System and for retirees of the Consolidated Judicial Retirement System. This adjustment is funded by actuarial gains in the Retirement System, so no additional appropriations are needed.



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# Economy and Revenue

by Topic

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## Economy

Outlook for the Nation and State

## Revenue

General Fund Revenue Forecast

Highway Fund Revenue

Highway Trust Fund Revenue

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# Economy

## Outlook for the Nation and State

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### The national economy slowed

The U.S. economy began 2007-08 at a strong pace before slowing to a crawl in the 4<sup>th</sup> quarter of 2007 and 1<sup>st</sup> quarter of 2008. The reduction in housing activity remained the largest drag on the economy (see Figure 11), while export growth expanded rapidly. Nonfarm payrolls increased at a slower pace, while the unemployment rate ticked upward. Consumer spending slowed from the growth rates realized during the last several years of expansion.

### Real Gross Domestic Product (GDP) slowed significantly during 2007-08

The value of all goods and services produced within the U.S., adjusted for inflation, slowed sharply to 0.6% as 2007 closed, down from 4.9% growth in the 3<sup>rd</sup> quarter. The economy has

slipped further in the 1<sup>st</sup> quarter of 2008 as the downturn has spread beyond housing.

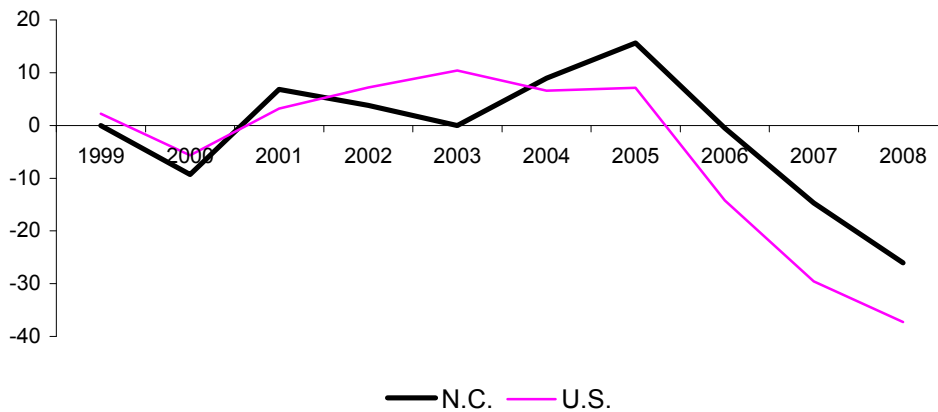
### Hiring declined

After starting 2007-08 with consecutive quarters of solid job gains, payroll employment has now declined for 3 months in a row. Manufacturing and construction industries have suffered the largest losses, while education and health services accounted for solid job gains. The unemployment rate started 2007-08 at 4.6%, but has slowly edged upward to 5.1%.

### Housing remains a significant drag on growth

Over the past year, homebuilders have been reducing prices and cutting back on starting new homes. Housing starts have dropped over 60% since peaking in January 2006, and have declined 40% during the first 9 months of 2007-08.

Figure 11  
**Sharp Decrease in Housing Starts**  
Percentage Change in Single-Family Housing Starts  
from Prior Year



Source: Global Insight, U.S. Census Bureau

### Consumer spending lost momentum

Facing a weakening labor market, falling home prices, and surging energy prices, consumer spending has weakened considerably after solid growth for several years. From the start of 2007-08, real consumer spending has fallen from 2.8% growth to 0.7% (annual rate for 3<sup>rd</sup> quarter 2007 compared with 1<sup>st</sup> quarter 2008), while consumer sentiment has dropped to near recession levels.

### North Carolina's economy expanded at slower pace

Similar to most other states, North Carolina's employment growth has slowed over the past year. Nevertheless, North Carolina still ranks as a national job leader. As of March 2008, employment was up 1.1% compared with a year earlier, outpacing the U.S. average of 0.6% (see Figure 12). In terms of the number of jobs created, North Carolina increased nonfarm payrolls by 46,000 over the past 12 months, ranking 3<sup>rd</sup> nationally. However, employment growth has not kept up with demand as the unemployment rate edged up to 5.2% in March.

The service sector recorded solid gains in North Carolina. Since 2003, North Carolina employ-

ment has trended upward in leisure and hospitality services, professional and business services, and educational and health services. Over the past year, educational and health services registered the largest increase (18,400), followed by other services (9,200), and professional and business services (7,900).

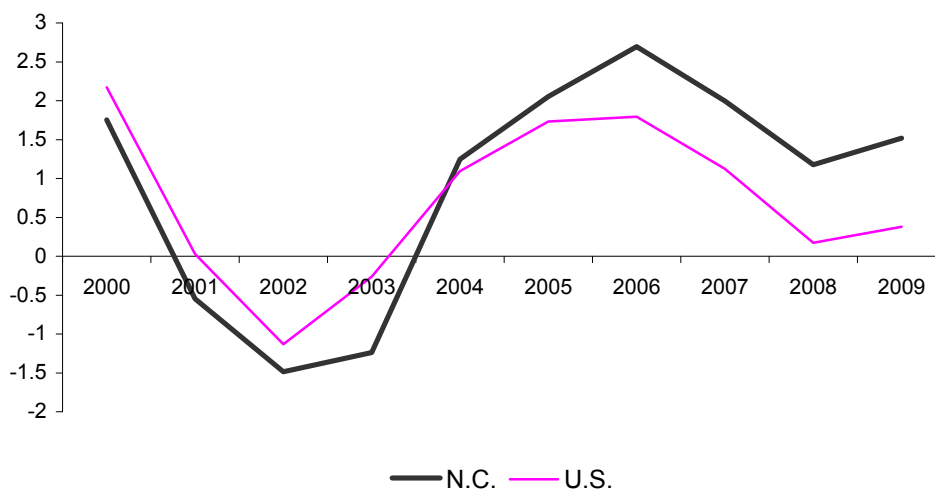
### Manufacturing employment struggled

After a brief improvement in 2005 and 2006, the rate of job losses in the manufacturing sector increased over the past year. Manufacturing employment was down 2.7%, much worse than the 0.9% drop a year earlier. The textiles, apparel, and furniture industries continue to suffer the largest job losses, while food manufacturing has registered the largest employment increase.

### Housing explains part of North Carolina's relative strength

North Carolina did not have the run-up in housing prices that occurred in many other parts of the country. Consequently, the state has avoided some of the housing market's troubles and affordability problems. From 2000 to 2005, new home prices rose 40% nationally, but only 10% in North Carolina. Existing home prices were up 52% nationally compared to 26% in the state. However, North Carolina's housing growth has

Figure 12  
**State Employment Continues To Outpace Nation  
Percentage Growth in Nonagricultural Employment**



Source: Global Insight, U.S. Bureau of Labor Statistics

still fallen, as single-family starts are down over 30% from the early 2006 peak (see Figure 11).

## Outlook for the Remainder of 2007-08 and 2008-09

### Slow growth expected in U.S. economy

The U.S. economy has likely slipped into a mild recession during the first half of 2008. The weakness is now spreading beyond housing as the labor market slows, credit tightens, and commodity and energy prices climb. While the fiscal stimulus is likely to provide a bounce to domestic spending in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters, spending is expected to fade again by the 4<sup>th</sup> quarter of 2008 and into 2009. The export outlook remains positive as foreign trade is expected to continue to support growth. Highlights of the economic outlook include:

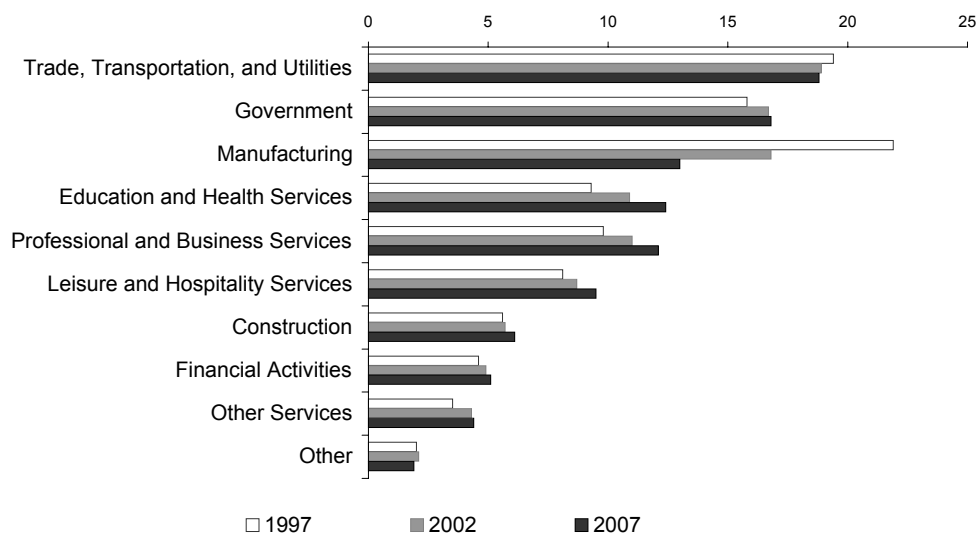
- After slightly negative growth over the first 2 quarters, real GDP is expected to modestly rebound in the 2<sup>nd</sup> half of 2008 to register 1.4% growth. Growth in real GDP is projected to be 1.7% in 2009.
- Following four consecutive years of greater

than 1.0% growth in payroll employment, nonfarm payrolls are expected to grow only 0.2% in 2008 and 0.4% in 2009. The unemployment rate is projected to increase slightly to 5.3% in 2008 and 5.8% in 2009.

- Inflation is expected to remain near 3.5% in 2008, while moderating to 1.6% in 2009. Core inflation, which excludes food and energy, is expected to increase slightly in 2008 before easing in 2009.
- Housing will remain the largest drag on economic growth. Housing starts are projected to hit bottom in the 3<sup>rd</sup> quarter of 2008 and slowly increase into 2009.
- Even with a boost from the fiscal stimulus, consumer spending growth is expected to slide to 1.4% in 2008, down from 2.9% growth a year earlier, and well below a 2.2% projected gain in disposable income. Spending is expected to remain at 1.4% growth rate in 2009.
- While the stimulus package will likely provide a small, temporary boost to business spending, nonresidential investment is still expected to decline 0.1% in 2008. Reflecting

Figure 13

### State Nonfarm Employment by Category Percent of Total



Source: Current Employment Statistics, LMI of ESC

the slowdown in domestic spending, investment is projected to remain negative in early 2009 before picking up in the second half.

### Mild growth expected in North Carolina

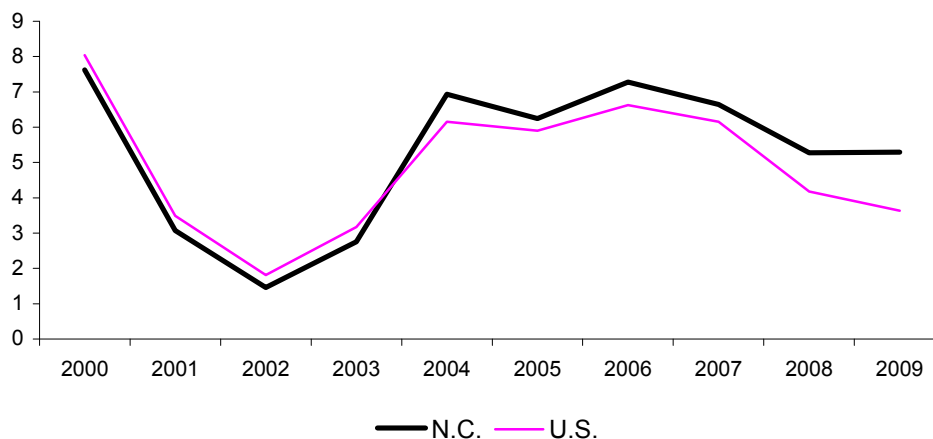
The North Carolina economy is expected to continue to decelerate in 2008, followed by a slight rebound in 2009. Job growth will likely lose speed in 2008 as manufacturing continues to struggle and construction employment reflects the downturn in housing starts. Solid growth in the education and health services sector and professional and business services sector should keep job growth comfortably positive, yet below the very strong growth realized in the past few years. Highlights of projections for North Carolina's economy include:

- Personal income is expected to outpace the U.S. in 2008 and 2009 (see Figure 14).
- While employment growth is expected to slow, it is likely to remain better than the national average (see Figure 12). Nonfarm employment is forecast to expand 1.2% in 2008 and 1.5% in 2009.
- Reflecting the employment slowdown, the unemployment rate is projected to be 5.1% in 2008 and 5.5% in 2009.

- Employment gains will be led by the professional and business services sector, which is forecast to expand 2.9% in 2008 and 4.6% in 2009.
- Continuing several years of consistent and solid job growth, education and health services sector employment is expected to again register growth near 4.0% in 2008 and 2009.
- As housing starts continue to fall, construction is expected to experience significant job losses. Specifically, construction employment is projected to decline 1.7% in 2008 and 1.5% in 2009 before finally realizing job gains in 2010.
- North Carolina's manufacturing employment losses are expected to continue. Since the beginning of the 2001 national recession, the state has lost 198,800 (27.3%) manufacturing jobs. For 2008 and 2009, manufacturing employment losses of 3.2% and 3.1% are projected.
- While North Carolina has escaped some of the nation's housing market troubles, it has not been completely immune. Housing starts are projected to fall 21.9% in 2008 before bouncing back to 4.7% growth in 2009.

Figure 14

### State Income Expected to Remain Above U.S. Percentage Growth in Personal Income



Source: Global Insight, U. S. Bureau of Economic Analysis

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# Revenue

## General Fund Forecast

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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 (see Figure 15).

### **General Fund Revenue Forecast Reflects Slowdown in North Carolina**

A cautious revenue outlook for 2007-08 collections has helped North Carolina avoid the budget shortfalls affecting many other states this year. Through the first 9 months of 2007-08, General Fund revenue collections are on target. More specifically, total General Fund revenues (including nontax receipts and transfers from the Highway Trust Fund) total \$13,551.9 million, \$782.3 million above 2006-07 and \$10.0 million above expectations through March. By the end of 2007-08, it is currently projected that General Fund revenue collections will total \$19,907.2 million, \$151.5 million above the budgeted forecast.

Reflecting a slowing economy, baseline (exclusive of tax changes) General Fund revenue growth is expected to be a modest 3.5% in 2008-09, down from the 4.7% growth anticipated last year. Thus, baseline General Fund revenue for fiscal year 2008-09 is adjusted down by \$66.5 million. Table 8 details this revised estimate for fiscal year 2008-09, which include adjustments to the baseline for the recommended tax changes

discussed below. It also shows the projected general fund revenue for fiscal year 2007-08 and the certified budgeted revenue for fiscal years 2007-09. Including the tax changes, General Fund revenue for fiscal year 2008-09 is adjusted up by \$104 million.

For each of the major categories of general fund revenue, the current performance and fiscal year 2008-09 baseline forecast is discussed below, along with any recommended tax changes.

### **Individual income taxes**

Net individual income tax receipts totaled \$7,256.6 million through the first three quarters of fiscal year 2007-08, about \$40.6 million above the official estimate. For 2007-08, an increase of 4.4% over the previous fiscal year is expected.

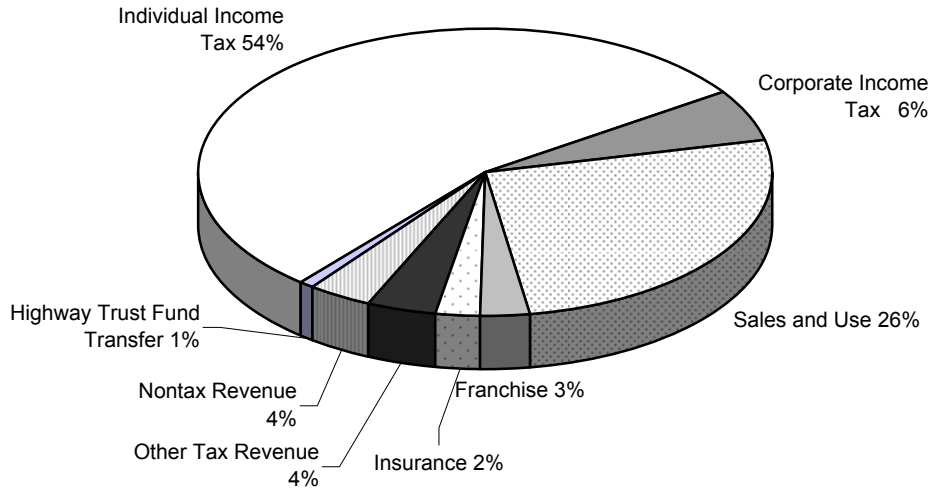
This growth is fueled by North Carolina's strong employment and income gains over the past year. In particular, the professional and business services, education and health services, and government sectors have expanded significantly. While wage growth moderated in the 1<sup>st</sup> quarter of 2008, this category is still expected to register solid growth for 2007-08.

As the economy struggles with housing problems, credit market deterioration, and rising fuel and food prices, North Carolina's employment and wage growth is expected to slow in 2008-09. Reflecting this slowdown, baseline individual income tax collections are expected to grow only 4.0% in 2008-09.

### **Sales and use taxes**

After several years of above average growth in consumer spending, the weakening economy has impacted consumers. Through the first three quarters of 2007-08, sales and use tax collections slightly exceeded the official forecast, which

Figure 15  
**General Fund Revenue**  
 Revised Estimates for 2008-09



planned for a significant slowdown. Sales and use tax receipts of \$5,068.2 million are expected for the fiscal year, an increase of 1.5% above 2006-07 and slightly above projections.

As the consumer continues to fight a tightening labor market, falling home prices, and rising fuel and food prices, spending growth is expected to be modest in 2008-09. Spending will likely receive a temporary bump from the fiscal stimulus in early 2008-09 before fading again. Translated into sales and use revenue collections, baseline sales collection growth is projected to be 3.1% in 2008-09.

**Corporate income taxes**

Following several years of explosive growth, corporate collections slowed in 2007-08 as corporate profits were squeezed by the economic slowdown. Corporate collections lagged the official forecast for the first three quarters of 2007-08. However, collections are expected to slightly improve over the remainder of 2007-08, resulting in a small surplus for this revenue category.

Corporate profitability is projected to be slightly positive through 2008 before improving in 2009.

Reflecting this forecast and the historical volatility of this revenue source, baseline corporate income tax receipts are expected to increase by a modest 2.4%.

**Major tax changes**

- *Alcohol Tax Increase* – To fund various mental health initiatives, the Governor recommends increasing the North Carolina beer tax from 5 cents per can to 9 cents and increasing the spirituous liquor tax from 25% of wholesale price to 29%. The taxes on fortified and unfortified wine would also increase 4 cents to 28 cents and 25 cents per liter, respectively. These changes would take effect on September 1, 2008 and are expected to generate \$66.0 million in 2008-09. Until February 2002, the excise tax rate on liquor had been 28%. The tax rate on beer and wine has not been changed in over 25 years.
- *Cigarette Tax Increase* – The Governor recommends increasing the cigarette tax from 35 cents per pack to 55 cents, effective September 1, 2008. This increase is expected to provide an additional \$99.0 million in 2008-09 and help raise teacher pay to the national average. At 55 cents per pack, North

Table 8  
**General Fund Revenue**  
**Detailed Estimates for 2007-08 and 2008-09 (\$mil)**

	<b>2007-08 Budgeted</b>	<b>2007-08 Estimated</b>	<b>2008-09 Budgeted</b>	<b>2008-09 Estimated</b>
<b><u>Tax Revenue</u></b>				
Individual Income	\$ 10,895.1	\$ 10,965.6	\$ 11,426.5	\$ 11,394.7
Corporate Income	1,095.1	1,110.0	1,212.3	1,202.2
Sales and Use	5,049.4	5,068.2	5,469.4	5,410.7
Franchise	549.0	565.6	583.9	587.0
Insurance	481.9	488.6	514.2	522.2
Tobacco Products	238.9	238.9	236.2	335.2
Beverage	219.7	225.0	227.0	299.8
Inheritance	171.8	155.9	182.1	163.7
Licenses	48.3	54.6	49.9	56.3
Mill Machinery	36.5	37.9	36.5	38.3
Piped Natural Gas	37.0	35.1	33.9	35.7
Gift	16.7	17.5	17.8	16.5
Miscellaneous	0.0	0.0	0.0	0.0
<i>Total Tax Revenue</i>	<b>\$ 18,839.5</b>	<b>\$ 18,962.9</b>	<b>\$ 19,989.7</b>	<b>\$ 20,062.3</b>
<b><u>Nontax Revenue</u></b>				
Investment Income	212.1	247.3	222.3	247.3
Judicial Fees	208.1	197.9	215.4	204.8
Disproportionate Share Receipts	100.0	100.0	100.0	100.0
Insurance Department	60.3	60.2	62.9	62.9
Miscellaneous	145.1	148.2	155.6	197.6
<i>Total Nontax Revenue</i>	<b>\$ 725.6</b>	<b>\$ 753.6</b>	<b>\$ 756.2</b>	<b>\$ 812.6</b>
<b><u>Transfers</u></b>				
Highway Fund	18.2	18.2	17.6	17.6
Highway Trust Fund	172.5	172.5	172.5	147.5
<i>Total Transfers</i>	<b>190.7</b>	<b>\$ 190.7</b>	<b>\$ 190.1</b>	<b>\$ 165.1</b>
<b>Total General Fund Revenue</b>	<b>\$ 19,755.7</b>	<b>\$ 19,907.2</b>	<b>\$ 20,936.0</b>	<b>\$ 21,040.0</b>

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

\* Net of tax changes

Carolina would still only tie for 40th state ranking in cigarette tax rates (up from 45th currently) and would be less than half the national average cigarette tax rate of \$1.14 per pack.

- *IRC Update* - The Governor recommends the reference to the Internal Revenue Code used in defining and determining certain state tax provisions be updated from January 1, 2007 to May 1, 2008.

The Governor recommends an 85% addback of the bonus depreciation that was included in the Economic Stimulus Act of 2008 to keep the state revenue-neutral for 2008-09. The General Assembly enacted a similar addback several years ago when the U.S. Congress last authorized a bonus depreciation schedule. The Governor recommends conformity to the Section 179 expensing provisions of the Economic Stimulus Act of 2008. These changes will have no impact on the state general fund budget for 2008-09.

- *Disaster Assistance Debit Sales* - Recently, the Red Cross has given debit cards to disaster victims to increase efficiency and reduce bureaucracy. However, because the victim holds the card, he or she is purchasing the

items for relief and therefore pays sales tax. The Governor recommends changing the law to provide that appropriate purchases made with such cards by victims are exempt from taxation, just as if victims had received a Red Cross disbursing order. The 2008-09 impact is estimated at \$1 million.

- *Sales Tax Holiday for Energy Star Rated Appliances* - The Governor recommends a sales tax holiday in October for appliances that are authorized to carry the ENERGY STAR label, and that meet the energy efficiency guidelines set by the United States Environmental Protection Agency and the United States Department of Energy. Specific eligible appliances and items include clothes washers, dehumidifiers, dishwashers, refrigerators and freezers, room air conditioners, compact fluorescent light bulbs, and programmable thermostats. The 2008-09 impact is estimated at \$1.5 million.
- *Extended Tax Credits for Research and Development and NC Ports* - The Governor recommends that the General Assembly extend existing tax credits for research and development and credits for North Carolina ports, which will save taxpayers an estimated \$4.0 million from these credits.

Table 9

### General Fund Revenue

Revised Estimates for 2007-08 and 2008-09 (\$mil)

	2007-08	2007-08	Difference	2008-09	2008-09	Difference	Percent Change 2007-08 to 2008-09
	Budgeted	Estimated		Budgeted	Estimated		
Individual Income Tax	10,895	10,966	70	11,426	11,395	(32)	3.9%
Corporate Income Tax	1,095	1,110	15	1,212	1,202	(10)	8.3%
Sales and Use	5,049	5,068	19	5,469	5,411	(59)	6.8%
Franchise	549	566	17	584	587	3	3.8%
Insurance	482	489	7	514	522	8	6.9%
Other Tax Revenue	769	765	(4)	783	946	162	23.6%
Nontax Revenue	726	754	28	756	813	57	7.9%
Highway Trust Fund Transfer							
	191	191	0	190	165	(25)	-13.4%
<b>Total Revenues</b>	<b>19,756</b>	<b>19,907</b>	<b>151</b>	<b>20,936</b>	<b>21,040</b>	<b>104</b>	<b>5.7%</b>
Unreserved Credit Balance					492		
<b>Total Availability</b>					<b>21,532</b>		

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



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# Revenue

## Highway Fund

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The Highway Fund receives support from three revenue sources. The first and primary source is the excise tax on motor fuels, of which the Highway Fund receives 75%. The second source of revenue 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. Figure 16 shows the percentages of the various components of the Highway Fund revenue collections budgeted for 2008-09.

### Highway Fund Forecast

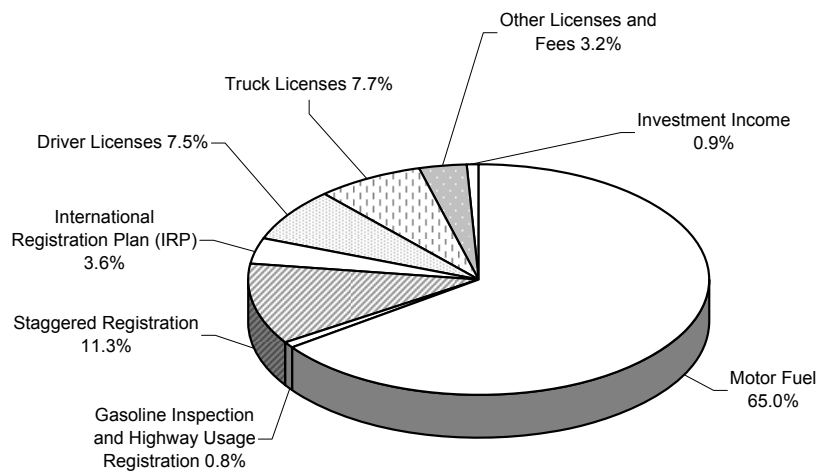
As of March 2008 fiscal, year-to-date, actual Highway Fund revenues increased \$22 million (or 2%) over budgeted revenues. Total Highway Fund tax revenues are estimated to exceed 2007-08 budgeted revenues by \$35.5 million (or 2%). In 2008-09, total Highway Fund tax revenues are

estimated to exceed budgeted revenues by \$12 million or (0.6%).

### Motor Fuels Excise Tax

The motor fuel excise tax is set twice in a fiscal year, once in January and again in July. The new rate is based on a six-month weighted average of the wholesale price of gasoline and diesel motor fuels. To provide relief to North Carolina motorists, the Governor recommended in 2006-07 that the variable component of the excise tax on motor fuel would not exceed 12.4 cents per gallon. This caps the tax rate at 29.9 cents a gallon for the period July 1, 2007 through June 30, 2009. With no cap, the effective tax rate for 2007-08 was forecasted to be 31.4 cents per gallon and for 2008-09 the tax rate was forecasted to be 35.7 cents per gallon.

Figure 16  
**Estimated Highway Fund Revenue Collections  
2008-09**



Excise tax collections on motor fuels have held up well as the retail price of motor fuel has increased. Actual collections received by the Highway Fund for the nine months ending in March 2008 have fallen less than 1% from budgeted revenues. Total motor fuel tax collections for 2007-08 that go to the Highway Fund are estimated to increase slightly over budgeted revenues by \$1 million (or 0.1%). In 2008-09, total motor fuel tax collections for the Highway Fund are estimated to increase \$10 million over budgeted revenues (or 0.9%).

### Licenses and Fees

Revenue collected from staggered registrations, truck registrations, driver licenses, and certain miscellaneous fees are expected to exceed budgeted revenues in 2007-08 by \$9 million or 1.5%. In 2008-09, this class of revenue is expected to fall short of budgeted revenues by \$4 million (or 0.7%). The decline in 2008-09 is due to changes made by the 2007 General Assembly that reduc-

es a penalty for failure to have proper emissions inspections.

### Investment Income

Through the nine months ending in March 2008, current interest earnings on investments held with the State Treasurer have exceeded budgeted revenues by \$19 million. Total investment income for 2007-08 is estimated to exceed budgeted revenues by \$25 million. In 2008-09, investment income is expected to exceed budgeted revenues by \$6 million.

### Revenue Availability

The revenue available for distribution under the Highway Fund, including a beginning credit balance of \$30 million, is estimated to be \$1,867.58 million in 2007-08. In 2008-09 the credit balance is increased to \$35 million and the estimated revenue available for distribution is \$1,857.56 million (see Table 10).

Table 10  
**Highway Fund Revenue**  
**Detailed Estimates for 2007-08 and 2008-09**  
(\$ Millions)

Source	2007-08 Budgeted	2007-08 Estimate*	Difference	Percent Change	2008-09 Budgeted	2008-09 Estimate*	Difference	Percent Change
<b>Motor Fuels Tax</b>								
Motor Fuels	\$ 1,179.30	\$ 1,180.34	\$ 1.04	0.1%	\$ 1,174.44	\$ 1,184.54	\$ 10.10	0.9%
Gasoline Inspection	14.95	\$ 14.97	0.02	0.2%	14.85	14.93	0.08	0.5%
Highway Use Reg.	0.21	\$ 0.25	0.04	19%	0.21	0.21	-	0.0%
Total Motor Fuel Taxes	\$ 1,194.46	\$ 1,195.56	\$ 1.10	0.1%	\$ 1,189.50	\$ 1,199.68	\$ 10	0.9%
<b>Licenses and Fees</b>								
Staggard Registration	\$ 200.32	\$ 201.90	\$ 1.58	0.8%	\$ 204.33	\$ 205.94	\$ 1.61	0.8%
International Registration Plan	66.77	64.00	(2.77)	-4.1%	68.44	65.60	(2.84)	-4.1%
Driver Licenses	130.05	134.68	4.63	3.6%	132.65	137.37	4.72	3.6%
Truck Licenses	127.49	136.31	8.82	6.9%	130.68	139.72	9.04	6.9%
Other Licenses and Fees	72.52	69.33	(3.19)	-4.4%	74.89	58.25	(16.64)	-22.2%
Total Licenses and Fees	\$ 597.15	\$ 606.22	\$ 9.07	1.5%	\$ 610.99	\$ 606.88	\$ (4.11)	-0.7%
<b>Investment Income</b>								
	\$ 10.50	\$ 35.80	\$ 25.30	241.0%	\$ 10.50	\$ 16.00	\$ 5.50	52.4%
Total Tax Revenue	\$ 1,802.11	\$ 1,837.58	\$ 35.47	2.0%	\$ 1,810.99	\$ 1,822.56	\$ 11.57	0.6%
Beginning Credit Balance	\$ 30.00	\$ 30.00	\$ -		\$ -	\$ 35.00	35.00	
<b>Total Highway Fund Availability</b>	<b>\$ 1,832.11</b>	<b>\$ 1,867.58</b>	<b>\$ 35.47</b>	<b>1.9%</b>	<b>\$ 1,810.99</b>	<b>\$ 1,857.56</b>	<b>\$ 46.57</b>	<b>2.6%</b>

\* Estimate based on actual collections through March 2008.

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# Revenue

## Highway Trust Fund

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The Highway Trust Fund, established in 1989, receives support from four sources. The first and primary source is the highway use tax, or sales tax, on most noncommercial vehicle sales. The second source is 25% of the excise tax on motor fuels. 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. Figure 17 shows the percentages of the various components of the Highway Trust Fund revenue collections projected for 2008-09.

### Highway Trust Fund Forecast

As of March 2008 fiscal, year-to date, actual Highway Trust Fund revenues decreased \$36.8 million (or 4%) below budgeted revenues. Total Trust Fund tax revenues are estimated to fall below

2007-08 budgeted revenues by \$37 million or 4%. In 2008-09, total Trust Fund tax revenues are estimated to fall below budgeted revenues by \$66 million (or 6%).

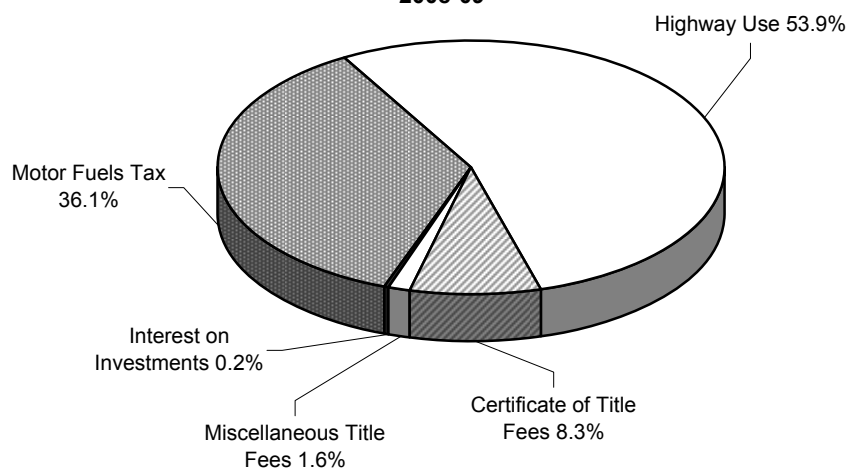
### Highway Use Tax

For the nine months ending in March 2008, 7% or \$32.5 million, of the decline in total Highway-Trust Fund revenues was attributed to highway use tax collections. Declining retail motor vehicle sales are a result of a slowing economy and increasing motor fuel prices. Total highway use tax collections for 2007-08 are estimated to fall below budgeted revenues by \$33 million (or 5%). With no improvement expected in vehicle sales in 2008-09, total highway use tax collections are estimated to fall below budgeted revenue by \$60 million (or 10%).

Figure 17

## Estimated Highway Trust Fund Revenue Collections

2008-09



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### **Motor Fuels Excise Tax**

The motor fuel excise tax is set twice in a fiscal year, once in January and again in July. The new rate is based on a six-month weighted average of the wholesale price of gasoline and diesel motor fuels. To provide relief to North Carolina motorists, the Governor recommended in 2006-07 that the variable component of the excise tax on motor fuel would not exceed 12.4 cents per gallon. This caps the tax rate at 29.9 cents a gallon for the period July 1, 2007 through June 30, 2009. With no cap, the effective tax rate for 2007-08 was forecasted to be 31.4 cents per gallon and for 2008-09 the tax rate is forecasted to be 35.7 cents per gallon.

Excise tax collections on motor fuels have held up well as the retail price of motor fuel has increased. Actual collections received by the Highway Trust Fund for the nine months ending in March 2008 have increased slightly less than 1% from budgeted revenues. Total motor fuel tax collections for 2007-08 that go to the Highway Trust Fund are expected to increase over budgeted revenues by \$0.6 million (or 0.2%). In 2008-09, total motor fuel tax collections for the Highway Trust Fund are estimated to increase \$3 million over budgeted revenues (or 0.9%).

### **Miscellaneous Title Fees**

Certificates of title and other miscellaneous title fee collections generally trend up or down with highway use tax collections. For the nine months ending in March 2008, certificates of title declined slightly faster than highway use tax collections or 8%. Over the same period, miscellaneous title fees declined 6%. Total combined title fee

collections for 2007-08 are estimated to fall below budgeted revenues by \$5.4 million (or 5%). Total combined title fee collections for 2008-09 are estimated to fall below budgeted revenues by \$9.6 million (or 8%).

### **Investment Income**

Highway Trust Fund cash balances held with the State Treasurer are used to pay more frequent expenses associated with contractual activity and the monthly interest earnings are subject to more variable principal balances. Through the nine months ending in March 2008, interest earnings on investments held with the state treasurer exceeded budgeted revenues by \$0.9 million. Total investment income in 2007-08 and in 2008-09 is estimated to exceed budgeted revenues by \$1 million.

### **Transfers to General Fund**

Prior to the creation of the Highway Trust Fund in 1989, the sales or use tax from the retail sale and lease of motor vehicles was collected under General Fund revenues. In order to hold the General Fund harmless, an annual distribution is made from the Highway Trust Fund revenue collections to the General Fund. The distribution for 2007-08 is set at \$172.5 million. For 2008-09, the Governor recommends a reduction of \$25 million in transfers. This reduction is the first in a series aimed at phasing out the transfer to the General Fund.

### **Revenue Availability**

The revenue available for distribution under the Highway Trust Fund is estimated to be \$919 million in 2007-08 and \$926 million in 2008-09 (see Table 11).

Table 11  
**Highway Trust Fund Revenue**  
**Detailed Estimates for 2007-08 and 2008-09**  
(\$ Millions)

Source	2007-08	2007-08		Percent	2008-09	2008-09		Percent
	Budgeted	Estimate*	Difference	Change	Budgeted	Estimate*	Difference	Change
<b><u>Fuel Taxes and Fees</u></b>								
Motor Fuel Tax	\$ 393.10	\$ 393.70	\$ 0.60	0.2%	\$ 391.48	\$ 394.85	\$ 3.37	0.9%
Highway Use	620.98	587.60	(33.38)	-5.4%	630.29	569.97	(60.32)	-9.6%
Certificate of Title Fees	95.43	90.60	(4.83)	-5.1%	97.81	89.15	(8.66)	-8.9%
Miscellaneous Title Fees	17.67	17.08	(0.59)	-3.3%	18.10	17.07	(1.03)	-5.7%
Subtotal	\$ 1,127.18	\$ 1,088.98	\$ (38.20)	-3.4%	\$ 1,137.68	\$ 1,071.04	\$ (66.64)	-5.9%
<b><u>Interest on Investments</u></b>	\$ 1.10	\$ 2.12	\$ 1.02	92.7%	\$ 1.10	\$ 2.12	\$ 1.02	92.7%
Total Highway Trust Fund Revenue	\$ 1,128.28	\$ 1,091.10	\$ (37.18)	-3.3%	\$ 1,138.78	\$ 1,073.16	\$ (65.62)	-5.8%
Transfer to General Fund**	\$ 172.54	\$ 172.54			\$ 172.67	\$ 147.53	\$ (25.14)	-14.6%
<b>Total Highway Trust Fund Availability</b>	<b>\$ 955.74</b>	<b>\$ 918.56</b>	<b>\$ (37.18)</b>	<b>-3.9%</b>	<b>\$ 966.11</b>	<b>\$ 925.63</b>	<b>(40.48)</b>	<b>-4.2%</b>

\*\* Statutory distribution, G.S.105-187.9

\* Estimate based on actual collections through March 2008.



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# **Recommended Appropriations**

## Education

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Public Education

The University of North Carolina

Community Colleges

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## Public Education (13510)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$9,540,535,941	(\$256,848,564)	\$127,801,686	\$9,411,489,063	(1.4)%
Receipts	<u>1,832,220,656</u>	<u>(256,848,564)</u>	<u>27,616,491</u>	<u>1,602,988,583</u>	(12.5)%
Appropriation	<u>\$7,708,315,285</u>	<u>\$0</u>	<u>\$100,185,195</u>	<u>\$7,808,500,480</u>	1.3 %
Positions	636.200	14.000	-	650.200	2.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Technical Adjustments

2008-09

#### State Public School Fund

##### 1. Revised Average Daily Membership (ADM) Projection

This appropriation ensures adequate funding for positions, textbooks, and instructional supplies that are allocated to the schools based on ADM. This recommended appropriation will support the increased cost of ADM revisions for 2008-09. Total funded ADM for 2008-09 is 1,476,566 students. This adjustment represents an increase of 14,826 over the 2007-08 ADM of 1,461,740. Receipts from the Highway Fund for the driver education program are adjusted by \$616,491 due to a projected increase in ninth grade ADM of 2,315.

##### At-Risk Allotment

This recommended ADM adjustment represents a change in the At-Risk categorical allotment. At-Risk ADM is based on updated census poverty data. The anticipated increase in the number of children in poverty in North Carolina LEAs for the 2008-09 school year is 34,282, bringing the total to 285,506. This increased cost is \$13,473,512. In addition, 22 new high schools are projected for 2008-09. Each of these high schools is allotted \$37,838 for a School Resource Officer for an increase of \$832,436.

14,141,566

##### All Other Allotments

This recommended adjustment represents a net decrease in various allotment categories.

(1,514,754)

**Requirements \$12,626,812**

##### All Other Allotments

616,491

**Receipts \$616,491**

**Appropriation \$12,010,321**

**2. Average Teacher Salary Adjustment**

An adjustment is recommended to revise budgeted average annual salaries using actual 2007-08 sixth pay period salaries as the base. 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 a reduction is made accordingly. This recommended adjustment does not reduce teacher salaries.

**Appropriation (\$40,615,839)**

**3. Transportation Fuel**

This adjustment is recommended due to the increased cost of diesel fuel. The average per gallon cost of fuel for 2007-08 is currently \$2.86, which exceeds the average cost per gallon of \$1.83 funded in the 2008-09 certified budget.

**Appropriation - Nonrecurring \$13,000,000**

**4. Class-Size Reduction**

It is recommended that \$11 million be appropriated to support class-size reduction (teacher to student ratio of 1:18) in grades K-3.

**Appropriation - Nonrecurring \$11,000,000**

**5. Transportation Budget Revised for ADM**

The transportation formula is adjusted for annual revisions in ADM. This recommended adjustment revises the transportation budget formula, bringing it in line with the allotted ADM.

**Appropriation (\$4,000,000)**

**6. Over-Realized Civil Penalties**

Collected civil penalty revenues are required to be deposited in the State Public School Fund (SPSF) for allotment to the LEAs on a per pupil basis. Civil penalties receipts are budgeted in the amount of \$77,500,000 in the SPSF for 2008-09. These receipts are expected to be over-realized by \$27 million based on a calculated monthly over collection average. This recommendation adjusts for the continued over-collection of these receipts.

<b>Requirements</b>	-
<b>Receipts</b>	<b>\$27,000,000</b>
<b>Appropriation</b>	<b>(\$27,000,000)</b>

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**Total Recommended Technical Adjustments**

**Recurring**

Requirements	(\$31,989,027)
Receipts	27,616,491
Appropriation	(\$59,605,518)
Number of Positions	-

**Nonrecurring**

Requirements	\$24,000,000
Receipts	-
	<hr/>
Appropriation	\$24,000,000
Time Limited Positions	-

**Reductions**

2008-09

**State Public School Fund**

**1. Average Daily Membership (ADM) Reserve**

An adjustment is recommended in the ADM reserve on a recurring basis.

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

**2. Inflationary Increases for Instructional Supplies**

This recommended adjustment removes the inflationary increases for instructional supplies for 2008-09 and adjusts the budgeted amount to the 2007-08 rates.

**Appropriation (\$3,632,352)**

**3. Inflationary Increases for Textbooks**

This recommended adjustment removes the inflationary increases for textbooks for 2008-09 and adjusts the budgeted amount to the 2007-08 rates.

**Appropriation (\$1,039,128)**

**4. Replacement School Buses**

This recommended adjustment continues the 2007-08 nonrecurring reduction of \$4.5 million. This change will decrease the budget to \$67,185,907 and continue the 2007-08 reduction of approximately 160 replacement school buses. The 2008-09 balance will continue to support the replacement of 665 school buses in 2008-09.

**Appropriation - Nonrecurring (\$4,500,000)**

**5. Exceptional Children Head-Count Adjustment**

This recommended adjustment decreases the Exceptional Children head count based on a five-year average adjustment of the April 1 head count.

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

**6. State-Funded Tests**

This adjustment eliminates funds to support the writing tests for grades 4,7, and 10, as recommended by the Blue Ribbon Commission on Testing. The DPI shall provide rubrics to the LEAs for local writing assessments.

**Appropriation (\$3,343,412)**

**7. Group Homes and Community Residential Centers**

This recommended adjustment decreases the unexpended balance for these two expenditure categories. Based upon year-to-date allotments, the anticipated balance for 2007-08 is \$3 million.

**Appropriation (\$1,500,000)**

**8. Math and Science Supplemental Salary Pilot**

This pilot received a recurring appropriation of \$515,115 in 2006-07. The pilot, developed by the State Board of Education, was to be implemented in three LEAs. In 2006-07, \$415,000 was unspent.

	<b>Appropriation</b>	<b>(\$250,000)</b>
<hr/>		
<b>Total Recommended Reductions</b>		
<b>Recurring</b>		
Requirements		(\$14,764,892)
Receipts		-
		<hr/>
Appropriation		(\$14,764,892)
Number of Positions		-
<b>Nonrecurring</b>		
Requirements		(\$4,500,000)
Receipts		-
		<hr/>
Appropriation		(\$4,500,000)
Time Limited Positions		-

**Expansion** 2008-09

**Quality Teachers, Quality Pay**

**1. Teacher and Administrator Compensation**

Funds are recommended in the Compensation Reserve for employees paid on the teacher salary or the principal and assistant principal salary schedule in schools operated by local boards of education, the Department of Health and Human Services, the Department of Correction, the Department of Juvenile Justice, and the North Carolina School of Science and Mathematics. These funds will support the compression of steps 0-2 and steps 3-4 on the salary schedule. This recommended appropriation will also increase each step on the salary schedule by \$2,000. The appropriation will also provide for movement on the salary schedule based on years of experience. In 2007-08, the difference between the NC average teacher pay for a teacher with a bachelors degree and 15 years experience (average), and a US teacher with similar education and experience was 6.9%. Employees paid on the teacher salary schedule will receive an average 6.96% increase. Employees paid on the principal salary schedule will receive an average 5.97% increase. Employees at the top of their respective salary schedules who do not receive a step increase shall be paid a one-time bonus. The funds for these recommendations are shown in the Reserves Section of the document.

**2. School-Based Incentive Awards Under the ABCs Program**

The ABCs initiative directs that each year a school must assure that students receive a year's worth of education for a year of instruction. Nonrecurring funds in the amount of \$90

million are recommended for awards earned in the 2007-08 school year and awarded in the fall of 2008. This recommended appropriation will maintain the current incentive levels.

**Appropriation - Nonrecurring**      **\$90,000,000**

**Investing More Resources and Demanding More Accountability**

**1. Comprehensive District and School Support**

This recommended appropriation supports implementation of the newly designed, research-based Comprehensive Support system of technical assistance delivery to schools. This model is currently being piloted at two sites: Lexington City and Columbus County LEAs. Full implementation will allow for all LEAs and schools to receive proactive and prolonged assistance (three years) to ensure that improvements in student and school performance are achieved and can be sustained. Low-performing schools and LEAs will be prioritized and targeted with the recommended resources. This recommendation includes funding for 15 positions that will be converted from federal funds that have been eliminated. The agency received a recurring appropriation of \$150,000 in 2007-08.

**Appropriation**      **\$1,874,262**

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

**2. More at Four**

The Governor recommends increasing the number of More at Four slots by 6,345, which brings the total to 35,000. In addition, the cost per slot is increased by \$550, which brings the total per-slot cost to \$5,000. Also included in the recommendation is a nonrecurring increase to support a per-slot start-up cost of \$500 for the 6,345 new slots.

**Appropriation**      **\$41,846,450**

**Appropriation - Nonrecurring**      **\$3,172,500**

**3. Teacher Academy**

The North Carolina Teacher Academy provides professional development in the areas of school leadership, instructional methodology, core content, and the use of technology in the classroom to enhance instruction and student achievement.

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

**21st Century High Schools**

**1. Learn and Earn**

The Governor recommends a recurring appropriation to support 13 planning sites that were funded in 2007-08 and will become operational in 2008-09. This change will bring the total number of operational sites to 55. The recommended nonrecurring appropriation supports 16 planning grants for sites that will become operational for the 2009-10 academic year.

**Appropriation**      **\$2,031,725**

**Appropriation - Nonrecurring**      **\$1,197,280**

**2. Learn and Earn Program Directors**

For funding a Learn and Earn Program Director in each of the 115 LEAs, this appropriation will support 0.5 FTE, and \$3,429,888 will be directed from the 2008-09 Learn and Earn Online budget to support the remaining 0.5 FTE per LEA. This position will be responsible for overseeing the Learn and Earn initiatives for each school in an LEA. The individual in this position will ensure that teachers, administrators, students, and parents are fully informed

of the Learn and Earn opportunities and know how to access these courses. The director will also identify appropriate technical assistance resources in each school so that the resources are available to all LEA students participating in Learn and Earn programs.

**Appropriation**                    **\$3,429,888**

**3. School Technology Pilot**

The Governor recommends a \$1 million nonrecurring appropriation to support the School Technology Pilot. This appropriation is contingent upon private funds that match the appropriation dollar for dollar. All sources of funds for this pilot are to be used in Learn and Earn schools. If no matching funds are available, this appropriation will revert on June 30, 2009. Nonstate funds will be used for portable computers purchased for teachers and students. State funds will be used to fund program evaluation, improve network connectivity at each of the pilot sites, assist with professional development for teachers and principals, provide technical support staff, and purchase any additional equipment necessary to support the program. Funds will not revert until the pilot program and evaluation are completed.

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

**State Board of Education Initiatives**

**1. School Connectivity**

The Governor recommends a recurring appropriation to continue to provide "last mile" connectivity and sufficient bandwidth to schools to ensure that North Carolina students have access to 21st century technology as an instructional tool. In 2007-08, approximately \$8 million was allocated to LEAs to offset their connectivity costs discounted by e-rate reimbursements for which they are eligible. Currently 16 LEAs are determined to have sufficient connectivity, and this number is estimated to increase to 50 LEAs by June 30, 2008. The existing recurring 2008-09 appropriation is \$12 million. Funds for this initiative were first appropriated in 2006-07 on a nonrecurring basis.

**Appropriation**                    **\$6,000,000**

**2. Graduation Project**

The Governor recommends a recurring appropriation to support the implementation of the Graduation Project. The Graduation Project is a performance-based component of high school exit standards. It is developed, monitored, and scored locally using state-adopted rubrics.

**Appropriation**                    **\$750,000**

**Agency Administrative Improvements**

**1. NC Common Education Data Analysis and Reporting System (CEDARS) Longitudinal Data System**

North Carolina was one of 13 states to receive a \$6 million federal grant to create NC CEDARS. CEDARS is a longitudinal data system that will integrate previously incompatible educational databases into a single data repository that teachers, principals, researchers, and other educators can analyze with easy-to-use tools. One feature it will provide is a unique student identifier. The Governor recommends funding to help support the required state match.

**Appropriation - Nonrecurring**                    **\$2,000,000**

**Pass-Through Funds**

**1. Teacher Cadet Program**

The Teacher Cadet Program is a part of the North Carolina Foundation for Public School Children. This recommended increase provides recurring support to this program, which encourages high-achieving students to enter the teaching profession. The General Assembly appropriated \$278,500 in nonrecurring funds for the Teacher Cadet Program in 2007-08.

**Appropriation \$278,500**

**2. Teach for America**

The Governor recommends a nonrecurring appropriation of \$750,000 for the Teach for America (TFA) program. These funds will support TFA's efforts to recruit teachers to North Carolina. Teach for America is a national corps of outstanding recent college graduates of all academic majors who commit to teach in urban and rural public schools. The General Assembly appropriated \$200,000 nonrecurring for Teach for America in 2007-08.

**Appropriation - Nonrecurring \$750,000**

**3. Communities in Schools**

This recommended recurring appropriation expands the current Communities in Schools budget of \$1,107,500 by \$500,000. The program connects at-risk youth and their families with resources to assist in school success and dropout prevention. Services include tutoring and mentoring.

**Appropriation \$500,000**

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**Total Recommended Expansion**

**Recurring**

Requirements	\$56,710,825
Receipts	-
	<hr/>
Appropriation	\$56,710,825
Number of Positions	-

**Nonrecurring**

Requirements	\$98,344,780
Receipts	-
	<hr/>
Appropriation	\$98,344,780
Time Limited Positions	-

**Total Recommended Adjustments for  
Public Education  
2008-09**

**Recurring**

Requirements \$9,956,906

Receipts 27,616,491

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Appropriation (\$17,659,585)

Number of Positions -

**Nonrecurring**

Requirements \$117,844,780

Receipts -

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Appropriation \$117,844,780

Time Limited Positions -



## The University of North Carolina (160xx)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$3,818,782,020	\$0	\$31,258,677	\$3,850,040,697	0.8 %
Receipts	<u>1,162,334,921</u>	-	-	<u>1,162,334,921</u>	0.0 %
Appropriation	<u>\$2,656,447,099</u>	<u>\$0</u>	<u>\$31,258,677</u>	<u>\$2,687,705,776</u>	1.2 %
Positions	35,054.784	-	60.400	35,115.184	0.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Building Reserve Adjustment

Both recurring and nonrecurring adjustments were made to campus building reserves due to changes in project completion dates as submitted by UNC General Administration (UNC-GA), reserve over-budgeting, and projects of insufficient magnitude to require additional operating funds.

**Appropriation (\$3,673,321)**  
**Appropriation - Nonrecurring \$732,470**

#### 2. 0.8% Management Flexibility Reduction

A 0.8% management flexibility reduction is recommended for most UNC budget codes. Held harmless in this reduction are state financial aid, UNC-GA reserves and UNC system expansion in budget code 16011, the Center for School Leadership Development, North Carolina Center for the Advancement of Teaching, the North Carolina School of Science and Mathematics, and UNC Hospitals. It is expected that the UNC system will use this flexibility to make reductions in areas based on the best interests of each institution, except that the university system shall not make cuts that negatively affect the classroom.

**Appropriation (\$18,499,495)**

#### 3. Reductions in Inflationary Increases

The UNC system received inflationary increases in numerous items through the 2007-09 continuation budget process. It is recommended that the 2008-09 inflationary increases for utilities, library books, campus equipment, and vehicles be removed.

**Appropriation (\$7,589,129)**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$29,761,945)
Receipts	-
<hr/>	
Appropriation	(\$29,761,945)
Number of Positions	-

**Nonrecurring**

Requirements	\$732,470
Receipts	-
<hr/>	
Appropriation	\$732,470
Time Limited Positions	-

**Expansion**

2008-09

**Increasing Access to Higher Education**

**1. Enrollment Growth Over Original 2008-09 Projections**

The Governor recommends full funding of the 2008-09 UNC enrollment growth request with the legally required adjustment for the North Carolina School of Science and Mathematics as found in Section 9.1 of Session Law 2007-323. This recommendation funds an additional 11,793 FTEs to bring the system total to 197,066 FTEs. In FY 2007-08, the UNC system received \$48.3 million to fund an increase of 5,185 FTEs and was appropriated an additional \$39.8 million for projected growth in 2008-09. The Governor's recommendation brings the total funding for UNC Enrollment Growth for 2008-09 to \$74,443,879.

**Appropriation      \$34,613,302**

**2. North Carolina State University (NCSU) College of Engineering**

The Governor recommends providing \$2 million in recurring funds for the NCSU College of Engineering to assist the college in its continuing efforts to build a nationally ranked "top 10" bioengineering program. In the 2007-09 biennial budget, the College of Engineering received \$5 million and 55 positions for bioengineering and other departments.

**Appropriation      \$2,000,000**

**3. UNC/North Carolina Community College System (NCCCS) Regional Collaborations**

The Governor recommends full funding for the Board of Governors' request for UNC/NCCCS Regional Collaborations to increase access to higher education in underserved regions of the state. This funding will create three partnerships between the local community colleges and universities. The community colleges in Hickory, Rocky Mount, and Jacksonville will be matched with Appalachian State University, East Carolina and North Carolina State Universities, and UNC-Wilmington, respectively. Funding was requested and is recommended for personnel and operating costs at each of the three partnership locations.

**Appropriation      \$968,750**  
**Number of Positions      14.000**

**4. Independent Colleges and Universities to Participate in the EARN Scholars Program**

The Governor recommends providing access to the EARN Scholars Program to the fully accredited Private and Independent Colleges and Universities across North Carolina. These scholarships will be provided within the existing appropriation. The State Education Assistance Authority (SEAA) will monitor the scholarship program and report annually by March 31 to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on the current and future condition of the scholarship fund.

**5. Academic Transfer Articulation System**

The Governor recommends funding UNC's request to begin phase one development of the Academic Transfer Articulation System. This system will be fully integrated into the existing College Foundation of North Carolina (CFNC) Web site. This articulation system will be designed to take all courses offered at an Early College High School and through Learn and Earn Online, as well as the approximately 1,000 courses offered to high school students by the UNC system and community colleges, and provide information about course transferability to a UNC campus or community college.

**Appropriation - Nonrecurring \$275,000**

**6. State Matching Grants for the Parental Savings Trust Fund for NC Public School Teachers**

The Governor recommends a program to provide state matching funds for NC public school teachers who have Parental Savings Trust Fund accounts established pursuant to G.S.116-209.25. These accounts, administered by the State Education Assistance Authority, provide qualified parents and other interested parties with a way to save for college for children. Each teacher with such an account will be eligible for state matching funds up to \$1,000 per account, based on state fund availability. The matching funds will be effective only for contributions made on or after July 1, 2008.

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

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**Nursing and Health Care Programs**

**1. East Carolina University Indigent Care**

The Governor recommends \$2.5 million for indigent care services provided by the Brody School of Medicine physicians. This recommendation continues the nonrecurring appropriation provided for 2007-08. Clinical faculty treat patients from all 100 counties of the state. Indigent care patients receive the full spectrum of services for medically necessary primary and subspecialty care. Prior to 2007-08, the Brody School of Medicine did not receive any appropriation for indigent care.

**Appropriation - Nonrecurring \$2,500,000**

**2. UNC Area Health Education Centers (AHEC) - Quality and Patient Safety**

The Governor recommends recurring funding of \$1.08 million for the UNC AHEC Quality and Patient Safety Initiative. This initiative will provide \$120,000 to each of the nine AHEC regions to work with physician practices, rural health centers, hospitals, and other agencies to improve the quality of care. Areas of specific focus include childhood asthma, diabetes, pulmonary disease, smoking cessation, and cardiovascular disease.

**Appropriation \$1,080,000**

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**Other UNC Initiatives**

**1. Campus Safety**

The Governor recommends funding the priority recommendations found in the "University of North Carolina Campus Safety Task Force Report to the President" submitted in November 2007. UNC system President Erskine Bowles created the UNC Campus Safety Task Force to inspect and identify safety deficiencies at the campuses and recommend best practices to ensure all institutions are as safe as they can reasonably be.

**Appropriation \$5,645,900**

**Appropriation - Nonrecurring \$5,405,200**

**Number of Positions 17.000**

**2. Center for Public Policy**

The Governor recommends funding a Center for Public Policy within the Program for Public Life in the Center for the Study of the American South at UNC-Chapel Hill. This center will work on cutting-edge issues affecting North Carolina, including, but not limited to, education and the economy.

**Appropriation \$750,000**

**3. Elizabeth City State University (ECSU) Aviation Program**

The Governor recommends \$300,000 in recurring funding and \$300,000 in nonrecurring for the ECSU Aviation Program to support its efforts to develop a flight school. The Aviation Program currently offers a Bachelor of Science degree with three possible minors: business administration/aviation management, electronics/avionics, and computer science.

**Appropriation \$300,000**

**Appropriation - Nonrecurring \$300,000**

**4. Special Focus Institutions**

The Governor recommends an appropriation of \$500,000 each to the University of North Carolina at Asheville and the North Carolina School of the Arts and \$250,000 to the North Carolina School of Science and Mathematics. The missions and limited sizes of these institutions makes it difficult to generate funds from other sources to provide certain student services. The North Carolina School of Science and Mathematics and the University of North Carolina at Asheville will use these funds for additional faculty and support positions. The North Carolina School of the Arts will replace outdated equipment with the appropriation.

**Appropriation \$1,250,000**

**Number of Positions 9.000**

**5. North Carolina Central University School of Law**

The Governor recommends full funding of the North Carolina Central University's Law School request to continue transitioning personnel from Title III federal funds to state funds for salary and benefits.

**Appropriation \$2,500,000**

**Number of Positions 20.400**

**6. North Carolina State University's Advanced Transportation Energy Center (ATEC)**

The Governor recommends full funding for the Board of Governors' request for North Carolina State University's Advanced Transportation Energy Center to continue research on electric vehicle and battery technology. These funds will be matched by \$250,000 in grants from both Progress Energy and Duke Power.

**Appropriation \$500,000**

**7. North Carolina Center for International Understanding**

The Governor recommends continued funding for the North Carolina Center for International Understanding. Since 2005-06, the Governor and General Assembly have provided \$200,000 to the center to help bring students in the public schools and universities into the global community and economy. Currently, the center seeks to expand its world language offerings, build greater school partnerships, and strengthen the higher education/K-12 school relationship.

**Appropriation - Nonrecurring    \$200,000**

**Total Recommended Expansion**

**Recurring**

Requirements	\$51,607,952
Receipts	-
<hr style="width: 100%;"/>	
Appropriation	\$51,607,952
Number of Positions	60.400

**Nonrecurring**

Requirements	\$8,680,200
Receipts	-
<hr style="width: 100%;"/>	
Appropriation	\$8,680,200
Time Limited Positions	-

**Total Recommended Adjustments for  
 The University of North Carolina  
 2008-09**

**Recurring**

Requirements	\$21,846,007
Receipts	-
<hr style="width: 100%;"/>	
Appropriation	\$21,846,007
Number of Positions	60.400

**Nonrecurring**

Requirements	\$9,412,670
Receipts	-
<hr style="width: 100%;"/>	
Appropriation	\$9,412,670
Time Limited Positions	-

## Community Colleges (16800)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$1,122,535,857	\$745,853	\$35,832,865	\$1,159,114,575	3.3 %
Receipts	<u>222,892,854</u>	<u>745,853</u>	<u>11,172,670</u>	<u>234,811,377</u>	5.3 %
Appropriation	<u>\$899,643,003</u>	<u>\$0</u>	<u>\$24,660,195</u>	<u>\$924,303,198</u>	2.7 %
Positions	203.000	-	2.000	205.000	1.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Technical Adjustments

2008-09

#### 1. Reduce Minimum Faculty Salary Adjustment Funds

This recommendation eliminates the remaining appropriation for the Minimum Faculty Salary Adjustment. The 2007 General Assembly reduced this appropriation by \$1.2 million.

**Appropriation (\$540)**

#### Total Recommended Technical Adjustments

##### Recurring

Requirements (\$540)

Receipts -

Appropriation (\$540)

Number of Positions -

##### Nonrecurring

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Reductions**

2008-09

**System Office**

**1. Adjust College Information System (CIS) to Reflect Steady Operational State**

The North Carolina Community College System (NCCCS) completed implementation of CIS in February 2008. This recommendation will reduce the overall budget of CIS to \$11.7 million, the amount needed for ongoing maintenance and operations, including complete periodic system upgrades.

**Appropriation (\$3,332,426)**

**2. Unexpended CIS Fund Balance**

Due to the full implementation of CIS in February 2008, funds appropriated, but not expended, for implementation in 2007-08 will be returned to the General Fund from budget code 26802.

**Appropriation - Nonrecurring (\$4,500,000)**

**3. NCCCS BioNetwork Adjustments**

The NCCCS BioNetwork provides specialized training, curricula, and equipment to community colleges statewide to develop a world-class workforce for the biotechnology, pharmaceutical, and life sciences industries. This reduction will eliminate unused reserves and will not affect the BioNetwork's core initiatives.

**Appropriation (\$431,357)**

**Colleges - State Aid**

**1. Remove inflationary Increase for Community College Library Books**

It is recommended that the inflationary increase appropriated for library books and periodicals for 2008-09 be removed. Community colleges' budget for library books and periodicals will remain at the 2007-08 level of \$3,672,010.

**Appropriation (\$176,381)**

**2. Adjust Tuition Receipts**

The Governor recommends reducing appropriated funds to reflect higher over-realized receipts. Receipts are increased to reflect the estimated collection in 2008-09. This adjustment complies with G.S.143-3-5(b)(2)(c).

**Requirements -**

**Receipts \$4,500,000**

**Appropriation (\$4,500,000)**

**3. Focused Industrial Training**

Focused Industry Training (FIT) is targeted, customized training for incumbent workers in existing manufacturing industries whose jobs are changing because of technological or process advances. A recurring reduction is recommended to reflect the balance of funds unallocated in 2007-08. The nonrecurring reduction is offset with the fund balance remaining from receipts generated from training and re-employment contributions made by employers under G.S. 96-6.1.

**Appropriation (\$285,891)**

**Appropriation - Nonrecurring (\$783,246)**

**4. Reduce Multicampus Funds**

Community colleges offer courses at multicampus sites to accommodate student educational needs. These multicampuses must provide student services and offer at least one degree program entirely on-site. A reduction is recommended to reflect the historical expenditure levels of these funds.

**Appropriation (\$200,000)**

**5. Material Composites Testing**

Isothermal Community College received a recurring appropriation for Material Composites Testing in 2004-05. Other grants-in-aid have been made on a nonrecurring basis only. This reduction eliminates funding for this program.

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

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**Total Recommended Reductions**

**Recurring**

Requirements	(\$4,526,055)
Receipts	4,500,000
	<hr/>
Appropriation	(\$9,026,055)
Number of Positions	-

**Nonrecurring**

Requirements	(\$5,283,246)
Receipts	-
	<hr/>
Appropriation	(\$5,283,246)
Time Limited Positions	-

**Expansion**

2008-09

**Increasing Access to Higher Education**

**1. Enrollment Growth**

The Governor recommends full funding for enrollment growth. The spring semester 2007-08 census from the NC Community College System shows a total enrollment increase of 6,455 full-time equivalents (FTEs) students above the 2007-08 budgeted enrollment of 195,375. The 2008-09 budgeted enrollment is 201,830 FTEs, a 3.3% increase of over 2007-08. Curriculum enrollment increased by 6,119 FTEs (or 4.05%), continuing education enrollment by 288 (or 1.16%), and basic skills enrollment by 48 FTEs (or 0.25%).

<b>Requirements</b>	<b>\$30,452,625</b>
<b>Receipts</b>	<b>\$6,672,670</b>
	<hr/>
<b>Appropriation</b>	<b>\$23,779,955</b>



## 2. Minority Male Mentoring Program

The Governor recommends funds to expand the Minority Male Mentoring program to 15 additional sites and to continue the program at th 15 sites that first received funding in 2007-08. The program identifies and provides such services as academic and personal counseling, drug intervention, and personal growth and development. In addition, \$25,000 will be used to support the program's statewide conference, where community colleges share experiences and best practices.

**Appropriation - Nonrecurring \$925,000**

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## Nursing and Health Care Programs

### 1. National League of Nursing Accreditation

The Governor recommends funding for community college nursing programs to pursue accreditation from the National League of Nursing. There are currently about 70 nursing programs offered by 40 community colleges and consortia. Nursing programs must be accredited by 2015. The State Board of Community Colleges will award \$7,500 to up to 13 programs each year to pay for the program's accreditation candidacy and survey fees.

**Appropriation \$97,500**

### 2. Allied-Health Faculty

The Governor recommends appropriating \$3.85 million for 55 additional allied health faculty positions. The State Board of Community Colleges will allocate the positions based on the number of qualified students not admitted to allied-health programs in 2007-08 due to limited capacity.

**Appropriation \$3,850,000**

### 3. Allied-Health Equipment

The Governor recommends \$3 million for allied-health nursing-program equipment, including simulators to expand the number of clinical opportunities for nursing students, thus reducing a major barrier to producing more nurses from the state's community colleges.

**Appropriation - Nonrecurring \$3,000,000**

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## Building a Skilled Workforce

### 1. Community College Equipment

The Governor recommends providing \$2 million for community colleges equipment. These additional funds will help reduce program waiting lists and meet technology training needs, thereby supporting quality education and training for community college students.

**Appropriation - Nonrecurring \$2,000,000**

### 2. 2+2 E-Learning Initiative

Funds are recommended for the UNC/NCCCS Joint 2+2 E-Learning Initiative. These funds will enhance the Virtual Learning Community (VLC) by creating two additional development centers, one for allied health and one for teacher education. Each center will develop and enhance online courses and programs in cooperation with the curriculum programs and approaches offered through the University of North Carolina. Nonrecurring funds will be used to enhance the VLC Web site.

**Appropriation \$350,000**

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

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**Other NCCCS Initiatives**

**1. Director of Technical and Vocational Education**

Technical programs have faced declining enrollments despite high demand for program graduates. To address this decline, funds are recommended to create a Director of Technical and Vocational Education. The director will develop and oversee a plan to improve and enhance technical and vocational programs at the community colleges and will coordinate with the Department of Public Instruction on career and technical education and with Learn and Earn.

<b>Appropriation</b>	<b>\$83,195</b>
<b>Appropriation - Nonrecurring</b>	<b>\$3,000</b>
<b>Number of Positions</b>	<b>1.000</b>

**2. NCCCS Facility Engineer**

The Governor recommends funds to support a facility engineer at the Community College System Office to help community colleges with their advanced planning and capital construction projects. Nonrecurring funds are appropriated for equipment specific to the position.

<b>Appropriation</b>	<b>\$91,993</b>
<b>Appropriation - Nonrecurring</b>	<b>\$9,000</b>
<b>Number of Positions</b>	<b>1.000</b>

**3. NC Rural Entrepreneurship through Action Learning (NC REAL) Enterprises**

The Governor recommends that \$250,000 be provided for NC REAL Enterprises, which partners with community colleges to help rural, low wealth, and minority individuals and communities develop entrepreneurial talent and create businesses that contribute to the local economy.

<b>Appropriation - Nonrecurring</b>	<b>\$250,000</b>
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**4. NCCCS Data Warehouse**

The Governor recommends funds to enhance and expand the NCCCS Data Warehouse by adding financial data and additional student information. The primary goal of the data warehouse is to increase individual access to key business information and enhance the tools used in planning and decision-making.

<b>Appropriation - Nonrecurring</b>	<b>\$2,500,000</b>
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**5. Information Technology Positions at Community Colleges**

Funds are recommended to add 58 half-time (0.5 FTE) information technology positions at community colleges, with the allocation to be determined by the State Board of Community Colleges. Although 61 information technology positions have been added since the beginning of the College Information System, additional positions are still needed to maintain the new information technology systems and to respond to increased reporting requirements.

<b>Appropriation</b>	<b>\$1,898,747</b>
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**6. System Office Operating Needs**

The Governor recommends funding to support the system office operating needs to the level of 2006-07 expenditures and to make major, one-time equipment purchases.

Travel expenses for program auditors due to greater reporting and accountability requirements 4,694

**Appropriation \$4,694**

System office equipment 76,952

**Appropriation - Nonrecurring \$76,952**

**Total Recommended Expansion**

**Recurring**

Requirements \$36,828,754

Receipts 6,672,670

Appropriation \$30,156,084

Number of Positions 2,000

**Nonrecurring**

Requirements \$8,813,952

Receipts -

Appropriation \$8,813,952

Time Limited Positions -

**Total Recommended Adjustments for  
Community Colleges  
2008-09**

**Recurring**

Requirements	\$32,302,159
Receipts	11,172,670
	<hr/>
Appropriation	\$21,129,489
Number of Positions	2.000

**Nonrecurring**

Requirements	\$3,530,706
Receipts	-
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Appropriation	\$3,530,706
Time Limited Positions	-

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# **Recommended Appropriations**

## General Government

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General Assembly

Office of the Governor

Office of State Budget and Management

North Carolina Housing Finance Authority

OSBM - Reserve for Special Appropriation

Department of Secretary of State

Office of the State Auditor

Department of Insurance

Department of Administration

Office of the State Controller

Department of Revenue

Department of Cultural Resources

State Board of Elections

Office of Administrative Hearings

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**General Assembly (11000)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$56,884,593	\$0	(\$636,000)	\$56,248,593	(1.1)%
Receipts	<u>1,143,807</u>	-	-	<u>1,143,807</u>	0.0 %
Appropriation	<u>\$55,740,786</u>	<u>\$0</u>	<u>(\$636,000)</u>	<u>\$55,104,786</u>	(1.1)%
Positions	339.000	-	-	339.000	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Reductions**

2008-09

**1. Decrease Operating Budget**

The Governor recommends a recurring reduction of \$636,000 in agency reserves.

**Appropriation (\$636,000)**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$636,000)
Receipts	-
Appropriation	<u>(\$636,000)</u>
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-

**Total Recommended Adjustments for  
General Assembly  
2008-09**

**Recurring**

Requirements (\$636,000)

Receipts -

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Appropriation (\$636,000)

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

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Appropriation -

Time Limited Positions -



**Office of the Governor (13000)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$6,731,692	\$0	(\$16,916)	\$6,714,776	(0.3)%
Receipts	<u>431,105</u>	-	-	<u>431,105</u>	0.0 %
Appropriation	<u>\$6,300,587</u>	<u>\$0</u>	<u>(\$16,916)</u>	<u>\$6,283,671</u>	(0.3)%
Positions	63.717	-	.430	64.147	0.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Reductions**

2008-09

**1. Decrease Operating Budget**

The Governor recommends a recurring reduction of \$56,705 in the operating budget.

**Appropriation (\$56,705)**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$56,705)
Receipts	-
Appropriation	<u>(\$56,705)</u>
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-

**Expansion**

2008-09

**Office of Citizen Affairs**

**1. Deputy Executive Director Position**

The Governor recommends funding 43% of the Deputy Executive Director position, which is currently funded from the Hurricane Recovery Act of 2005 (Senate Bill 7). Senate Bill 7 funds will not be available in the future.

<b>Appropriation</b>	<b>\$39,789</b>
<b>Number of Positions</b>	<b>.430</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$39,789
Receipts	-
	<hr/>
Appropriation	\$39,789
Number of Positions	.430

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
 Office of the Governor  
 2008-09**

**Recurring**

Requirements	(\$16,916)
Receipts	-
	<hr/>
Appropriation	(\$16,916)
Number of Positions	.430

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

## Office of State Budget and Management (13005)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$6,091,884	\$0	\$48,697	\$6,140,581	0.8 %
Receipts	<u>214,444</u>	-	-	<u>214,444</u>	0.0 %
Appropriation	<u>\$5,877,440</u>	<u>\$0</u>	<u>\$48,697</u>	<u>\$5,926,137</u>	0.8 %
Positions	62.000	-	1.000	63.000	1.6 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Decrease Operating Budget

The Governor recommends a recurring reduction of \$52,897 in the operating budget.

**Appropriation (\$52,897)**

#### Total Recommended Reductions

##### Recurring

Requirements	(\$52,897)
Receipts	-
Appropriation	<u>(\$52,897)</u>
Number of Positions	-

##### Nonrecurring

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-

**Expansion**

2008-09

**Technology and Data Services**

**1. One Business and Technology Position**

The Governor recommends funding a Business and Technology Applications Specialist position to perform administration of Oracle and SAS.

<b>Appropriation</b>	<b>\$101,594</b>
<b>Number of Positions</b>	<b>1.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$101,594
Receipts	-
Appropriation	\$101,594
Number of Positions	1.000

**Nonrecurring**

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
 Office of State Budget and Management  
 2008-09**

**Recurring**

Requirements	\$48,697
Receipts	-
Appropriation	\$48,697
Number of Positions	1.000

**Nonrecurring**

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

## North Carolina Housing Finance Agency (13010)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$9,608,417	\$0	\$2,500,000	\$12,108,417	26.0 %
Receipts	-	-	-	-	
Appropriation	<u>\$9,608,417</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>\$12,108,417</u>	26.0 %
Positions	-	-	-	-	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

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## Appropriation Items -- Recommended Adjustments

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### Expansion

2008-09

#### Housing Programs

##### 1. Home Protection Pilot Program

The Governor recommends nonrecurring funds to continue the Home Protection pilot program that assists homeowners in 61 counties who are at risk of losing their homes due to job loss. The program offers counseling in addition to short-term or long-term loans to qualifying homeowners so that they can maintain their homes while regaining employment.

**Appropriation - Nonrecurring \$1,500,000**

##### 2. Foreclosure Prevention Reserve

The Governor is recommending funding to assist homeowners facing foreclosures across the state. Funds will be used to provide counselors to act as intermediaries between lenders and borrowers to seek solutions, such as deferring mortgage payments, modifying loan terms, or freezing interest rates.

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

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**Total Recommended Expansion**

**Recurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$2,500,000
Receipts	-
<hr/>	
Appropriation	\$2,500,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 North Carolina Housing Finance Agency  
 2008-09**

**Recurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$2,500,000
Receipts	-
<hr/>	
Appropriation	\$2,500,000
Time Limited Positions	-

## OSBM - Reserve for Special Appropriation (13085)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$6,741,446	\$0	\$1,300,000	\$8,041,446	19.3 %
Receipts	<u>1,120,000</u>	-	-	<u>1,120,000</u>	0.0 %
Appropriation	<u>\$5,621,446</u>	<u>\$0</u>	<u>\$1,300,000</u>	<u>\$6,921,446</u>	23.1 %
Positions	-	-	-	-	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### Reserves and Transfers

##### 1. Fire Protection Grant

The Governor recommends funding the fire protection grants-in-aid program on a recurring basis in order to assist local fire districts that provide fire protection and other services to state-owned facilities. In 2007-08, \$300,000 was appropriated on a one-time basis.

**Appropriation \$300,000**

##### 2. Reserve for Military Morale, Recreation, and Welfare

The Governor recommends funding the reserve for military morale, recreation, and welfare to sustain historical grants to military installations to provide community service and quality-of-life programs for military members and their families in North Carolina.

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

### Total Recommended Expansion

#### Recurring

Requirements	\$300,000
Receipts	-
Appropriation	<u>\$300,000</u>
Number of Positions	-

**Nonrecurring**

Requirements	\$1,000,000
Receipts	-
<hr/>	
Appropriation	\$1,000,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 OSBM - Reserve for Special Appropriation  
 2008-09**

**Recurring**

Requirements	\$300,000
Receipts	-
<hr/>	
Appropriation	\$300,000
Number of Positions	-

**Nonrecurring**

Requirements	\$1,000,000
Receipts	-
<hr/>	
Appropriation	\$1,000,000
Time Limited Positions	-



**Department of Secretary of State (13200)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$11,211,472	\$20,351	\$159,950	\$11,391,773	1.6 %
Receipts	<u>468,431</u>	<u>20,351</u>	-	<u>488,782</u>	4.3 %
Appropriation	<u>\$10,743,041</u>	<u>\$0</u>	<u>\$159,950</u>	<u>\$10,902,991</u>	1.5 %
Positions	186.000	-	4.000	190.000	2.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Reductions**

2008-09

**1. Decrease Operating Budget**

The Governor recommends a recurring reduction of \$53,715 in the operating budget.

**Appropriation (\$53,715)**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$53,715)
Receipts	-
Appropriation	<u>(\$53,715)</u>
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-

**Expansion**

2008-09

**Lobbyist Registration**

**1. Administrative Assistant**

The Governor recommends establishing an administrative assistant position to provide manpower due to the enactment and amendment of the new lobbying law as recognized by OSBM in its January 2008 management study of the Lobbyist Division.

<b>Appropriation</b>	<b>\$37,653</b>
<b>Appropriation - Nonrecurring</b>	<b>\$5,547</b>
<b>Number of Positions</b>	<b>1.000</b>

**General Administration**

**1. Staff Expansion**

The Governor recommends establishing three positions (Accountant I, Administrative Assistant I, and Accounting Technician III) to support the budget section in the accounting and purchasing functions.

<b>Appropriation</b>	<b>\$142,465</b>
<b>Appropriation - Nonrecurring</b>	<b>\$28,000</b>
<b>Number of Positions</b>	<b>3.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$180,118
Receipts	-
	<hr/>
Appropriation	\$180,118
Number of Positions	4.000

**Nonrecurring**

Requirements	\$33,547
Receipts	-
	<hr/>
Appropriation	\$33,547
Time Limited Positions	-

**Total Recommended Adjustments for  
Department of Secretary of State  
2008-09**

**Recurring**

Requirements \$126,403

Receipts -

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Appropriation \$126,403

Number of Positions 4.000

**Nonrecurring**

Requirements \$33,547

Receipts -

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Appropriation \$33,547

Time Limited Positions -

**Office of the State Auditor (13300)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$15,803,310	\$802,493	\$82,128	\$16,687,931	5.6 %
Receipts	<u>3,056,831</u>	<u>802,493</u>	<u>316,066</u>	<u>4,175,390</u>	36.6 %
Appropriation	<u>\$12,746,479</u>	<u>\$0</u>	<u>(\$233,938)</u>	<u>\$12,512,541</u>	(1.8)%
Positions	192.000	9.000	-	201.000	4.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Reductions**

2008-09

**1. Decrease Over-realized Receipts**

The Governor recommends budgeting over-realized receipts in the amount of \$316,066.

<b>Requirements</b>	-
<b>Receipts</b>	<b>\$316,066</b>
<b>Appropriation</b>	<b>(\$316,066)</b>

**Total Recommended Reductions**

**Recurring**

Requirements	-
Receipts	316,066
Appropriation	(\$316,066)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**Field Audit Division**

**1. ITS Hosting Services**

The Governor recommends recurring funding for ITS hosting services for the non-governmental audit project approved in the previous fiscal year.

**Appropriation \$82,128**

**Total Recommended Expansion**

**Recurring**

Requirements \$82,128

Receipts -

Appropriation \$82,128

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Total Recommended Adjustments for  
 Office of the State Auditor  
 2008-09**

**Recurring**

Requirements \$82,128

Receipts 316,066

Appropriation (\$233,938)

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Department of Insurance (13900)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$35,746,002	\$88,093	\$239,040	\$36,073,135	0.9 %
Receipts	<u>4,809,298</u>	<u>88,093</u>	-	<u>4,897,391</u>	1.8 %
Appropriation	<u>\$30,936,704</u>	<u>\$0</u>	<u>\$239,040</u>	<u>\$31,175,744</u>	0.8 %
Positions	408.700	3.000	1.000	412.700	1.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Expansion**

2008-09

**Company Services Group**

**1. Insurance Examiner II**

The Governor recommends funding an Insurance Examiner II position for the Financial Evaluation Division. This position will provide regulatory oversight emphasizing licensing and financial solvency for approximately 140 Professional Employer Organizations (PEO) that employ thousands of North Carolina residents.

<b>Appropriation</b>	<b>\$83,040</b>
<b>Appropriation - Nonrecurring</b>	<b>\$6,000</b>
<b>Number of Positions</b>	<b>1.000</b>

**Office of State Fire Marshal**

**1. Training and Inspection Travel**

The Governor recommends recurring funding for training and travel related to state and federal mandates and the inspection of fire departments in the 1,512 fire districts requiring inspections every five years.

<b>Appropriation</b>	<b>\$150,000</b>
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**Total Recommended Expansion**

**Recurring**

Requirements	\$233,040
Receipts	-
<hr/>	
Appropriation	\$233,040
Number of Positions	1.000

**Nonrecurring**

Requirements	\$6,000
Receipts	-
<hr/>	
Appropriation	\$6,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Insurance  
 2008-09**

**Recurring**

Requirements	\$233,040
Receipts	-
<hr/>	
Appropriation	\$233,040
Number of Positions	1.000

**Nonrecurring**

Requirements	\$6,000
Receipts	-
<hr/>	
Appropriation	\$6,000
Time Limited Positions	-

## Department of Administration (14100)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$105,283,224	\$246,273	\$4,038,062	\$109,567,559	4.1 %
Receipts	<u>34,323,690</u>	<u>246,273</u>	<u>2,300,000</u>	<u>36,869,963</u>	7.4 %
Appropriation	<u>\$70,959,534</u>	<u>\$0</u>	<u>\$1,738,062</u>	<u>\$72,697,596</u>	2.4 %
Positions	746.108	-	9.000	755.108	1.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Decrease Operating Budget

The Governor recommends a recurring reduction of \$638,636 in the operating budget.

**Appropriation (\$638,636)**

#### Total Recommended Reductions

##### Recurring

Requirements (\$638,636)

Receipts -

Appropriation (\$638,636)

Number of Positions -

##### Nonrecurring

Requirements -

Receipts -

Appropriation -

Time Limited Positions -



**Expansion**

2008-09

**Commission of Indian Affairs**

**1. NC Indian Economic Development Initiative**

The Governor recommends funding to continue the work of the North Carolina Indian Economic Development Initiative.

**Appropriation \$150,000**

**Mail Service Center**

**1. Letter Sorting Machine**

The Governor recommends funds to replace a 15-year-old mail-sorting machine.

**Appropriation - Nonrecurring \$436,480**

**Veterans Affairs**

**1. Veterans Service Officers**

The Governor recommends funding four additional service officers to provide information on available services and facilities.

**Appropriation \$183,758**

**Appropriation - Nonrecurring \$5,600**

**Number of Positions 4.000**

**2. Scholarships for Children of War Veterans**

The Governor recommends funding to increase educational scholarships and related educational materials, such as computers, for children of veterans killed or disabled during wartime.

**Requirements \$3,300,000**

**Receipts \$2,300,000**

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

**Facilities Management**

**1. One Engineering Position**

The Governor recommends funding one Building Systems Engineer position to work exclusively with the Department of Juvenile Justice and Delinquency Prevention on a wide range of construction projects.

**Appropriation \$74,050**

**Appropriation - Nonrecurring \$1,650**

**Number of Positions 1.000**

**State Construction Office**

**1. Two Engineering Positions**

The Governor recommends hiring two Building Systems Engineers for the Facilities Condition Assessment Program.

<b>Appropriation</b>	<b>\$211,545</b>
<b>Appropriation - Nonrecurring</b>	<b>\$1,333</b>
<b>Number of Positions</b>	<b>2.000</b>

**State Ethics Commission**

**1. Two New Positions**

The Governor recommends funding for two additional positions, an attorney and a paralegal, to perform required statutory duties.

<b>Appropriation</b>	<b>\$171,282</b>
<b>Appropriation - Nonrecurring</b>	<b>\$6,000</b>
<b>Number of Positions</b>	<b>2.000</b>

**2. Lease and Moving Expenses**

The Governor recommends funding for lease and moving expenses associated with relocating the State Ethics Commission from its present location in the Administration Building.

<b>Appropriation</b>	<b>\$60,000</b>
<b>Appropriation - Nonrecurring</b>	<b>\$5,000</b>

**Agency for Public Telecommunications**

**1. Camera and Recording Equipment**

The Governor recommends funding for a video production package that provides high definition (HDTV) capabilities.

<b>Appropriation - Nonrecurring</b>	<b>\$70,000</b>
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**Total Recommended Expansion**

**Recurring**

Requirements	\$4,150,635
Receipts	2,300,000
	<hr/>
Appropriation	\$1,850,635
Number of Positions	9.000

**Nonrecurring**

Requirements	\$526,063
Receipts	-
<hr/>	
Appropriation	\$526,063
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Administration  
 2008-09**

**Recurring**

Requirements	\$3,511,999
Receipts	2,300,000
<hr/>	
Appropriation	\$1,211,999
Number of Positions	9.000

**Nonrecurring**

Requirements	\$526,063
Receipts	-
<hr/>	
Appropriation	\$526,063
Time Limited Positions	-

## Office of the State Controller (14160)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$20,805,378	\$0	(\$103,638)	\$20,701,740	(0.5)%
Receipts	<u>77,680</u>	-	-	<u>77,680</u>	0.0 %
Appropriation	<u>\$20,727,698</u>	<u>\$0</u>	<u>(\$103,638)</u>	<u>\$20,624,060</u>	(0.5)%
Positions	142.500	-	-	142.500	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Decrease Operating Budget

The Governor recommends a recurring reduction of \$103,638 in the operating budget.

**Appropriation (\$103,638)**

#### Total Recommended Reductions

##### Recurring

Requirements	(\$103,638)
Receipts	-
Appropriation	<u>(\$103,638)</u>
Number of Positions	-

##### Nonrecurring

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-

**Total Recommended Adjustments for  
Office of the State Controller  
2008-09**

**Recurring**

Requirements (\$103,638)

Receipts -

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Appropriation (\$103,638)

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

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Appropriation -

Time Limited Positions -

## Department of Revenue (14700)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$110,389,090	\$46,105	\$24,232,025	\$134,667,220	22.0 %
Receipts	<u>25,058,479</u>	<u>46,105</u>	<u>10,000,000</u>	<u>35,104,584</u>	40.1 %
Appropriation	<u>\$85,330,611</u>	<u>\$0</u>	<u>\$14,232,025</u>	<u>\$99,562,636</u>	16.7 %
Positions	1,523.500	3.000	-	1,526.500	0.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Decrease Operating Budget

The Governor recommends the transfer of fifteen positions from appropriated to receipts-supported to generate a recurring reduction of \$767,975 in the operating budget.

**Appropriation (\$767,975)**

#### Total Recommended Reductions

##### Recurring

Requirements (\$767,975)

Receipts -

Appropriation (\$767,975)

Number of Positions -

##### Nonrecurring

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Expansion**

2008-09

**Tax Information Management System**

**1. Replace Current Integrated Tax Administration System (ITAS)**

The Governor recommends funding a new Tax Information Management System (TIMS), which will enable taxpayers to interact electronically with the Department of Revenue.

<b>Requirements - Nonrecurring</b>	<b>\$25,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$10,000,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>\$15,000,000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$25,000,000
Receipts	10,000,000
	<hr/>
Appropriation	\$15,000,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Revenue  
 2008-09**

**Recurring**

Requirements	(\$767,975)
Receipts	-
	<hr/>
Appropriation	(\$767,975)
Number of Positions	-

**Nonrecurring**

Requirements	\$25,000,000
Receipts	10,000,000
	<hr/>
Appropriation	\$15,000,000
Time Limited Positions	-

## Department of Cultural Resources (14800)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$79,664,614	\$244,162	\$1,667,867	\$81,576,643	2.4 %
Receipts	<u>7,783,190</u>	<u>244,162</u>	-	<u>8,027,352</u>	3.1 %
Appropriation	<u>\$71,881,424</u>	<u>\$0</u>	<u>\$1,667,867</u>	<u>\$73,549,291</u>	2.3 %
Positions	785.165	2.000	1.000	788.165	0.4 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Reduce Operating Budget

The Governor recommends a recurring reduction of \$646,933 in the operating budget.

**Appropriation (\$646,933)**

#### Total Recommended Reductions

##### Recurring

Requirements	(\$646,933)
Receipts	-
Appropriation	<u>(\$646,933)</u>
Number of Positions	-

##### Nonrecurring

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-



**Expansion**

2008-09

**Administration**

**1. Information Technology Consolidation**

The Governor recommends funding to support incremental costs for statewide infrastructure consolidation.

**Appropriation \$224,800**

**North Carolina Arts Council**

**1. Enhance Cultural Opportunities for Children**

The Governor recommends funding a new program director position and making a recurring appropriation for the cARTwheels touring program for children throughout the state.

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

**Number of Positions 1.000**

**Museum of Art**

**1. Art Museum Transition**

The Governor recommends funding to bridge the gap between declining foundation revenues and increased operating costs related to expansion and renovation at the Museum of Art.

**Appropriation - Nonrecurring \$500,000**

**North Carolina Symphony**

**1. Increase Appropriation for North Carolina Symphony**

The Governor recommends funds to increase salaries and benefits for North Carolina Symphony musicians in order to maintain the symphony's statewide service and education programs.

**Appropriation \$540,000**

**Archives and History**

**1. African American Heritage Commission**

The Governor recommends funding to establish an African American Heritage Commission to increase awareness across the state about preservation of African American history and culture.

**Appropriation \$50,000**

**Total Recommended Expansion**

**Recurring**

Requirements	\$1,814,800
Receipts	-
Appropriation	\$1,814,800
Number of Positions	1.000

**Nonrecurring**

Requirements	\$500,000
Receipts	-
	<hr/>
Appropriation	\$500,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Cultural Resources  
 2008-09**

**Recurring**

Requirements	\$1,167,867
Receipts	-
	<hr/>
Appropriation	\$1,167,867
Number of Positions	1.000

**Nonrecurring**

Requirements	\$500,000
Receipts	-
	<hr/>
Appropriation	\$500,000
Time Limited Positions	-

## State Board of Elections (18025)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$13,158,985	\$0	\$237,827	\$13,396,812	1.8 %
Receipts	<u>3,532,117</u>	-	-	<u>3,532,117</u>	0.0 %
Appropriation	<u>\$9,626,868</u>	<u>\$0</u>	<u>\$237,827</u>	<u>\$9,864,695</u>	2.5 %
Positions	62.000	-	5.000	67.000	8.1 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Decrease Operating Budget

The Governor recommends a recurring reduction of \$48,135 in the operating budget.

**Appropriation (\$48,135)**

### Total Recommended Reductions

#### Recurring

Requirements	(\$48,135)
Receipts	-
Appropriation	<u>(\$48,135)</u>
Number of Positions	-

#### Nonrecurring

Requirements	-
Receipts	-
Appropriation	<u>-</u>
Time Limited Positions	-

**Expansion**

2008-09

**Campaign Reporting**

**1. Convert Time-Limited Positions**

The Governor recommends recurring funding to convert three time-limited audit specialists to permanent positions to continue auditing campaign finance reports to reduce the backlog.

<b>Appropriation</b>	<b>\$179,244</b>
<b>Number of Positions</b>	<b>3.000</b>

**2. Audit Specialist**

The Governor recommends recurring funding for an additional audit specialist to provide further assistance to decrease the backlog of campaign finance reports.

<b>Appropriation</b>	<b>\$59,748</b>
<b>Number of Positions</b>	<b>1.000</b>

**Administration**

**1. Administrative Officer II**

The Governor recommends recurring funding to establish an Administrative Officer II to manage personnel and budget responsibilities to allow the Deputy Director to concentrate on election-related matters.

<b>Appropriation</b>	<b>\$46,970</b>
<b>Number of Positions</b>	<b>1.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$285,962
Receipts	-
	<hr/>
Appropriation	\$285,962
Number of Positions	5.000

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
State Board of Elections  
2008-09**

**Recurring**

Requirements	\$237,827
Receipts	-
	<hr/>
Appropriation	\$237,827
Number of Positions	5.000

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

## Office of Administrative Hearings (18210)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$3,576,594	\$0	\$313,544	\$3,890,138	8.8 %
Receipts	<u>54,859</u>	-	-	<u>54,859</u>	0.0 %
Appropriation	<u>\$3,521,735</u>	<u>\$0</u>	<u>\$313,544</u>	<u>\$3,835,279</u>	8.9 %
Positions	45.000	-	-	45.000	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Decrease Operating Budget

The Governor recommends a recurring reduction of \$31,696 in the operating budget.

**Appropriation (\$31,696)**

#### Total Recommended Reductions

##### Recurring

Requirements (\$31,696)

Receipts -

Appropriation (\$31,696)

Number of Positions -

##### Nonrecurring

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Expansion**

2008-09

**Administration**

**1. Automated Rules Tracking System**

The Governor recommends funding to replace the current Rules Automated Tracking System with a new system that enables increased public interaction and improved interagency communication processes.

<b>Appropriation</b>	<b>\$49,140</b>
<b>Appropriation - Nonrecurring</b>	<b>\$253,400</b>

**2. Information Technology Consolidation**

The Governor recommends funding to support incremental costs for statewide infrastructure consolidation.

<b>Appropriation</b>	<b>\$42,700</b>
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**Total Recommended Expansion**

**Recurring**

Requirements	\$91,840
Receipts	-
	<hr/>
Appropriation	\$91,840
Number of Positions	-

**Nonrecurring**

Requirements	\$253,400
Receipts	-
	<hr/>
Appropriation	\$253,400
Time Limited Positions	-

**Total Recommended Adjustments for  
Office of Administrative Hearings  
2008-09**

**Recurring**

Requirements	\$60,144
Receipts	-
	<hr/>
Appropriation	\$60,144
Number of Positions	-

**Nonrecurring**

Requirements	\$253,400
Receipts	-
	<hr/>
Appropriation	\$253,400
Time Limited Positions	-



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# **Recommended Appropriations**

## Health and Human Services

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Summary

Central Management and Support

Aging and Adult Services

Division of Child Development

Office of Educational Services

Division of Public Health

Division of Social Services

Division of Medical Assistance

NC Health Choice

Mental Health/Developmental Disabilities/  
Substance Abuse Services

Division of Health Services Regulation

Division of Vocational Rehabilitation

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## Department of Health and Human Services (144xx)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$16,913,902,326	\$38,774,130	(\$68,070,995)	\$16,884,605,461	(0.2)%
Receipts	<u>11,813,701,973</u>	<u>38,774,130</u>	<u>33,733,171</u>	<u>11,886,209,274</u>	0.6 %
Appropriation	<u>\$5,100,200,353</u>	<u>\$0</u>	<u>(\$101,804,166)</u>	<u>\$4,998,396,187</u>	(2.0)%
Positions	18,535.690	17.500	482.750	19,035.940	2.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

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### Total Recommended Technical Adjustments

#### Recurring

Requirements	\$32,748,041
Receipts	98,272,747
Appropriation	<u>(\$65,524,706)</u>
Number of Positions	-

#### Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

### Total Recommended Reductions

#### Recurring

Requirements	(\$277,755,525)
Receipts	(158,075,780)
Appropriation	<u>(\$119,679,745)</u>
Number of Positions	-

**Nonrecurring**

Requirements	(\$40,706,624)
Receipts	(17,400,326)
	<hr/>
Appropriation	(\$23,306,298)
Time Limited Positions	-

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**Total Recommended Expansion**

**Recurring**

Requirements	\$154,629,334
Receipts	78,326,563
	<hr/>
Appropriation	\$76,302,771
Number of Positions	482.750

**Nonrecurring**

Requirements	\$63,013,779
Receipts	32,609,967
	<hr/>
Appropriation	\$30,403,812
Time Limited Positions	-

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**Total Recommended Adjustments for  
Department of Health and Human Services  
2008-09**

**Recurring**

Requirements (\$90,378,150)

Receipts 18,523,530

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Appropriation (\$108,901,680)

Number of Positions 482.750

**Nonrecurring**

Requirements \$22,307,155

Receipts 15,209,641

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Appropriation \$7,097,514

Time Limited Positions -

## Division of Central Management and Support (14410)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$145,800,210	\$134,348	\$8,117,880	\$154,052,438	5.7 %
Receipts	<u>83,208,032</u>	<u>195,186</u>	<u>20,038,000</u>	<u>103,441,218</u>	24.3 %
Appropriation	<u>\$62,592,178</u>	<u>(\$60,838)</u>	<u>(\$11,920,120)</u>	<u>\$50,611,220</u>	(19.1)%
Positions	718.250	2.000	4.000	724.250	0.8 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Department-Wide Prior-Year Earned Revenues

The Governor recommends budgeting prior year earned revenues received by the various divisions of the department in order to reduce General Fund appropriations on a nonrecurring basis. The reduction is taken in the Central Administration Division but will be distributed to the divisions where prior-year revenues are earned.

Requirements - Nonrecurring	-
Receipts - Nonrecurring	\$7,200,000
<b>Appropriation - Nonrecurring</b>	<b>(\$7,200,000)</b>

#### 2. Reduce Automation Reserve

The Governor recommends eliminating the recurring General Fund appropriation for the welfare automation reserve in the Division of Central Administration.

**Appropriation (\$3,634,966)**

#### 3. Eliminate Funding for Strategic Local Management Entity (LME) Teams

The Governor recommends eliminating recurring funds in the Office of the Secretary for strategic mental health LME teams. The office has used less than \$20,000 of these funds in FY 2007-08.

**Appropriation (\$300,000)**

#### 4. Budget Over-Realized Unbudgeted Receipts

The Governor recommends a recurring reduction in General Fund appropriations for the department as a result of budgeting over-realized receipts earned by the various divisions,

including indirect cost receipts, agency receipts, and maximized federal revenues. The reduction in appropriations is taken in the Division of Central Administration but will be distributed to the divisions as receipts are over-realized.

<b>Requirements</b>	-
<b>Receipts</b>	<b>\$4,000,000</b>
<hr/>	
<b>Appropriation</b>	<b>(\$4,000,000)</b>

**Total Recommended Reductions**

**Recurring**

Requirements	(\$3,934,966)
Receipts	4,000,000
<hr/>	
Appropriation	(\$7,934,966)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	7,200,000
<hr/>	
Appropriation	(\$7,200,000)
Time Limited Positions	-

**Expansion**

2008-09

**1. Medicaid Management Information System (MMIS) Replacement Project**

The Governor recommends budgeting prior-year earned revenues to support the Office of Medicaid Management Services and replacement of the Medicaid Management Information System (MMIS). Prior-year earned revenue of \$1,767,600 will be used to augment the balance of state funds on hand and to match an additional \$7,070,400 in federal funds available.

<b>Requirements - Nonrecurring</b>	<b>\$8,838,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$8,838,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**2. North Carolina New Organizational Vision Award (NOVA)**

The Governor recommends a nonrecurring General Fund appropriation to continue NC NOVA reviews for home care agencies, adult care homes, and nursing facilities that volunteer for this special licensure designation. North Carolina began the program through a Robert Wood Johnson demonstration grant, and the General Assembly established NC NOVA in statute (Article 5 of Chapter 131E) in 2007. The grant ends in April 2008, and funding to continue this effort to raise standards and improve direct client care is needed.

<b>Appropriation - Nonrecurring</b>	<b>\$75,000</b>
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**3. Health Net Grants**

The Governor recommends continuing Health Net grants that were funded on a nonrecurring basis in FY 2007-08 to maintain health care networks around the state. Health Net grants awarded by the Office of Rural Health help people who are uninsured, ages 16-64, and under 200% of the federal poverty level connect with doctors, clinics, local health departments, and others in order to effectively receive and manage their care.

**Appropriation - Nonrecurring \$2,800,000**

**4. Restore Funds for the Office of Policy and Planning**

The General Assembly eliminated all funding (\$414,536) and five positions in the department's Office of Policy and Planning beginning in SFY 2008-09. The Governor recommends continuing this office, less one position, with a recurring general fund appropriation.

**Appropriation \$339,846**  
**Number of Positions 4.000**

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**Total Recommended Expansion**

**Recurring**

Requirements	\$339,846
Receipts	-
	-
Appropriation	\$339,846
Number of Positions	4.000

**Nonrecurring**

Requirements	\$11,713,000
Receipts	8,838,000
	-
Appropriation	\$2,875,000
Time Limited Positions	-



**Total Recommended Adjustments for  
Division of Central Management and Support  
2008-09**

**Recurring**

Requirements (\$3,595,120)

Receipts 4,000,000

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Appropriation (\$7,595,120)

Number of Positions 4.000

**Nonrecurring**

Requirements \$11,713,000

Receipts 16,038,000

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Appropriation (\$4,325,000)

Time Limited Positions -

## Division of Aging and Adult Services (14411)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$84,546,036	\$0	\$666,666	\$85,212,702	0.8 %
Receipts	<u>48,800,857</u>	-	<u>166,666</u>	<u>48,967,523</u>	0.3 %
Appropriation	<u>\$35,745,179</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$36,245,179</u>	1.4 %
Positions	57.000	-	-	57.000	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### 1. Caregiver Alternatives to Running on Empty (CARE)

Project C.A.R.E. is a nationally recognized, best-practice, respite-care program for caregivers of persons with dementia. The program is a collaboration with the Mecklenburg County Department of Social Services and the Western North Carolina Alzheimer's Association to provide respite, consultation, and referral to approximately 500 families in 14 western counties. The program has been supported since 2001 by the federal Alzheimer's Disease Demonstration Grant, which is ending June 2008. The Governor recommends funding to continue this effort.

<b>Requirements - Nonrecurring</b>	<b>\$666,666</b>
<b>Receipts - Nonrecurring</b>	<b>\$166,666</b>
<b>Appropriation - Nonrecurring</b>	<b>\$500,000</b>

### Total Recommended Expansion

#### Recurring

Requirements	-
Receipts	-
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$666,666
Receipts	166,666
	<hr/>
Appropriation	\$500,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 Division of Aging and Adult Services  
 2008-09**

**Recurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$666,666
Receipts	166,666
	<hr/>
Appropriation	\$500,000
Time Limited Positions	-

## Division of Child Development (14420)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$636,744,308	\$1,200,000	\$9,158,310	\$647,102,618	1.6 %
Receipts	<u>325,760,101</u>	<u>1,200,000</u>	<u>12,023,811</u>	<u>338,983,912</u>	4.1 %
Appropriation	<u>\$310,984,207</u>	<u>\$0</u>	<u>(\$2,865,501)</u>	<u>\$308,118,706</u>	(0.9)%
Positions	293.750	-	3.000	296.750	1.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Replace General Fund Appropriations

The Governor recommends reducing the General Fund appropriation for subsidized child care services by \$3 million and replacing it with federal Temporary Assistance for Needy Families (TANF) block grant funds in an equal amount.

<b>Requirements</b>	-
<b>Receipts</b>	<b>\$3,000,000</b>
<b>Appropriation</b>	<b>(\$3,000,000)</b>

### Total Recommended Reductions

#### Recurring

Requirements	-
Receipts	3,000,000
Appropriation	(\$3,000,000)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**1. Subsidized Child Care Services**

The Governor recommends removing 1,110 children from the child care subsidy waiting list (\$4.9 million) and replacing nonrecurring subsidy funds with recurring (\$4.1 million). The funding will come from the federal TANF block grant and will allow 101,230 children to be served each month.

<b>Requirements</b>	<b>\$9,023,811</b>
<b>Receipts</b>	<b>\$9,023,811</b>
<hr/>	
<b>Appropriation</b>	<b>-</b>

**2. Criminal Records Check Positions**

The Governor recommends funding three positions in the Criminal Records Check Unit. The positions are necessary to ensure processing times do not increase for existing checks and to implement two new types of checks, TANF-funded, non-licensed center providers and employees of the Governor Morehead School and Caswell Center.

<b>Appropriation</b>	<b>\$126,499</b>
<b>Appropriation - Nonrecurring</b>	<b>\$8,000</b>
<b>Number of Positions</b>	<b>3.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$9,150,310
Receipts	9,023,811
<hr/>	
Appropriation	\$126,499
Number of Positions	3.000

**Nonrecurring**

Requirements	\$8,000
Receipts	-
<hr/>	
Appropriation	\$8,000
Time Limited Positions	-

**Total Recommended Adjustments for  
Division of Child Development  
2008-09**

**Recurring**

Requirements	\$9,150,310
Receipts	12,023,811
	<hr/>
Appropriation	(\$2,873,501)
Number of Positions	3.000

**Nonrecurring**

Requirements	\$8,000
Receipts	-
	<hr/>
Appropriation	\$8,000
Time Limited Positions	-

**Office of Education Services (14424)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$41,111,244	\$0	\$776,406	\$41,887,650	1.9 %
Receipts	<u>2,255,787</u>	-	<u>77,466</u>	<u>2,333,253</u>	3.4 %
Appropriation	<u>\$38,855,457</u>	<u>\$0</u>	<u>\$698,940</u>	<u>\$39,554,397</u>	1.8 %
Positions	658.125	-	-	658.125	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Expansion**

2008-09

**1. Telephone System for Governor Morehead School**

The Governor recommends a nonrecurring appropriation to purchase a new telephone system to serve the Governor Morehead School and enable a campuswide emergency communication system. The campus is home to residential and day students at the school for the blind as well as the Division of Services for the Blind, the Office of Rural Health, and a State Capitol Police station.

**Appropriation - Nonrecurring \$698,940**

**2. Textbooks for the Deaf and Blind Schools**

The General Assembly reduced the 2007-09 continuation budget for textbooks at Eastern North Carolina School for the Deaf, Western North Carolina School for the Deaf, and Governor Morehead School for the Blind. The Governor recommends restoring these funds from agency receipts on a nonrecurring basis.

**Requirements - Nonrecurring \$77,466**

**Receipts - Nonrecurring \$77,466**

**Appropriation - Nonrecurring -**

**Total Recommended Expansion**

**Recurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$776,406
Receipts	77,466
<hr/>	
Appropriation	\$698,940
Time Limited Positions	-

**Total Recommended Adjustments for  
 Office of Education Services  
 2008-09**

**Recurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$776,406
Receipts	77,466
<hr/>	
Appropriation	\$698,940
Time Limited Positions	-



## Division of Public Health (14430)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$706,467,937	\$40,292,095	\$3,781,373	\$750,541,405	6.2 %
Receipts	<u>524,305,227</u>	<u>38,994,765</u>	<u>2,245,582</u>	<u>565,545,574</u>	7.9 %
Appropriation	<u>\$182,162,710</u>	<u>\$1,297,330</u>	<u>\$1,535,791</u>	<u>\$184,995,831</u>	1.6 %
Positions	2,051.965	1.000	13.000	2,065.965	0.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Budget State Public Health Lab Receipts

The Governor recommends budgeting additional receipts in the State Laboratory for Public Health (SLPH). SLPH has historically over realized receipts. Budgeting additional receipts will bring revenues more in-line with actual collections.

<b>Requirements</b>	-
<b>Receipts</b>	<b>\$401,379</b>
<b>Appropriation</b>	<b>(\$401,379)</b>

#### 2. Women, Infants, and Children (WIC) Program

The Governor recommends a reduction to the WIC Program in an amount to equal prior-year reversions. This reduction will have a minimal impact on the program.

<b>Appropriation</b>	<b>(\$305,095)</b>
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#### 3. Reduce Operating Funds

The Governor recommends reducing operating funds for purchased services, supplies, equipment and other expenses (accounts 2XXX through 5XXX) across programs in the Division of Public Health.

<b>Appropriation</b>	<b>(\$1,900,000)</b>
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#### 4. Vision Care Program

The Governor recommends eliminating the Vision Care Program due to a limited demand for vision care services and a low rate of expenditures.

<b>Appropriation</b>	<b>(\$500,000)</b>
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**Total Recommended Reductions**

**Recurring**

Requirements	(\$2,705,095)
Receipts	401,379
<hr/>	
Appropriation	(\$3,106,474)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**1. Funds to Support State Facility Death Reporting Requirements**

The Governor recommends funding to establish one FTE position (Public Health Nursing Consultant II) to review medical records and social histories for patient deaths occurring at state facilities reported to and certified by the North Carolina Medical Examiner System. This position will work closely with forensic pathologists and medical staff at state-operated facilities.

<b>Appropriation</b>	<b>\$155,226</b>
<b>Appropriation - Nonrecurring</b>	<b>\$3,100</b>
<b>Number of Positions</b>	<b>1.000</b>

**2. Cystic Fibrosis Screening and Outreach**

The Governor recommends that Cystic Fibrosis (CF) be added to the state's newborn screening panel. The cost to the State Laboratory for Public Health will be offset from a proposed increase in newborn screening fees from \$14 to \$17.45. Fee receipts will support two new lab positions (Medical Laboratory Specialist and Medical Technologist II), as well as a Medical Improvement Consultant to work with hospitals and health care providers. New appropriations will be used to support two positions for follow-up, outreach, and coordination activities with the families of infants affected by the disorder. Early detection of Cystic Fibrosis will allow treatment to begin as early as possible and improve quality of life.

<b>Requirements</b>	<b>\$919,360</b>
<b>Requirements - Nonrecurring</b>	<b>\$8,200</b>
<b>Receipts</b>	<b>\$767,000</b>
<hr/>	
<b>Appropriation</b>	<b>\$160,560</b>
<b>Number of Positions</b>	<b>5.000</b>

**3. Obesity and Other Health Promotion Programs**

The Governor recommends funding of \$2.5 million for demonstration projects to address the growing epidemic of obesity and related chronic diseases, such as heart disease, stroke, diabetes, and cancer. Funds will also be used to replace an expiring grant for the North Carolina Tobacco Quit-Line and provide for a small expansion.

**Appropriation - Nonrecurring**      **\$3,000,000**

**4. Toxicology Laboratory Improvement Plan**

The Governor recommends funds to implement a number of recommendations from the Toxicology Laboratory Improvement Plan to help the Office of Chief Medical Examiner (OCME) reduce its reporting time for toxicology testing from 60 days to 14-21 days. Funds will support one Chemistry Manager, allow for the reallocation of five existing positions, and provide in-range salary adjustment increases for three OCME employees. Nonrecurring funds of \$350,000 will be used to purchase a Triple Quad Mass Spectrometer to add to the lab's capacity to conduct thorough and legally defensible analyses of postmortem or other specimens to detect and quantify the presence of drugs and other toxins that may lead to death.

**Appropriation**      **\$151,379**

**Appropriation - Nonrecurring**      **\$350,000**

**Number of Positions**      **1.000**

**5. Improve Birth Outcomes and Reduce Infant Mortality**

The Governor recommends funding to educate women on the benefits of progesterone for those who have had pre-term births and to purchase medication for eligible minority and low-income women. Funding of \$250,000 is also recommended for a media campaign to raise awareness of the deaths due to Sudden Infant Death Syndrome (SIDS) over the past three years.

**Appropriation - Nonrecurring**      **\$347,000**

**6. Enhance Dental Preventive and Educational Services for Children in High-Risk Counties**

The Governor recommends restoring funding to purchase dental supplies used for preventive dental services and the fluoride mouth-rinse program.

**Appropriation**      **\$125,000**

**7. Poultry Processing Plant Injury Inspection Teams**

The Governor recommends funds to create four new positions, two occupational health nurses and two industrial hygienists, to evaluate workers and workplace conditions in poultry processing plants; to provide periodic reports to the Department of Labor and the General Assembly on the extent to which worker injury is actually occurring; and to develop recommendations as appropriate.

**Appropriation**      **\$350,000**

**Number of Positions**      **4.000**

**8. Vital Records**

The Governor recommends budgeting over-realized receipts to improve turnaround time for processing vital records requests and for responding to the large volume of phone calls. To improve the efficiency of vital records operations, these receipts will be used to create two new FTE positions (Office Assistant IV and Public Safety Officer), and relocate the office to a

leased space facility to provide staff with adequate working space and sufficient area to develop an efficient vital records filing and retrieval system.

<b>Requirements</b>	<b>\$800,000</b>
<b>Receipts</b>	<b>\$800,000</b>
<hr/>	
<b>Appropriation</b>	<b>-</b>
<b>Number of Positions</b>	<b>2.000</b>

**9. Raise Monetary Ceiling on Asbestos Material Removal**

The Governor recommends an increase in funding for the Asbestos Hazard Management Program to be supported by raising the cap on demolition fees currently set in administrative rule.

<b>Requirements</b>	<b>\$112,901</b>
<b>Receipts</b>	<b>\$112,901</b>
<hr/>	
<b>Appropriation</b>	<b>-</b>

**10. State Laboratory for Public Health**

The Governor recommends budgeting over-realized receipts in the State Laboratory for Public Health (SLPH) in order to provide funding to reestablish an Assistant Laboratory Director position. These receipts will also be used to reallocate three existing SLPH positions to a Medical Laboratory Supervisor II, Medical Laboratory Technologist II, and a Safety Officer to meet the growing emphasis on molecular testing.

<b>Requirements</b>	<b>\$164,302</b>
<b>Receipts</b>	<b>\$164,302</b>
<hr/>	
<b>Appropriation</b>	<b>-</b>

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**Total Recommended Expansion**

**Recurring**

Requirements	\$2,778,168
Receipts	1,844,203
<hr/>	
Appropriation	\$933,965
Number of Positions	13.000

**Nonrecurring**

Requirements	\$3,708,300
Receipts	-
<hr/>	
Appropriation	\$3,708,300
Time Limited Positions	-

**Total Recommended Adjustments for  
Division of Public Health  
2008-09**

**Recurring**

Requirements	\$73,073
Receipts	2,245,582
	<hr/>
Appropriation	(\$2,172,509)
Number of Positions	13.000

**Nonrecurring**

Requirements	\$3,708,300
Receipts	-
	<hr/>
Appropriation	\$3,708,300
Time Limited Positions	-

## Division of Social Services (14440)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$1,487,090,178	(\$2,674,512)	\$12,624,928	\$1,497,040,594	0.7 %
Receipts	<u>1,265,863,140</u>	<u>(2,674,512)</u>	<u>16,040,230</u>	<u>1,279,228,858</u>	1.1 %
Appropriation	<u>\$221,227,038</u>	<u>\$0</u>	<u>(\$3,415,302)</u>	<u>\$217,811,736</u>	(1.5)%
Positions	772.000	-	-	772.000	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Work First Cash Assistance

The Governor recommends reducing the General Fund budget for Work First Cash Assistance. This recommendation does not reduce program benefits or affect the department's ability to meet federal maintenance-of-effort requirements.

**Appropriation (\$9,252,223)**

#### 2. State / County Special Assistance

Based on current year payments and projected expenditures for FY 2008-09, the State/County Special Assistance program is over-funded. The Governor recommends reducing the budget to the anticipated level of spending for the upcoming state fiscal year.

**Requirements (\$5,000,000)**

**Receipts (\$2,500,000)**

**Appropriation (\$2,500,000)**

### Total Recommended Reductions

#### Recurring

Requirements (\$14,252,223)

Receipts (2,500,000)

Appropriation (\$11,752,223)

Number of Positions -

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**1. Foster Care and Adoption Assistance Payments**

The Governor recommends implementing a new foster care reimbursement system that more equitably reimburses families and providers for foster care services. Families will receive increased board rates of \$475 for children 0-5 (currently \$390), \$581 for children 6-12 (currently \$440), and \$634 for children 13-18 (currently \$490). Board rates are based on United States Department of Agriculture data on the cost of raising a child, and future rate increases will be requested based on this index and approved subject to appropriation. Provider rates will be fixed based on a cost model versus the current system of multiple rates based on reported costs from individual facilities. So as not to create a financial barrier to permanency, the Governor recommends a corresponding increase in the adoption assistance payment. The new foster care and adoption rates will take effect January 1, 2009.

<b>Requirements</b>	<b>\$24,127,151</b>
<b>Receipts</b>	<b>\$15,790,230</b>
	<hr/>
<b>Appropriation</b>	<b>\$8,336,921</b>

**2. Adoption Incentive**

The Governor recommends doubling both funding and the number of children served through the Special Children Adoption Incentive Fund. The current budget of \$1 million, funded equally with state and county funds, helps the families of 125 medically fragile adopted children in meeting nonmedical expenses. The Governor recommends using \$500,000 in Social Services Block Grant funds to match an equal amount of county funds to serve an additional 125 children.

<b>Requirements</b>	<b>\$1,000,000</b>
<b>Receipts</b>	<b>\$1,000,000</b>
	<hr/>
<b>Appropriation</b>	<b>-</b>

**3. Incentive for Foster Parents**

The Governor recommends a new program to recruit and retain more parents to provide family foster care for children placed in custody of county departments of social services. Incentives totaling \$100,000 will be issued to up to 100 foster families who recruit new foster parents. The recruiting parents will receive \$500 when a newly recruited family is

licensed and another \$500 when the newly recruited family remains foster parents for one year. It is recommended that funding for the incentive program be from the Social Services Block Grant.

<b>Requirements</b>	<b>\$100,000</b>
<b>Receipts</b>	<b>\$100,000</b>
	<hr/>
<b>Appropriation</b>	<b>-</b>

**4. Child Support Enforcement Fees**

House Bill 825, ratified in 2007, authorized the Department of Health and Humans Services to implement a federally required fee of \$25, effective October 1, 2007, for child support collections for families that have never received TANF federal assistance. The fee is expected to generate \$1.8 million annually, of which 66% is required to be remitted to the federal government. The nonfederal share is directed by legislation to fund the child support enforcement (CSE) program. The Governor recommends budgeting the new receipts as follows: 1) increased requirements of \$1.2 million for payment of the federal share, 2) \$150,000 to replace under collected receipts in state operated CSE offices, and 3) increased requirements of \$450,000 to support expenses in county-operated offices. The fees may be used to match federal funds for child support enforcement operations.

<b>Requirements</b>	<b>\$1,650,000</b>
<b>Receipts</b>	<b>\$1,650,000</b>
	<hr/>
<b>Appropriation</b>	<b>-</b>

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**Total Recommended Expansion**

**Recurring**

Requirements	\$26,877,151
Receipts	18,540,230
	<hr/>
Appropriation	\$8,336,921
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-



**Total Recommended Adjustments for  
Division of Social Services  
2008-09**

**Recurring**

Requirements \$12,624,928

Receipts 16,040,230

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Appropriation (\$3,415,302)

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

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Appropriation -

Time Limited Positions -

## Division of Medical Assistance (14445)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$12,151,849,862	(\$1,490,467)	(\$234,612,674)	\$11,915,746,721	(1.9)%
Receipts	<u>8,761,856,392</u>	<u>(1,490,467)</u>	<u>(84,281,633)</u>	<u>8,676,084,292</u>	(1.0)%
Appropriation	<u>\$3,389,993,470</u>	<u>\$0</u>	<u>(\$150,331,041)</u>	<u>\$3,239,662,429</u>	(4.4)%
Positions	391.250	12.000	18.000	421.250	7.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Technical Adjustments

2008-09

#### 1. Medicaid Rebase

The Governor recommends a reduction in the Medicaid budget due to a rebase for FY 2008-09. Savings are due to a new Federal Medical Assistance Percentage (FMAP) and an increase in projected drug rebate collections.

<b>Requirements</b>	<b>\$32,748,041</b>
<b>Receipts</b>	<b>\$98,272,747</b>
<b>Appropriation</b>	<b>(\$65,524,706)</b>

### Total Recommended Technical Adjustments

#### Recurring

Requirements	\$32,748,041
Receipts	98,272,747
Appropriation	(\$65,524,706)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Reductions**

2008-09

**1. Medicaid Provider Inflationary Freeze**

The Governor recommends a 75% Medicaid provider inflationary freeze. The freeze applies to all public and private providers except for federally qualified health centers, rural health centers, school-based and school-linked health centers, state institutions, hospital outpatient, pharmacy, and the noninflationary components of the case-mix reimbursement system for nursing facilities.

<b>Requirements</b>	<b>(\$138,830,575)</b>
<b>Receipts</b>	<b>(\$96,584,431)</b>
<hr/>	
<b>Appropriation</b>	<b>(\$42,246,144)</b>

**2. Budget Refunds of Community Support Expenditures**

Due to overpayments made to community support providers, the division expects refunds of expenditures next state fiscal year. The Governor recommends budgeting the refunds and reducing the state appropriation on a one-time basis.

<b>Requirements - Nonrecurring</b>	<b>(\$37,390,624)</b>
<b>Receipts - Nonrecurring</b>	<b>(\$25,100,326)</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>(\$12,290,298)</b>

**3. Reduce Community Support Hours**

The Governor recommends reducing the maximum number of community support service hours from 15 to 8 hours per week.

<b>Requirements</b>	<b>(\$27,630,206)</b>
<b>Receipts</b>	<b>(\$18,548,157)</b>
<hr/>	
<b>Appropriation</b>	<b>(\$9,082,049)</b>

**4. Management of Chronic Care by Community Care of North Carolina (CCNC)**

The Governor recommends a statewide implementation of chronic care management programs for the aged, blind, and disabled populations. Currently, the initiative is piloted

in nine CCNC networks across the state. The statewide initiative will generate savings of \$75 million annually due to improved care management for these individuals.

<b>Requirements</b>	<b>(\$75,000,000)</b>
<b>Receipts</b>	<b>(\$50,347,500)</b>
	<hr/>
<b>Appropriation</b>	<b>(\$24,652,500)</b>

**5. Delayed Start to Kids Care**

Due to unforeseen implementation issues for Kids Care, a health insurance program for children, the Governor recommends reducing funding on a nonrecurring basis until the program starts. Congress has not yet acted on reauthorization of the State Children's Health Insurance Program, which affects Kids Care proposals.

<b>Appropriation - Nonrecurring</b>	<b>(\$3,316,000)</b>
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**6. Additional Drugs Added to the State Maximum Allowable Cost (SMAC) List**

The Governor recommends the addition of generically available specialty drugs to the division's SMAC list and the pricing of single-source specialty drugs using enhanced specialty discounts to generate prescription drug savings in the Medicaid program.

<b>Requirements</b>	<b>(\$13,402,460)</b>
<b>Receipts</b>	<b>(\$8,997,071)</b>
	<hr/>
<b>Appropriation</b>	<b>(\$4,405,389)</b>

**Total Recommended Reductions**

**Recurring**

Requirements	(\$254,863,241)
Receipts	(174,477,159)
	<hr/>
Appropriation	(\$80,386,082)
Number of Positions	-

**Nonrecurring**

Requirements	(\$40,706,624)
Receipts	(25,100,326)
	<hr/>
Appropriation	(\$15,606,298)
Time Limited Positions	-

**Expansion**

2008-09

**1. New Medicaid Appeals Process**

The Governor recommends changing the appeals process for Medicaid provider and recipient cases (except those subject to N.C.G.S. 108A-79) so that all cases handled will be administered through the division rather than the Office of Administrative Hearings. The

Medical Assistance division is requesting 4 Hearing Officers, 3 Administrative Assistant III positions, and funds for temporary employees. It is the intent of the Governor to continue funds for temporary employees in FY 2009-10 if necessary.

<b>Requirements</b>	<b>\$434,042</b>
<b>Requirements - Nonrecurring</b>	<b>\$499,068</b>
<b>Receipts</b>	<b>\$217,021</b>
<b>Receipts - Nonrecurring</b>	<b>\$249,534</b>
<hr/>	
<b>Appropriation</b>	<b>\$466,555</b>
<b>Number of Positions</b>	<b>7.000</b>

**2. Mental Health Screening/Assessments in Adult Care Homes**

In 2007, the General Assembly directed the department to complete a Medicaid uniform screening tool to determine the mental health of individuals entering long-term-care facilities. Currently, mental health screenings and assessments are conducted only on individuals admitted to nursing homes. The Governor recommends funding to provide the same screenings and assessments for individuals admitted to adult care homes.

<b>Appropriation</b>	<b>\$198,846</b>
<b>Appropriation - Nonrecurring</b>	<b>\$1,905,648</b>

**3. Essential Legal Positions**

The Governor recommends funding five Attorney II positions (four time-limited) and one Paralegal II position at the Attorney General's Office. The positions are necessary to handle the backlog of community support appeals cases currently at the Office of Administrative Hearings. The positions are funded through a contract with the Division of Medical Assistance. It is the intent of the Governor to continue funds for the time-limited positions in FY 2009-10 if necessary.

<b>Requirements</b>	<b>\$141,868</b>
<b>Requirements - Nonrecurring</b>	<b>\$330,290</b>
<b>Receipts</b>	<b>\$70,934</b>
<b>Receipts - Nonrecurring</b>	<b>\$165,145</b>
<hr/>	
<b>Appropriation</b>	<b>\$236,079</b>

**4. Medicaid Management Information System Code Conversion**

The federal Centers for Medicare and Medicaid Services is mandating the conversion of locally used procedure codes for claims processing to nationally accepted codes, called HCPCS. This mandate will ensure HIPAA compliance. Therefore, the Governor recommends funding to implement this mandate.

<b>Requirements - Nonrecurring</b>	<b>\$14,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$10,500,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>\$3,500,000</b>

**5. Contract Shortfall**

The Governor recommends partial funding of a long-standing shortfall in the division's administrative budget for contractual obligations. The Governor also recommends providing the department with flexibility to cover the remaining shortfall from available funds.

<b>Requirements - Nonrecurring</b>	<b>\$14,091,648</b>
<b>Receipts - Nonrecurring</b>	<b>\$8,661,648</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>\$5,430,000</b>

**6. Program Integrity Section Improvements**

The Governor recommends funding nine positions and operating expenses in the Program Integrity Section of the division. In addition to staff, funds will support new data mining software to improve pharmacy recoupment activities and a 1-800 number to consolidate complaint calls. The positions are anticipated to collect \$2.6 million annually due to increased collections from overpayments of Medicaid claims, of which \$859,285 is General Fund appropriation. The recurring General Fund appropriation need for the request is \$441,908 and will be funded from the collections. The net recurring General Fund savings of \$417,376 is recommended to be budgeted and the appropriation reduced by an equal amount.

<b>Requirements</b>	<b>(\$1,730,374)</b>
<b>Requirements - Nonrecurring</b>	<b>\$139,633</b>
<b>Receipts</b>	<b>(\$1,312,998)</b>
<b>Receipts - Nonrecurring</b>	<b>\$69,817</b>
<hr/>	
<b>Appropriation</b>	<b>(\$347,560)</b>
<b>Number of Positions</b>	<b>9.000</b>

**7. Money Follows the Person Administrative Funding**

The Governor recommends two positions and operating funds to implement and properly manage the federal Money Follows the Person grant. The goal of the grant is to reduce the number of Medicaid recipients in long-term-care facilities. The division received the grant in May 2007, but administrative funds were not awarded. The division projects that \$3,319,437 will be saved in the first year due to individuals transitioning to the community, of which \$614,477 is General Fund appropriation. Necessary changes to the MMIS system will be funded from nonrecurring General Fund savings of \$351,768. There is a net nonrecurring \$262,710 General Fund savings to the state, and the appropriation is reduced by this amount. Funding for the positions comes from a recurring appropriation.

<b>Requirements</b>	<b>\$118,372</b>
<b>Requirements - Nonrecurring</b>	<b>(\$1,919,891)</b>
<b>Receipts</b>	<b>\$59,186</b>
<b>Receipts - Nonrecurring</b>	<b>(\$1,657,182)</b>
<hr/>	
<b>Appropriation</b>	<b>(\$203,523)</b>
<b>Number of Positions</b>	<b>2.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	(\$837,246)
Receipts	(965,857)
<hr/>	
Appropriation	\$128,611
Number of Positions	18.000

**Nonrecurring**

Requirements	\$29,046,396
Receipts	17,988,962
<hr/>	
Appropriation	\$11,057,434
Time Limited Positions	-

**Total Recommended Adjustments for  
 Division of Medical Assistance  
 2008-09**

**Recurring**

Requirements	(\$222,952,446)
Receipts	(77,170,269)
<hr/>	
Appropriation	(\$145,782,177)
Number of Positions	18.000

**Nonrecurring**

Requirements	(\$11,660,228)
Receipts	(7,111,364)
<hr/>	
Appropriation	(\$4,548,864)
Time Limited Positions	-

**NC Health Choice (14446)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$226,556,984	\$0	\$47,932,563	\$274,489,547	21.2 %
Receipts	<u>167,165,829</u>	-	<u>36,049,295</u>	<u>203,215,124</u>	21.6 %
Appropriation	<u>\$59,391,155</u>	<u>\$0</u>	<u>\$11,883,268</u>	<u>\$71,274,423</u>	20.0 %
Positions	1.000	-	-	1.000	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Expansion**

2008-09

**1. NC Health Choice (NCHC) Expansion**

The Governor recommends funding to expand the NCHC program. These funds will support the enrollment of 10,683 additional children in the program. By the end of next year, 133,036 children are expected to be enrolled.

<b>Requirements</b>	<b>\$41,919,491</b>
<b>Receipts</b>	<b>\$31,531,841</b>
<b>Appropriation</b>	<b>\$10,387,650</b>

**2. NCHC Claims Processing Transition**

Currently, NCHC claims processing occurs on a legacy Blue Cross Blue Shield (BCBS) system that will be phased out on December 31, 2008, due to the elimination of the state's indemnity health insurance plan. To ensure that NCHC claims continue to be paid, the Governor recommends funding the transition of claims payments from the legacy system to a new BCBS IT system in the short term and the costs associated with the transition of the administrative responsibility of NCHC from the State Health Plan to the Division of Medical Assistance.

<b>Requirements - Nonrecurring</b>	<b>\$6,013,072</b>
<b>Receipts - Nonrecurring</b>	<b>\$4,517,454</b>
<b>Appropriation - Nonrecurring</b>	<b>\$1,495,618</b>



**Total Recommended Expansion**

**Recurring**

Requirements	\$41,919,491
Receipts	31,531,841
	<hr/>
Appropriation	\$10,387,650
Number of Positions	-

**Nonrecurring**

Requirements	\$6,013,072
Receipts	4,517,454
	<hr/>
Appropriation	\$1,495,618
Time Limited Positions	-

**Total Recommended Adjustments for  
 NC Health Choice  
 2008-09**

**Recurring**

Requirements	\$41,919,491
Receipts	31,531,841
	<hr/>
Appropriation	\$10,387,650
Number of Positions	-

**Nonrecurring**

Requirements	\$6,013,072
Receipts	4,517,454
	<hr/>
Appropriation	\$1,495,618
Time Limited Positions	-

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

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$1,210,827,959	\$1,841,754	\$84,661,525	\$1,297,331,238	7.1 %
Receipts	<u>489,188,236</u>	<u>1,841,754</u>	<u>31,373,754</u>	<u>522,403,744</u>	6.8 %
Appropriation	<u>\$721,639,723</u>	<u>\$0</u>	<u>\$53,287,771</u>	<u>\$774,927,494</u>	7.4 %
Positions	11,714.330	-	436.750	12,151.080	3.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Mixed Beverage Receipts

In accordance with G.S. 18B-805(b)(3), local Alcoholic Beverage Control boards pay the department 5% of the mixed beverage surcharge and the guest room cabinet surcharge to support substance abuse services. As the lead agency on substance abuse, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services receives these receipts, which have been historically over-realized. It is recommended that the budget be adjusted to reflect the actual level of collection.

Requirements	-
Receipts	\$500,000
<b>Appropriation</b>	<b>(\$500,000)</b>

#### 2. Increase Patient Receipts

Mental Health's facilities collect reimbursement for their patient treatment costs from sources that include Medicaid, Medicare, and private insurance. It is recommended that patient receipts be budgeted to the anticipated level of collection.

Requirements	-
Receipts	\$11,000,000
<b>Appropriation</b>	<b>(\$11,000,000)</b>

**3. Cost Settlement of Community Services Funds**

Funds allocated to the Local Management Entities (LME) for non-unit cost reimbursed community services for June are based on LME projections of expenditures. After the close of the fiscal year, actual service expenditures are audited by the department's regional accountants. If the projected expenditures exceed the audited expenditures, the LMEs return the excess service monies to the state. It is recommended that cost settlement funds be budgeted on a nonrecurring basis.

<b>Requirements - Nonrecurring</b>	-
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>(\$500,000)</b>

**Total Recommended Reductions**

**Recurring**

Requirements	-
Receipts	11,500,000
<hr/>	
Appropriation	(\$11,500,000)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	500,000
<hr/>	
Appropriation	(\$500,000)
Time Limited Positions	-

**Expansion**

2008-09

**1. Local Crisis Response System**

To further develop the local crisis response system, the Governor recommends funding to support mobile crisis units, local inpatient beds, walk-in crisis resource centers, and aftercare for psychiatric hospital discharges. In addition, funding is recommended to support targeted crisis interventions for the developmentally disabled (DD) through the creation of regional DD teams and group home beds for crisis respite. Positions are effective October 1, 2008.

<b>Requirements</b>	<b>\$34,988,597</b>
<b>Requirements - Nonrecurring</b>	<b>\$5,904,459</b>
<b>Receipts</b>	<b>\$4,654,307</b>
<hr/>	
<b>Appropriation</b>	<b>\$36,238,749</b>
<b>Number of Positions</b>	<b>132.000</b>

**2. Clinical Staffing Ratios at State Psychiatric Hospitals**

To improve the direct care of clients, the Governor recommends funding to increase clinical staffing in the state's three psychiatric hospitals. Funding will support 7 psychiatrists, 74 nurses, 25 health care technicians, and 1 medical doctor. Positions are effective October 1, 2008.

<b>Requirements</b>	<b>\$5,762,227</b>
<b>Receipts</b>	<b>\$332,480</b>
<hr/>	
<b>Appropriation</b>	<b>\$5,429,747</b>
<b>Number of Positions</b>	<b>107.000</b>

**3. Clinical and Operational Enhancements of State Facilities**

The Governor recommends funding to support 9 clinical nurse specialists to improve the training and supervision of direct care staff and to create a 5 member regulatory compliance team for pro-active monitoring of state facilities. The request also includes positions for pharmacy manager (1 FTE), account systems training (1 FTE) and billings (2 FTEs), and 1 FTE for information technology support at Longleaf Neuro-Medical Treatment Center. Positions are effective October 1, 2008.

<b>Requirements</b>	<b>\$1,429,834</b>
<b>Requirements - Nonrecurring</b>	<b>\$56,703</b>
<b>Receipts</b>	<b>\$77,913</b>
<b>Receipts - Nonrecurring</b>	<b>\$4,752</b>
<hr/>	
<b>Appropriation</b>	<b>\$1,403,872</b>
<b>Number of Positions</b>	<b>19.000</b>

**4. Recruitment and Workforce Development**

To improve the direct care of clients through a more stable and qualified workforce, the Governor recommends funding for in-range salary adjustments for Health Care Technicians, Development Disabled Trainers, and Youth Program Assistants, who demonstrate essential skills and competencies. The request also includes funding to enhance recruitment through expanding the Psychiatric Nurse Practitioners Scholarship program at the UNC School of Nursing, loan repayment incentives, and advertising funds for difficult-to-recruit occupations.

<b>Requirements</b>	<b>\$2,749,153</b>
<b>Receipts</b>	<b>\$887,179</b>
<hr/>	
<b>Appropriation</b>	<b>\$1,861,974</b>

**5. Julian F. Keith ADATC Pharmacy Operation**

The Julian F. Keith (JFK) Alcohol, Drug Abuse Treatment Center's detox unit was expanded to provide a more appropriate treatment setting for individuals with substance abuse issues. To accommodate the pharmacy needs of the expanded detox unit, expanded admission hours, and to improve the availability of pharmacy services to clients, the

Governor recommends creating a pharmacy unit for JFK. Pharmacy services are currently provided on a limited schedule by Black Mountain Neuro-Medical Center.

<b>Appropriation</b>	<b>\$451,821</b>
<b>Appropriation - Nonrecurring</b>	<b>\$70,000</b>
<b>Number of Positions</b>	<b>4.000</b>

**6. Shift Premiums, Overtime, and Workman's Compensation**

The Mental Health division's facilities have been historically under-funded in their shift premium, overtime, and Workman's Compensation accounts. It is recommended that these accounts be budgeted to the anticipated levels of expenditure.

<b>Requirements</b>	<b>\$11,642,628</b>
<b>Receipts</b>	<b>\$6,223,186</b>
<b>Appropriation</b>	<b>\$5,419,442</b>

**7. Resident Furnishings**

Resident furnishings in mental health state facilities are in poor condition due to age, behavioral, and incontinence issues of patients. It is recommended that over-realized receipts from patients be budgeted to support the replacement of furnishings.

<b>Requirements</b>	<b>\$608,333</b>
<b>Requirements - Nonrecurring</b>	<b>\$1,016,667</b>
<b>Receipts</b>	<b>\$608,333</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,016,667</b>
<b>Appropriation</b>	<b>-</b>

**8. Dorothea Dix Hospital Overflow Unit**

To maintain inpatient bed capacity during the transition from a four- to a three-hospital-based system of inpatient care, the Governor recommends funding to support a 36 bed overflow unit to be operated at Dorothea Dix Hospital. In addition to the state funds, Wake County will contract with the department to operate an additional 24 beds in the unit until the county can develop its own local inpatient bed capacity. It is anticipated that the 60 bed unit will be needed until 2011. Positions are effective July 1, 2008.

<b>Requirements</b>	<b>\$10,731,103</b>
<b>Receipts</b>	<b>\$5,518,937</b>
<b>Appropriation</b>	<b>\$5,212,166</b>
<b>Number of Positions</b>	<b>174.750</b>

**9. Services for Combat Veterans and Their Families**

The Governor recommends targeting the population of combat veterans and their families for services provided by and funded through the Mental Health division. Through the targeting effort, combat veterans and their families would receive services beyond basic access, screening, and triage. Funds would be used to support mental health, substance

abuse, and traumatic brain injury (TBI) services. Funding includes \$250,000 for training, education, and outreach.

<b>Requirements</b>	<b>\$2,250,000</b>
<b>Receipts</b>	<b>\$50,000</b>
	<hr/>
<b>Appropriation</b>	<b>\$2,200,000</b>

**10. Locally-Hosted, Regionally-Purchased Substance Abuse Services**

To increase both the availability of substance abuse services and the percentage of substance abusers who receive treatment, the Governor recommends funding to expand the locally-hosted, regionally-purchased service initiative. Through a request for proposal process, the division will purchase community based residential and support services for an estimated 248 adults and 32 adolescents.

<b>Appropriation</b>	<b>\$2,000,000</b>
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**11. Housing Supports Initiative**

To promote stable living arrangements and better community reintegration of clients discharged from state facilities, the Governor recommends funding for the Housing Supports Initiative, which will assist individuals with the deposits, including rent and utilities, necessary to secure housing in the community.

<b>Appropriation</b>	<b>\$1,000,000</b>
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**12. Mental Health Trust Fund**

Consistent with the goals of the Mental Health Trust Fund, the Governor recommends nonrecurring funding to strengthen the capacity of the local management entities and the provider network to sustain and expand supportive housing opportunities for consumers with mental illness, developmental disabilities, and substance abuse issues.

<b>Appropriation - Nonrecurring</b>	<b>\$4,000,000</b>
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**Total Recommended Expansion**

**Recurring**

Requirements	\$73,613,696
Receipts	18,352,335
	<hr/>
Appropriation	\$55,261,361
Number of Positions	436.750

**Nonrecurring**

Requirements	\$11,047,829
Receipts	1,021,419
	<hr/>
Appropriation	\$10,026,410
Time Limited Positions	-

**Total Recommended Adjustments for  
Division of Mental Health/Developmental  
Disabilities/Substance Abuse Services  
2008-09**

**Recurring**

Requirements	\$73,613,696
Receipts	29,852,335
	<hr/>
Appropriation	\$43,761,361
Number of Positions	436.750

**Nonrecurring**

Requirements	\$11,047,829
Receipts	1,521,419
	<hr/>
Appropriation	\$9,526,410
Time Limited Positions	-

## Division of Health Service Regulation (14470)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$53,994,094	(\$907,721)	\$822,028	\$53,908,401	(0.2)%
Receipts	<u>33,337,866</u>	<u>328,771</u>	-	<u>33,666,637</u>	1.0 %
Appropriation	<u>\$20,656,228</u>	<u>(\$1,236,492)</u>	<u>\$822,028</u>	<u>\$20,241,764</u>	(2.0)%
Positions	505.000	.500	8.000	513.500	1.7 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### 1. Increase Staff Capacity for Reviewing Construction Plans

The Construction Section conducts plan reviews for new, expanded, and renovated health care and local confinement facilities. Increasing section staffing will speed up review of plans, reduce construction and financing costs to health care owners and providers, and expedite the availability of health care services. This expansion is supported from an increase in fees deposited as nontax revenue in the General Fund, which offset the cost of the program.

<b>Appropriation</b>	<b>\$787,918</b>
<b>Appropriation - Nonrecurring</b>	<b>\$34,110</b>
<b>Number of Positions</b>	<b>8.000</b>

### Total Recommended Expansion

#### Recurring

Requirements	\$787,918
Receipts	-
Appropriation	<u>\$787,918</u>
Number of Positions	8.000



**Nonrecurring**

Requirements	\$34,110
Receipts	-
<hr/>	
Appropriation	\$34,110
Time Limited Positions	-

**Total Recommended Adjustments for  
Division of Health Service Regulation  
2008-09**

**Recurring**

Requirements	\$787,918
Receipts	-
<hr/>	
Appropriation	\$787,918
Number of Positions	8.000

**Nonrecurring**

Requirements	\$34,110
Receipts	-
<hr/>	
Appropriation	\$34,110
Time Limited Positions	-

## Division of Vocational Rehabilitation (14480)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$138,878,370	\$374,140	(\$2,000,000)	\$137,252,510	(1.2)%
Receipts	<u>93,360,005</u>	<u>374,140</u>	-	<u>93,734,145</u>	0.4 %
Appropriation	<u>\$45,518,365</u>	<u>\$0</u>	<u>(\$2,000,000)</u>	<u>\$43,518,365</u>	(4.4)%
Positions	1,054.005	2.000	-	1,056.005	0.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Reduce State Funding for Vocational Rehabilitation

The Governor recommends a reduction in the Vocational Rehabilitation Case Services Program. Due to a decrease in client services, this reduction will have minimal impact on case services.

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

#### Total Recommended Reductions

##### Recurring

Requirements	(\$2,000,000)
Receipts	-
Appropriation	(\$2,000,000)
Number of Positions	-

##### Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
Division of Vocational Rehabilitation  
2008-09**

**Recurring**

Requirements (\$2,000,000)

Receipts -

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Appropriation (\$2,000,000)

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

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Appropriation -

Time Limited Positions -



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# **Recommended Appropriations**

## Justice and Public Safety

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Judicial Branch

Judicial Branch - Indigent Defense

Department of Justice

Department of Juvenile Justice and  
Delinquency Prevention

Department of Correction

Department of Crime Control and Public Safety

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## Judicial Branch (12000)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$454,699,297	\$15,399	(\$2,421,818)	\$452,292,878	(0.5)%
Receipts	<u>2,309,380</u>	<u>15,399</u>	-	<u>2,324,779</u>	0.7 %
Appropriation	<u>\$452,389,917</u>	<u>\$0</u>	<u>(\$2,421,818)</u>	<u>\$449,968,099</u>	(0.5)%
Positions	6,313.195	-	22.000	6,335.195	0.3 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### Department-Wide

##### 1. Reduce Various Operating Budgets

It is recommended that inflationary increases be eliminated and budgets be reduced for Registration Fees (\$200,000 R), Employee Education Assistance Program (\$8,873 NR), Other Employee Education Assistance Program (\$28,740 R and \$171,260 NR), Lodging In-State (\$50,000 R and \$50,000 NR), Ground Transportation (\$267,319 R), General Office Supplies (\$200,000 R and \$200,000 NR), Equipment - Voice Communication (\$1,000,000 R and \$500,000 NR), Other Data Processing Equipment (\$500,000 R and \$500,000 NR), Library/Learning Resource Collection (\$175,000 R and \$175,000 NR), Dues and Memberships (\$20,619 R and \$21,619 NR), and Other Expenses (\$75,000 R and \$75,000 NR).

**Appropriation (\$2,516,678)**

**Appropriation - Nonrecurring (\$1,701,752)**

#### Trial Court

##### 1. Eliminate Budgets for Closed Dispute Resolution Centers

It is recommended that the dispute center budget for the following closed dispute resolution centers be eliminated: Scotland (\$35,000), 1st District (\$51,977), and Polk (\$16,831).

**Appropriation (\$103,808)**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$2,620,486)
Receipts	-
<hr/>	
Appropriation	(\$2,620,486)
Number of Positions	-

**Nonrecurring**

Requirements	(\$1,701,752)
Receipts	-
<hr/>	
Appropriation	(\$1,701,752)
Time Limited Positions	-

**Expansion**

2008-09

**Trial Courts**

**1. New Deputy Clerk Personnel**

It is recommended that funding be provided for 15 new Deputy Clerk positions to more effectively manage Superior and District Court caseloads.

<b>Appropriation</b>	<b>\$593,325</b>
<b>Appropriation - Nonrecurring</b>	<b>\$34,605</b>
<b>Number of Positions</b>	<b>15.000</b>

**2. Restore Funding for the Clerks of Superior Court Conference**

It is recommended that funding be restored on a recurring basis for the Clerks of the Superior Court Conference. The Conference seeks to improve the administrative operations of the Clerks of Superior Court while increasing public accessibility to the courts. The appropriation for this program was eliminated for FY 2008-09 pending the findings of a Continuation Review to be conducted by the department.

<b>Appropriation</b>	<b>\$121,402</b>
<b>Number of Positions</b>	<b>2.000</b>

**3. Judicial Longevity Pay**

Under the current judicial longevity system, the final step is at 25 years of service. To realize higher retention rates for justices, judges, clerks and prosecutors, who are all eligible for judicial longevity, it is recommended that funding be provided to add an additional step at 30 years of service.

<b>Appropriation</b>	<b>\$249,799</b>
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**4. DNA Evidence Storage**

It is recommended that funding be provided for DNA evidence storage to comply with S.L. 2007-539, which provides defendants access to DNA testing of evidence under certain circumstances.

<b>Appropriation</b>	<b>\$500,000</b>
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**Offices of the District Attorneys**

**1. Restore Funding for the Conference of District Attorneys**

It is recommended that funding be restored on a recurring basis for the Conference of District Attorneys, which provides prosecution support, public outreach, research and planning, resource procurement, management oversight and executive development for the district attorneys of North Carolina. The appropriation for this program was eliminated for FY 2008-09 pending the findings of a Continuation Review to be conducted by the department.

<b>Appropriation</b>	<b>\$401,289</b>
<b>Number of Positions</b>	<b>5.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$1,865,815
Receipts	-
<hr/>	
Appropriation	\$1,865,815
Number of Positions	22.000

**Nonrecurring**

Requirements	\$34,605
Receipts	-
<hr/>	
Appropriation	\$34,605
Time Limited Positions	-

**Total Recommended Adjustments for  
 Judicial Branch  
 2008-09**

**Recurring**

Requirements	(\$754,671)
Receipts	-
<hr/>	
Appropriation	(\$754,671)
Number of Positions	22.000

**Nonrecurring**

Requirements	(\$1,667,147)
Receipts	-
<hr/>	
Appropriation	(\$1,667,147)
Time Limited Positions	-

## Judicial Branch - Indigent Defense (12001)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$124,862,463	\$0	\$2,800,000	\$127,662,463	2.2 %
Receipts	<u>8,871,115</u>	-	-	<u>8,871,115</u>	0.0 %
Appropriation	<u>\$115,991,348</u>	<u>\$0</u>	<u>\$2,800,000</u>	<u>\$118,791,348</u>	2.4 %
Positions	376.500	-	-	376.500	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### Department-Wide

##### 1. Reduce Various Operating Budgets

It is recommended that inflationary increases be eliminated and budgets be reduced on a recurring basis for Lodging In-State (\$20,856), Lodging Out of State (\$1,920), Meals - Out of State (\$6,731), Transportation - Air Out of State (\$1,944), Office Supplies (\$38,914), Office Equipment (\$32,432), Other Expenses (\$26,795), Miscellaneous Contractual Services (\$20,262), Rent - Other Facilities (\$1,003), Cellular Phone Service (\$11,603), Other Data Processing Equipment (\$3,000), Books (\$29,496), Compensation to Board Members (\$880), Board/Non-Employee Subsistence (\$925), and Board/Non-Employee Transportation (\$3,239).

**Appropriation (\$200,000)**

#### Total Recommended Reductions

##### Recurring

Requirements	(\$200,000)
Receipts	-
Appropriation	<u>(\$200,000)</u>
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**Indigent Person Attorney**

**1. Additional Funding for Private Assigned Counsel**

It is recommended that funding be provided to address the increased demands for private assigned counsel as a result of continued growth and indigency rates.

**Appropriation - Nonrecurring    \$3,000,000**

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**Total Recommended Expansion**

**Recurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$3,000,000
Receipts	-
	<hr/>
Appropriation	\$3,000,000
Time Limited Positions	-

**Total Recommended Adjustments for  
Judicial Branch - Indigent Defense  
2008-09**

**Recurring**

Requirements	(\$200,000)
Receipts	-
<hr/>	
Appropriation	(\$200,000)
Number of Positions	-

**Nonrecurring**

Requirements	\$3,000,000
Receipts	-
<hr/>	
Appropriation	\$3,000,000
Time Limited Positions	-

**Department of Justice (13600)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$118,699,734	\$775,649	\$550,878	\$120,026,261	1.1 %
Receipts	<u>26,528,064</u>	<u>775,649</u>	<u>486,395</u>	<u>27,790,108</u>	4.8 %
Appropriation	<u>\$92,171,670</u>	<u>\$0</u>	<u>\$64,483</u>	<u>\$92,236,153</u>	0.1 %
Positions	1,329,746	3,000	12,000	1,344,746	1.1 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

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**Appropriation Items -- Recommended Adjustments**

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**Reductions**

2008-09

**Department-Wide**

**1. Reduce Various Operating Budgets**

It is recommended that inflationary increases be eliminated and budgets be reduced for Energy Service/Natural Gas/Propane (\$14,000 R and \$19,026 NR); Repairs - Motor Vehicles (\$60,000 R); Telecommunication Data Charge (\$100,000 R); Membership Dues and Subscriptions (\$46,500 R); Software (\$14,750 R), Autos, Trucks, and Buses (\$69,275 R); Maintenance Agreement - Other Data Processing Equipment (\$272,949 NR); Energy Service/Fuel Oil (\$19,984 NR); Equipment/Scientific Medical (\$100,000 R); and Travel (\$52,000 R).

<b>Appropriation</b>	<b>(\$456,525)</b>
<b>Appropriation - Nonrecurring</b>	<b>(\$311,959)</b>

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**Total Recommended Reductions**

**Recurring**

Requirements	(\$456,525)
Receipts	-
Appropriation	(\$456,525)
Number of Positions	-

**Nonrecurring**

Requirements	(\$311,959)
Receipts	-
Appropriation	(\$311,959)
Time Limited Positions	-

**Expansion**

2008-09

**Law Enforcement - SBI**

**1. Forensic Firearms Analysts**

Over the past nine years, the Firearms Section in the SBI Crime Laboratory has experienced a significant increase in firearm case submissions, from 1,111 in 1997 to 2,239 in 2006. It is recommended that funding be provided for three Forensic Firearms Analysts in an effort to expedite the processing of firearm and ballistic evidence analysis, which will lead to faster conviction rates for violent crimes.

<b>Appropriation</b>	<b>\$273,793</b>
<b>Appropriation - Nonrecurring</b>	<b>\$82,140</b>
<b>Number of Positions</b>	<b>3.000</b>

**Legal Services**

**1. Legal Staff**

Election law revisions and new State Board of Elections investigation responsibilities have substantially increased the workload for the department's Election Section. It is recommended that funding be provided for one Attorney III position to assist with the increased workload. This section presently employs one full-time attorney.

<b>Appropriation</b>	<b>\$119,906</b>
<b>Appropriation - Nonrecurring</b>	<b>\$6,114</b>
<b>Number of Positions</b>	<b>1.000</b>

**2. Community Mental Health Services Criminal Investigation Team - Recurring**

It is recommended that recurring funding be provided for five positions to create a new Medicaid Investigations Unit. The unit will consist of a sworn investigator, an Attorney III, an Office Assistant IV, and two Internal Auditor II positions to support criminal investigations and prosecutions related to community mental health services funded by the state Medicaid program. This investigative unit will be responsible for obtaining convictions of community

service providers who commit fraud, the recovery of restitution and civil penalties for the benefit of the Medicaid Program and the Civil Forfeiture Fund, and the deterrence of fraud.

<b>Requirements</b>	<b>\$535,586</b>
<b>Receipts</b>	<b>\$422,866</b>
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<b>Appropriation</b>	<b>\$112,720</b>
<b>Number of Positions</b>	<b>5.000</b>

**3. Community Mental Health Services Criminal Investigation Team - Nonrecurring**

It is recommended that nonrecurring funding be provided for five new positions to create a new Medicaid Investigations Unit. The unit will consist of a sworn investigator, an Attorney III, an Office Assistant IV, and two Internal Auditor II positions to support criminal investigations and prosecutions related to community mental health services funded by the state Medicaid program. This investigative unit will be responsible for obtaining convictions of community service providers who commit fraud, the recovery of restitution and civil penalties for the benefit of the Medicaid Program and the Civil Forfeiture Fund, and the deterrence of fraud.

<b>Requirements - Nonrecurring</b>	<b>\$84,705</b>
<b>Receipts - Nonrecurring</b>	<b>\$63,529</b>
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<b>Appropriation - Nonrecurring</b>	<b>\$21,176</b>

**Justice Training Academy**

**1. In-Service Training for Law Enforcement**

It is recommended that funding be provided for three new positions to include a Program Assistant V, a Criminal Justice Specialist Investigator III, and a Criminal Justice Training Coordinator to help address in-service training mandates, development, and administrative/management responsibilities to ensure all North Carolina Law Enforcement Officers maintain current certifications. The NC Criminal Justice Standards Commission and NC Sheriffs' Education and Training Standards Commission have increased the mandated number of annual in-service training hours from four to 24. These mandates affect approximately 30,000 law enforcement officers, 7,900 detention officers, and 2,900 certified telecommunicators.

<b>Appropriation</b>	<b>\$198,776</b>
<b>Appropriation - Nonrecurring</b>	<b>\$18,342</b>
<b>Number of Positions</b>	<b>3.000</b>

**Total Recommended Expansion**

**Recurring**

Requirements	\$1,128,061
Receipts	422,866
<hr/>	
Appropriation	\$705,195
Number of Positions	12.000

**Nonrecurring**

Requirements	\$191,301
Receipts	63,529
	<hr/>
Appropriation	\$127,772
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Justice  
 2008-09**

**Recurring**

Requirements	\$671,536
Receipts	422,866
	<hr/>
Appropriation	\$248,670
Number of Positions	12.000

**Nonrecurring**

Requirements	(\$120,658)
Receipts	63,529
	<hr/>
Appropriation	(\$184,187)
Time Limited Positions	-



## Department of Juvenile Justice and Delinquency Prevention (14060)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$150,336,299	\$0	\$24,055,616	\$174,391,915	16.0 %
Receipts	<u>10,780,195</u>	-	<u>858,169</u>	<u>11,638,364</u>	8.0 %
Appropriation	<u>\$139,556,104</u>	<u>\$0</u>	<u>\$23,197,447</u>	<u>\$162,753,551</u>	16.6 %
Positions	1,943.060	-	47.000	1,990.060	2.4 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### Department-Wide

##### 1. Reduce Various Operating Budgets

It is recommended that inflationary increases be eliminated and budgets be reduced for Longevity (\$100,000 R), Workers Compensation Medical Payments (\$100,000 R), Meals - In State (\$40,000 R), Food Supplies (\$62,500 R), Other Pharmaceutical Supplies (\$14,454 R), Membership Dues and Subscriptions (\$104,000 R), Library and Learning Resource Collection (\$25,000 R), Other Materials and Supplies (\$15,000 R), General Office Supplies (\$15,000 R), Repairs - Buildings (\$200,000 R), and Energy Service - Natural Gas/Propane (\$50,000 R, \$25,000 NR).

<b>Appropriation</b>	<b>(\$725,954)</b>
<b>Appropriation - Nonrecurring</b>	<b>(\$25,000)</b>

#### Special Initiatives

##### 1. Delay in Eckerd EFFORT Project

The Eckerd Family Focus on Rehabilitative Treatment (EFFORT) project received recurring appropriation beginning in FY 2007-08. However, the project has been delayed and is not yet up and running. It is recommended that a one-time reduction be made, which assumes an additional delay of two months in FY 2008-09.

<b>Appropriation - Nonrecurring</b>	<b>(\$449,277)</b>
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**Administrative Services**

**1. Reduce Budget for Board/Non-Employee Travel**

It is recommended that the budget for Board/Non-Employee Transportation and Subsistence be reduced based on prior year expenditures.

**Appropriation                    (\$14,000)**

**Total Recommended Reductions**

**Recurring**

Requirements (\$739,954)

Receipts -

Appropriation (\$739,954)

Number of Positions -

**Nonrecurring**

Requirements (\$474,277)

Receipts -

Appropriation (\$474,277)

Time Limited Positions -

**Expansion**

2008-09

**Detention Services**

**1. New Psychologist Positions - Recurring**

It is recommended that funds be appropriated for nine Psychologist positions, one for each of the nine state detention centers. Psychologists are needed at each facilities to provide mental health services and treatment for the increasing mental health needs of youth in detention, including the rising number with serious mental disorders such as suicidal behavior and schizophrenia. Currently, services and treatment are provided by contractual mental health clinicians who are not available full time. Additionally, there has been high turnover with these contractors, which has negatively affected the quality and consistency of services provided.

**Requirements                    \$613,298**

**Receipts                            \$245,319**

**Appropriation                    \$367,979**

**Number of Positions            9.000**

**2. New Psychologist Positions - Nonrecurring**

It is recommended that funding be provided to support nonrecurring expenses related to the establishment of the nine new Psychologist positions.

<b>Requirements - Nonrecurring</b>	<b>\$14,850</b>
<b>Receipts - Nonrecurring</b>	<b>\$5,940</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>\$8,910</b>

**3. Additional Detention Staffing - Recurring**

Many of the state's nine detention centers are consistently over capacity as the average length of stay continues to increase, and there are a growing number of youth admitted with mental disorders that require more intensive supervision. To address the resulting safety and security concerns at these facilities, such as the 18% increase in assaults on staff between 2003 and 2007, it is recommended that funds be appropriated for 37 detention staff: 27 Youth Counselor Technicians, 6 Youth Monitor Supervisors, and 4 Cooks. These positions are necessary to provide minimum staff coverage for all shifts and to ensure an appropriate staff relief factor is maintained. Coverage requirements are currently being met through significant overtime charges, as existing staff frequently work long hours to ensure minimum coverage.

<b>Requirements</b>	<b>\$1,445,228</b>
<b>Receipts</b>	<b>\$578,091</b>
<hr/>	
<b>Appropriation</b>	<b>\$867,137</b>
<b>Number of Positions</b>	<b>37.000</b>

**4. Additional Detention Staffing - Nonrecurring**

It is recommended that funding be provided for nonrecurring expenses related to the establishment of the 37 new detention positions needed to address safety and security.

<b>Requirements - Nonrecurring</b>	<b>\$9,900</b>
<b>Receipts - Nonrecurring</b>	<b>\$3,960</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>\$5,940</b>

**5. New Nurse Position - Recurring**

It is recommended that funds be appropriated for a Nurse position at Cumberland Juvenile Detention Center. This center has the highest population of the nine state detention centers and, therefore, has greater demands for medical services. These services are currently being provided through a contract, but it has been a challenge to recruit/retain contractual staff for this purpose.

<b>Requirements</b>	<b>\$60,497</b>
<b>Receipts</b>	<b>\$24,199</b>
<hr/>	
<b>Appropriation</b>	<b>\$36,298</b>
<b>Number of Positions</b>	<b>1.000</b>

**6. New Nurse Position - Nonrecurring**

It is recommended that funding be provided for nonrecurring expenses related to the establishment of the new nurse position.

<b>Requirements - Nonrecurring</b>	<b>\$1,650</b>
<b>Receipts - Nonrecurring</b>	<b>\$660</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>\$990</b>

**Intervention/Prevention Services**

**1. Restore JCPC Funding**

It is recommended that funding be restored for the Juvenile Crime Prevention Council (JCPC) program, which provides grants to support a wide variety of programs and services aimed at reducing and preventing juvenile crime. The appropriation for this program was eliminated for FY 2008-09 pending the findings of a Continuation Review to be conducted by the department.

<b>Appropriation</b>	<b>\$22,652,860</b>
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**Administrative Services**

**1. IT Consolidation**

It is recommended that funds be appropriated to support the IT consolidation that the Department of Juvenile Justice and Delinquency Prevention is currently undergoing. IT services traditionally provided internally by the department will now be provided by the Office of Information Technology Services. This consolidation process will require additional expenditures for some agencies, like DJJDP, that currently have greater needs for infrastructure updates. The recommended appropriation is for the following accounts: LAN Support Services, PC/Printer Support Services, and Server Support Services.

<b>Appropriation</b>	<b>\$471,564</b>
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**Total Recommended Expansion**

**Recurring**

Requirements	\$25,243,447
Receipts	847,609
	<hr/>
Appropriation	\$24,395,838
Number of Positions	47,000

**Nonrecurring**

Requirements	\$26,400
Receipts	10,560
	<hr/>
Appropriation	\$15,840
Time Limited Positions	-

**Total Recommended Adjustments for  
Department of Juvenile Justice and Delinquency  
Prevention  
2008-09**

**Recurring**

Requirements	\$24,503,493
Receipts	847,609
	<hr/>
Appropriation	\$23,655,884
Number of Positions	47.000

**Nonrecurring**

Requirements	(\$447,877)
Receipts	10,560
	<hr/>
Appropriation	(\$458,437)
Time Limited Positions	-

## Department of Correction (14500)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$1,256,420,592	\$0	\$4,686,271	\$1,261,106,863	0.4 %
Receipts	<u>29,793,011</u>	-	<u>3,699,375</u>	<u>33,492,386</u>	12.4 %
Appropriation	<u>\$1,226,627,581</u>	<u>\$0</u>	<u>\$986,896</u>	<u>\$1,227,614,477</u>	0.1 %
Positions	21,223.000	-	83.000	21,306.000	0.4 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### Department-Wide

##### 1. Reduce Various Operating Budgets

It is recommended that the following FY 2008-09 inflationary increases and budgets be reduced throughout the department: Short Term Disability Payments (\$500,000 R), Building/Office Leases (\$300,000 R), Energy - Natural Gas/Propane (\$500,000 R, \$500,000 NR), Longevity (\$250,000 NR), and Equipment (\$500,000 NR).

**Appropriation (\$1,300,000)**

**Appropriation - Nonrecurring (\$1,250,000)**

##### 2. Increase Federal Alien Assistance Receipts

The State Criminal Alien Assistance Program (SCAAP) makes federal funds available to states for the purpose of recouping costs associated with incarcerating undocumented aliens. The department anticipates future funding from this program will exceed its current budget; therefore, it is recommended that budgeted receipts be increased for the annual SCAAP award.

**Receipts \$1,549,375**

#### Custody and Security

##### 1. Reduce Budget for Building/Acquisition Costs

It is recommended that the budget for building/acquisition costs be reduced based on prior year expenditures.

**Appropriation (\$175,000)**

**Appropriation - Nonrecurring (\$125,000)**

**Prison Health Services**

**1. Reduce Various Medical Budgets**

It is recommended that the FY 2008-09 inflationary increases be eliminated and budgets be reduced for Prescription Drugs (\$1,800,000 R, \$100,000 NR), Medical Contractual Employees (\$1,500,000 R), Hospital Provided Medical Services (\$1,150,000 R, \$2,600,000 NR), and Other Provided Medical Services (\$2,200,000 R, \$300,000 NR).

**Appropriation**    **(\$6,650,000)**  
**Appropriation - Nonrecurring**    **(\$3,000,000)**

**2. Increase Medical Recoupment Receipts**

It is recommended that the budget be increased for medical recoupment receipts. These receipts have been over collected for the last two fiscal years.

**Receipts**    **\$2,150,000**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$8,125,000)
Receipts	3,699,375
<hr/>	
Appropriation	(\$11,824,375)
Number of Positions	-

**Nonrecurring**

Requirements	(\$4,375,000)
Receipts	-
<hr/>	
Appropriation	(\$4,375,000)
Time Limited Positions	-

**Expansion**

2008-09

**Department Management**

**1. Support Positions for Construction Projects**

It is recommended that funding be provided for five engineers, one architect, and contractual positions to support current and future design and construction work related to department facilities. These positions are necessary to maximize the benefits of the Inmate Construction Program and realize a cost savings of 28% compared to using outside contractors.

**Appropriation**    **\$1,668,278**  
**Appropriation - Nonrecurring**    **\$213,491**  
**Number of Positions**    **6.000**

**Community Corrections**

**1. Restore Criminal Justice Partnership Program (CJPP) Funding**

It is recommended that funding be restored for the Criminal Justice Partnership Program (CJPP), which provides grants to support community-based programs aimed at reducing recidivism, probation revocations, alcoholism and other drug dependencies, and the costs of incarceration to the state and counties. The appropriation for this program was eliminated for FY 2008-09 pending the findings of a Continuation Review to be conducted by the department.

**Appropriation \$9,153,134**

**2. Additional Chief Probation/Parole Officers**

Currently, Chief Probation/Parole Officers (CPPO's) supervise an average of 10 officers in the metropolitan areas of the state including Wake, Durham, and Mecklenburg counties, which equates to a caseload of close to 800 per CPPO. To reduce this staffing ratio to a more manageable level of 6:1 and bring average caseloads below 500, it is recommended that funding be provided for 21 new CPPO positions and associated support staff. With these additional positions, CPPO's will be able to conduct more case audits and ensure compliance with case management and offender supervision policies.

**Appropriation \$2,200,000**

**Number of Positions 42.000**

**3. Reserve for Offender Supervision**

It is recommended that a reserve be established to improve case management and supervision of offenders on probation, parole, and post-release supervision. The recommended funding for the reserve is \$1.8 million, which may be used to conduct performance reviews and audits of case management practices and supervision of offenders, to alleviate workloads for caseload supervision officers by reassigning functions not directly related to supervision, for improved employee training and mentoring programs, to implement the findings of any external reviews of Community Corrections operations, and to establish positions needed for the implementation of any of these items.

**Appropriation \$1,800,000**

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**Alcoholism and Chemical Dependency Programs**

**1. Substance Abuse Treatment Program for Female Parolees and Probationers**

It is recommended that funding be provided for a 50-bed substance abuse treatment program for female parolees and probationers. Both 28-day and 90-day programs would be provided for approximately 300-360 females per year. Currently, the department does not have a treatment program for this population, although demand is estimated to be 4,725 parolees and probationers per year. The program would be located at the Black Mountain Correctional Center for Women, which will be vacated as the current inmates are relocated to a new facility.

**Appropriation \$1,543,150**

**Appropriation - Nonrecurring \$348,218**

**Number of Positions 35.000**

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**Reserves**

**1. North Carolina GangNet**

It is recommended that funding be provided to Durham County to enhance North Carolina GangNet, an Internet-based law enforcement intelligence sharing database that contains



information about known gang members. This database has been available in Durham County for several years and is now being expanded statewide. Through this appropriation, GangNet will be enhanced through the incorporation of gang data currently collected in the Offender Population Unified System (OPUS), which is maintained by the Department of Correction.

**Appropriation - Nonrecurring \$260,000**

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**Total Recommended Expansion**

**Recurring**

Requirements	\$16,364,562
Receipts	-
<hr/>	
Appropriation	\$16,364,562
Number of Positions	83.000

**Nonrecurring**

Requirements	\$821,709
Receipts	-
<hr/>	
Appropriation	\$821,709
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Correction  
 2008-09**

**Recurring**

Requirements	\$8,239,562
Receipts	3,699,375
<hr/>	
Appropriation	\$4,540,187
Number of Positions	83.000

**Nonrecurring**

Requirements	(\$3,553,291)
Receipts	-
<hr/>	
Appropriation	(\$3,553,291)
Time Limited Positions	-

**Department of Crime Control and Public Safety (14900)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$109,893,289	\$46,908,503	\$1,644,097	\$158,445,889	44.2 %
Receipts	<u>68,404,252</u>	<u>46,908,503</u>	<u>252,000</u>	<u>115,564,755</u>	68.9 %
Appropriation	<u>\$41,489,037</u>	<u>\$0</u>	<u>\$1,392,097</u>	<u>\$42,881,134</u>	3.4 %
Positions	515.750	3.000	-	518.750	0.6 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

**Appropriation Items -- Recommended Adjustments**

**Reductions**

2008-09

**Department-Wide**

**1. Reduce Various Operating Budgets**

It is recommended that the following FY 2008-09 budgets be reduced throughout the department: Administrative Services (\$25,000 NR), Miscellaneous Contractual Services (\$98,100 R), Rent Building/Office (\$45,000 NR), Rent/Lease Other Data Processing Equipment (\$46,900 R), Lodging-In State (\$15,482 R), Other Employee Educational Expense (\$50,421 NR), and General Office Supplies (\$20,000 NR).

<b>Appropriation</b>	<b>(\$160,482)</b>
<b>Appropriation - Nonrecurring</b>	<b>(\$140,421)</b>

**Total Recommended Reductions**

**Recurring**

Requirements	(\$160,482)
Receipts	-
Appropriation	(\$160,482)
Number of Positions	-

**Nonrecurring**

Requirements	(\$140,421)
Receipts	-
	<hr/>
Appropriation	(\$140,421)
Time Limited Positions	-

**Expansion**

2008-09

**Emergency Management**

**1. Floodplain Mapping**

It is recommended that funding be provided for flood hazard map maintenance. The initial update of statewide floodplain maps is nearing completion and routine maintenance is required to ensure the integrity of the maps. The recommended appropriation will potentially enable the Floodplain Mapping Program to leverage a federal match of three times the amount appropriated for the program.

**Appropriation - Nonrecurring                    \$500,000**

**2. Regional Response Teams**

There are currently seven Hazardous Materials (HAZMAT) Response Teams in the state. These HAZMAT teams respond to incidents such as the explosion and fire at the EQ chemical storage facility in Apex. To ensure adequate statewide coverage for hazardous material emergencies, the Governor's HAZMAT Task Force recommended in its December 2006 report that funding be provided to support operating needs and equipment replacement for the HAZMAT teams.

**Appropriation - Nonrecurring                    \$200,000**

**National Guard**

**1. National Guard Kids on Guard Program**

It is recommended that funding be provided for Operation Kids on Guard, a nonprofit program created specifically for the children of the North Carolina National Guard as a way to assist children in coping with deployment fears and understanding why their parents are away from home.

**Appropriation    \$100,000**

**Appropriation - Nonrecurring                    \$100,000**

**2. Tarheel Challenge Academy**

The Tarheel Challenge Academy is designed to give high school dropouts a second chance at getting an education, with 70% of participants currently graduating from the program with their GED. It is recommended that funding be provided to increase the number of

Tarheel Challenge Academy graduates from 220 to 250 annually. This request also includes additional federal funds, which the state will receive as a result of the increase in program graduates.

<b>Requirements</b>	<b>\$445,000</b>
<b>Receipts</b>	<b>\$252,000</b>
	<hr/>
<b>Appropriation</b>	<b>\$193,000</b>

**Victim Compensation Services**

**1. Rape Victims Assistance**

It is recommended that funding be provided so that the victims of rape will no longer be required to pay costs associated with a sexual assault forensic exam. Under current state law, the victims of rape are allowed to receive \$1,000 in financial assistance to defray the costs of a forensic medical exam. However, the cost of the exam is approximately \$1,600.

<b>Appropriation</b>	<b>\$600,000</b>
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**Total Recommended Expansion**

**Recurring**

Requirements	\$1,145,000
Receipts	252,000
	<hr/>
Appropriation	\$893,000
Number of Positions	-

**Nonrecurring**

Requirements	\$800,000
Receipts	-
	<hr/>
Appropriation	\$800,000
Time Limited Positions	-

**Total Recommended Adjustments for  
Department of Crime Control and Public Safety  
2008-09**

**Recurring**

Requirements	\$984,518
Receipts	252,000
	<hr/>
Appropriation	\$732,518
Number of Positions	-

**Nonrecurring**

Requirements	\$659,579
Receipts	-
	<hr/>
Appropriation	\$659,579
Time Limited Positions	-



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# **Recommended Appropriations**

## Natural and Economic Resources

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Department of Agriculture and  
Consumer Services

Department of Labor

Department of Environmental and Natural  
Resources

Department of Commerce

Commerce - State Aid to Non-State Entities

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## Department of Agriculture and Consumer Services (13700)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$84,927,771	\$568,745	\$5,311,837	\$90,808,353	6.9 %
Receipts	<u>24,228,770</u>	<u>568,745</u>	<u>628,203</u>	<u>25,425,718</u>	4.9 %
Appropriation	<u>\$60,699,001</u>	<u>\$0</u>	<u>\$4,683,634</u>	<u>\$65,382,635</u>	7.7 %
Positions	1,189,000	6,000	6,000	1,201,000	1.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Over-Realized Receipt Reduction

Because collections have exceeded the amount budgeted for the past three state fiscal years, it is recommended that over-realized receipts be budgeted to various funds.

Requirements	-
Receipts	\$606,990
<b>Appropriation</b>	<b>(\$606,990)</b>

### Total Recommended Reductions

#### Recurring

Requirements	-
Receipts	606,990
<b>Appropriation</b>	<b>(\$606,990)</b>
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**Agronomic Services**

**1. Addition of a Soil Receiving Position**

The Governor recommends funding to establishment a Research Technician position to track the increasing number of incoming soil samples submitted to the Agronomic Division for analysis and lime and fertilizer recommendations.

<b>Appropriation</b>	<b>\$31,872</b>
<b>Number of Positions</b>	<b>1.000</b>

**Meat and Poultry**

**1. Food Safety and Security Mandates**

Funding is recommended to establish two additional food safety positions to provide food safety and security inspections as mandated by the USDA, Food Safety and Inspection Service.

<b>Requirements</b>	<b>\$277,260</b>
<b>Requirements - Nonrecurring</b>	<b>\$2,705</b>
<b>Receipts</b>	<b>\$138,630</b>
<hr/>	
<b>Appropriation</b>	<b>\$141,335</b>
<b>Number of Positions</b>	<b>2.000</b>

**Veterinary Services**

**1. Administrative Support to Replace Federal Funding**

Funding is recommended to transfer three federally funded positions to state appropriation due to a reduction in federal funds.

<b>Requirements</b>	-
<b>Receipts</b>	<b>(\$117,417)</b>
<hr/>	
<b>Appropriation</b>	<b>\$117,417</b>
<b>Number of Positions</b>	<b>3.000</b>

**NC Agricultural Development and Farmland Preservation Trust Fund**

**1. Purchase of Agricultural Conservation Easements**

The Governor recommends funding to assist in the purchasing agricultural conservation easements on farmland, forest land, and horticultural land.

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

**Total Recommended Expansion**

**Recurring**

Requirements	\$309,132
Receipts	21,213
	\$287,919
Appropriation	\$287,919
Number of Positions	6.000

**Nonrecurring**

Requirements	\$5,002,705
Receipts	-
	\$5,002,705
Appropriation	\$5,002,705
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Agriculture and Consumer Services  
 2008-09**

**Recurring**

Requirements	\$309,132
Receipts	628,203
	(\$319,071)
Appropriation	(\$319,071)
Number of Positions	6.000

**Nonrecurring**

Requirements	\$5,002,705
Receipts	-
	\$5,002,705
Appropriation	\$5,002,705
Time Limited Positions	-

## Department of Labor (13800)

### Total Appropriations and Positions

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$25,249,877	\$0	\$893,493	\$26,143,370	3.5 %
Receipts	<u>8,654,926</u>	-	<u>174,000</u>	<u>8,828,926</u>	2.0 %
Appropriation	<u>\$16,594,951</u>	<u>\$0</u>	<u>\$719,493</u>	<u>\$17,314,444</u>	4.3 %
Positions	363.750	-	-	363.750	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### Occupational Safety and Health Administration

##### 1. State Funding in Occupational Safety and Health Division (OSH)

The Governor recommends fully funding the department's expansion request to offset several years of static growth in federal funds. This lack of adequate federal funding, along with inflation, has caused the department to lose ground and has prevented the program from filling vacant OSH inspectors.

**Appropriation**                      **\$719,493**

#### Elevator and Amusement Device Bureau

##### 1. Elevator and Amusement Device Bureau Field Supervisors

It is recommended that two field supervisors be added to the division. These two positions will be totally receipt supported from fees charged for inspections.

**Requirements**                      **\$174,000**

**Receipts**                                      **\$174,000**

**Appropriation**                      **-**

**Total Recommended Expansion**

**Recurring**

Requirements	\$893,493
Receipts	174,000
	<hr/>
Appropriation	\$719,493
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
 Department of Labor  
 2008-09**

**Recurring**

Requirements	\$893,493
Receipts	174,000
	<hr/>
Appropriation	\$719,493
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Time Limited Positions	-

## Department of Environment and Natural Resources (14300)

### Total Appropriations and Positions

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$317,161,761	(\$7,500,223)	\$9,124,658	\$318,786,196	0.5 %
Receipts	<u>124,346,098</u>	<u>(7,500,223)</u>	<u>(608,550)</u>	<u>116,237,325</u>	(6.5)%
Appropriation	<u>\$192,815,663</u>	<u>\$0</u>	<u>\$9,733,208</u>	<u>\$202,548,871</u>	5.0 %
Positions	3,411.790	(11.350)	22.620	3,423.060	0.3 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### 1. Reduce Operating Budget

It is recommended to reduce the department's operating budget by \$1,988,157.

**Appropriation (\$1,988,157)**

#### Total Recommended Reductions

##### Recurring

Requirements (\$1,988,157)

Receipts -

Appropriation (\$1,988,157)

Number of Positions -

##### Nonrecurring

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Expansion**

2008-09

**Forest Resources**

**1. Forest Development (FDP)**

It is recommended that funds be provided to support a 40:60 cost share program for private woodland owners to reforest their lands after harvest, to plant trees on idle or unproductive land, and for providing incentives for landowners to better manage forest land.

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

**2. DFR Increase Emergency Fire Suppression**

The Governor recommends funding to expand suppression capabilities for forest fires in North Carolina, which will improve detection and control, protect forest resources and private property, and minimize resources lost, both structural resources and timber from wild land fires.

**Appropriation** **\$150,000**

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

**Marine Fisheries**

**1. Transfer License Receipt Positions to State Appropriations**

The Governor recommends the transfer of 16 partially funded positions from commercial license receipts to state appropriations due to the decline in receipts. The net effect of this transfer is 8.62 FTE.

**Requirements** **-**

**Receipts** **(\$500,000)**

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

**Number of Positions** **8.620**

**Pollution Prevention and Environmental Assistance**

**1. Continue Environmental Stewardship Initiative**

The Governor recommends funding to continue the Environmental Stewardship Initiative to expand economic growth while improving environmental protection.

**Appropriation** **\$276,624**

**2. Waste Reduction Partners (WRP)**

The Governor recommends funding to sustain and expand the Waste Reduction Partners program geographically beyond the 37 western counties currently served. This program draws on the experience of more than 50 retired engineers, scientists, and business managers to provide on-site technical assistance to businesses and institutions to reduce operating costs, while improving environmental performance.

**Appropriation - Nonrecurring** **\$171,527**

**Soil and Water Conservation**

**1. Lagoon Conversion Program**

Funding is recommended to continue the lagoon conversion program established in Senate Bill 1465. The program awards grants to assist in converting existing anaerobic lagoon animal waster management systems to more technologically advanced animal waste management systems.

<b>Appropriation</b>	<b>\$142,084</b>
<b>Appropriation - Nonrecurring</b>	<b>\$82,050</b>
<b>Number of Positions</b>	<b>2.000</b>

**2. NC Agriculture Cost Share Technical Assistance**

The Governor recommends support for 50:50 cost share funds to local soil and water conservation districts and counties for technical and engineering assistance in promoting water quality best-management practices through the Agricultural Cost Share Program.

<b>Appropriation - Nonrecurring</b>	<b>\$350,000</b>
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**Waste Management**

**1. Orphan Site Cleanup**

Funding is recommended to support the cleanup of approximately 100 uncontrolled, inactive hazardous waste sites.

<b>Appropriation - Nonrecurring</b>	<b>\$400,000</b>
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**2. Groundwater Database Decision Support System**

Funding is recommended to develop and maintain an enterprise-level groundwater database system to manage contaminant site information.

<b>Appropriation - Nonrecurring</b>	<b>\$315,405</b>
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**Water Quality**

**1. Permitting and Compliance of Innovative Animal Waste Management System**

The Governor recommends transferring three existing positions in the Animal Feeding Operations permitting program to appropriation-supported positions. The positions are funded by the Smithfield Grant through December 2008.

<b>Requirements</b>	<b>-</b>
<b>Receipts</b>	<b>(\$108,550)</b>
<hr/>	
<b>Appropriation</b>	<b>\$108,550</b>
<b>Number of Positions</b>	<b>3.000</b>



**Water Resources**

**1. Establish River Basin Water Supply Planning and Drought Response**

Funding is recommended to provide planning services that will assure a sustainable water supply for North Carolina and will prepare the state to withstand periodic droughts with minimum economic and environmental damage.

<b>Appropriation</b>	<b>\$858,676</b>
<b>Appropriation - Nonrecurring</b>	<b>\$21,200</b>
<b>Number of Positions</b>	<b>9.000</b>

**Reserves and Special Funds**

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

Funding is recommended to meet the 20% state match requirements for drawing down the maximum available federal funds for drinking water infrastructure loans.

**Appropriation - Nonrecurring \$5,539,000**

**2. Wastewater Treatment Plant State Revolving Fund Match**

Funding is recommended to meet the 20% state match requirements for drawing down the maximum available federal funds for wastewater infrastructure loans.

**Appropriation - Nonrecurring \$2,456,249**

**Natural Resource Conservation Planning**

**1. River Herring Research**

Funding is recommended to continue a variety of river herring research projects.

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

**Total Recommended Expansion**

**Recurring**

Requirements	\$1,427,384
Receipts	(608,550)
	\$2,035,934
Appropriation	\$2,035,934
Number of Positions	22.620

**Nonrecurring**

Requirements	\$9,685,431
Receipts	-
	\$9,685,431
Appropriation	\$9,685,431
Time Limited Positions	-

**Total Recommended Adjustments for  
Department of Environment and Natural Resources  
2008-09**

**Recurring**

Requirements (\$560,773)

Receipts (608,550)

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Appropriation \$47,777

Number of Positions 22.620

**Nonrecurring**

Requirements \$9,685,431

Receipts -

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Appropriation \$9,685,431

Time Limited Positions -

**Department of Commerce (14600)**

**Total Appropriations and Positions**

	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$97,713,036	\$68,868	\$15,941,480	\$113,723,384	16.4 %
Receipts	<u>52,423,695</u>	<u>68,868</u>	<u>110,620</u>	<u>52,603,183</u>	0.3 %
Appropriation	<u>\$45,289,341</u>	<u>\$0</u>	<u>\$15,830,860</u>	<u>\$61,120,201</u>	35.0 %
Positions	458.570	-	1.000	459.570	0.2 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

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**Appropriation Items -- Recommended Adjustments**

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**Reductions**

2008-09

**Aircraft**

**1. One-Time Reduction in Aircraft Lease Line Item**

The Department of Commerce is in the process of replacing its twenty-six year old King Air B-200 aircraft. The order will take twelve months to fill, so the department will not take receipt of the aircraft until June 2009. The Governor is recommending a one-time reduction in the aircraft lease line item.

**Appropriation - Nonrecurring (\$1,156,428)**

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**Commerce Finance**

**1. Industrial Development Fund**

The Governor is recommending a one-time freeze of the state appropriation transferred to the industrial development revolving loan fund.

**Appropriation - Nonrecurring (\$320,107)**

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**Entire Department**

**1. Operational Budget Reductions**

It is recommended that the department reduce various operational budget line items such as supplies, equipment, and other expenses.

**Appropriation (\$303,502)**

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**Total Recommended Reductions**

**Recurring**

Requirements	(\$303,502)
Receipts	-
<hr/>	
Appropriation	(\$303,502)
Number of Positions	-

**Nonrecurring**

Requirements	(\$1,476,535)
Receipts	-
<hr/>	
Appropriation	(\$1,476,535)
Time Limited Positions	-

**Expansion**

2008-09

**One North Carolina Fund**

**1. Industrial Recruitment Competitive Fund**

In order to keep North Carolina competitive in luring new or expanding companies to the state, the Governor recommends additional appropriations for industrial recruitment. The One North Carolina Fund will be used to offset the cost of developing infrastructure and other permissible costs associated with newly locating or expanding operations throughout the state.

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

**One North Carolina Small Business Program**

**1. Small Business and Technology Incentive Program**

The Governor recommends additional funding for the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) matching program. The program is incentive funding to encourage small, innovative North Carolina businesses to apply for federal small innovation grants. The state program will supply the matching funds required in the acceptance of the federal grant.

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

**International Trade Division and Business and Industry**

**1. North Carolina Shanghai Office - China**

The Governor is recommending the establishment of a new trade office in Shanghai, China. China is a rapidly growing market and plays a major role in the world market. The North Carolina office will recruit Chinese investment in the state and will assist North Carolina companies that wish to increase trade with China. Additionally, the Governor is recommending a two percent performance increase for staff in five foreign trade offices.

**Appropriation      \$375,000**

**Commerce Finance**

**1. North Carolina Green Business Fund**

The Governor recommends additional funding for the North Carolina Green Business Fund. The fund was established during the 2007 session to provide grants to private businesses with less than 100 employees, non-profit organizations, and state agencies to encourage the growth of a green economy.

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

**Tourism, Film, and Sports Development**

**1. Tourism Marketing**

It is recommended that additional funding be provided to the Division of Tourism, Film, and Sports Development to market North Carolina as a tourism destination.

**Appropriation - Nonrecurring      \$750,000**

**2. Motor Sports**

The Governor recommends that funds be appropriated to help promote motor sports in North Carolina.

**Appropriation - Nonrecurring      \$100,000**

**Business and Industry**

**1. Client Management Software**

The Governor recommends funding to finalize the update of the Client Relationship Management software.

**Appropriation      \$25,000**

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

**2. Certified Sites**

It is recommended that funding be provided to upgrade the building and sites database and Web page for the certified sites program. The intent of the program is to showcase sites that have all of the infrastructure in place for a prospective client to begin immediate construction of a new facility.

**Appropriation      \$50,000**

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

**Administrative Services**

**1. Human Resources**

The Governor is recommending a personnel analyst III position to assist the department and the boards and commissions served by the human resource office.

**Appropriation      \$64,397**

**Number of Positions      1.000**

**Industrial Commission**

**1. ITS Consolidation - Desktop Support**

The Governor is recommending additional funds for the Industrial Commission to cover the Office of Information Technology Service's charges for support of all commission desktop computers.

**Appropriation**      **\$121,500**

**2. Technology Application Specialist**

The Governor is recommending a receipt-supported position to work with replacing the Electronic Document Management System (EDMS). The position will be paid from the compromised settlement fee being used to support replacement of the EDMS system.

**Requirements**      **\$110,620**

**Receipts**      **\$110,620**

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**Appropriation**      **-**

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**Total Recommended Expansion**

**Recurring**

Requirements      \$746,517

Receipts      110,620

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Appropriation      \$635,897

Number of Positions      1.000

**Nonrecurring**

Requirements      \$16,975,000

Receipts      -

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Appropriation      \$16,975,000

Time Limited Positions      -

**Total Recommended Adjustments for  
Department of Commerce  
2008-09**

**Recurring**

Requirements	\$443,015
Receipts	110,620
	<hr/>
Appropriation	\$332,395
Number of Positions	1.000

**Nonrecurring**

Requirements	\$15,498,465
Receipts	-
	<hr/>
Appropriation	\$15,498,465
Time Limited Positions	-

## Commerce - State Aid to Non-State Entities (14601)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$61,247,487	\$0	\$4,000,000	\$65,247,487	6.5 %
Receipts	-	-	-	-	
Appropriation	<u>\$61,247,487</u>	<u>\$0</u>	<u>\$4,000,000</u>	<u>\$65,247,487</u>	6.5 %
Positions	-	-	-	-	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### North Carolina Biotechnology Center

##### 1. Building Expansion

Funds are being recommended to help the North Carolina Biotechnology Center expand its existing building. The expansion will add conference, support, and staff space to meet the needs of North Carolina's growing biotechnology community. The state's contribution will cover a portion of the cost, with the remaining coming from private donations and federal funds.

**Appropriation - Nonrecurring \$2,500,000**

##### 2. Economic Development - Loan Program

Additional funds are being recommended to enhance the Biotechnology loan program for pre-venture, start-up companies.

**Appropriation \$1,500,000**

### Total Recommended Expansion

#### Recurring

Requirements	\$1,500,000
Receipts	-
Appropriation	<u>\$1,500,000</u>
Number of Positions	-



**Nonrecurring**

Requirements	\$2,500,000
Receipts	-
<hr/>	
Appropriation	\$2,500,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 Commerce - State Aid to Non-State Entities  
 2008-09**

**Recurring**

Requirements	\$1,500,000
Receipts	-
<hr/>	
Appropriation	\$1,500,000
Number of Positions	-

**Nonrecurring**

Requirements	\$2,500,000
Receipts	-
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Appropriation	\$2,500,000
Time Limited Positions	-



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# **Recommended Appropriations**

## Transportation

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Highway Fund

Highway Trust Fund

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## Highway Fund (84210)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$2,816,844,062	\$10,131,519	\$51,800,299	\$2,878,775,880	2.2 %
Receipts	<u>1,005,854,062</u>	<u>10,131,519</u>	<u>5,240,299</u>	<u>1,021,225,880</u>	1.5 %
Appropriation	<u>\$1,810,990,000</u>	<u>\$0</u>	<u>\$46,560,000</u>	<u>\$1,857,550,000</u>	2.6 %
Positions	14,680.000	-	-	14,680.000	0.0 %

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Reductions

2008-09

#### Mandated Adjustments

##### 1. Statutory Adjustment to Leaking Underground Storage Tank Fund

In accordance with G.S. 105-119(a) and (b), an adjustment is required to the appropriation for the Leaking Underground Storage Tank Fund to bring the allocation in line with current Highway Fund revenue projections for the gasoline inspection fee.

**Appropriation (\$185,000)**

#### Department-Wide

##### 1. Reduce Administrative Budgets

It is recommended that various administrative budgets throughout the department be reduced and funds reallocated for other programs and/or purposes.

**Appropriation (\$12,000,000)**

### Total Recommended Reductions

#### Recurring

Requirements	(\$12,185,000)
Receipts	-
Appropriation	(\$12,185,000)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**Mandated Adjustments**

**1. Statutory Adjustment to Aid to Municipalities Allocation**

In accordance with G.S. 136-41.1, an adjustment based on the estimated gallons of motor fuel sold is necessary to bring the allocation for state aid to municipalities (Powell Bill) in line with current revenue projections.

**Appropriation      \$1,807,592**

**2. Statutory Adjustment to Secondary Roads Construction Allocation**

In accordance with G.S. 136-44.2A, an adjustment based on the estimated gallons of motor fuel sold is necessary to bring the allocation for secondary roads construction in line with current revenue projections.

**Appropriation      \$1,807,592**

**Maintenance**

**1. System Preservation**

Funds are recommended for highway maintenance activities that preserve and extend the life of infrastructure assets, including pavements, bridges, traffic control devices, and other roadside features.

**Appropriation      \$6,256,119**

**Appropriation - Nonrecurring      \$22,549,593**

**Division of Motor Vehicles**

**1. Space Requirements**

Funds are recommended to increase the overall space needs at several driver license offices to allow for improved customer service delivery and minimum accommodations for increased staff and required equipment.

**Appropriation      \$195,266**

**Administration**

**1. Janitorial Contracts**

Additional funds are recommended to support the increased costs associated with contracted janitorial services for the Department of Transportation's facilities statewide.

**Appropriation      \$601,581**

**2. Postage Costs**

Additional postage funds are recommended to meet the statutory requirements of House Bill 1779, which requires that all driver licenses be produced from a central location and mailed first class, effective July 1, 2008.

**Appropriation**            **\$1,815,111**

**3. Planning and Detail Design - Combined Registration and Tax Collection System**

Nonrecurring receipt funds are recommended to implement the requirements of House Bill 1779. The funds will allow for the planning and detail design requirements of an information technology project to facilitate combined registration of motor vehicles and collection of county property taxes administered by the Division of Motor Vehicles.

**Requirements - Nonrecurring**            **\$4,873,099**

**Receipts - Nonrecurring**            **\$4,873,099**

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**Appropriation - Nonrecurring**            **-**

**4. Statewide Database - Combined Registration and Tax Collection System**

Nonrecurring receipt funds are recommended to implement the requirements of House Bill 1779. The funds will allow for the development of a statewide database to be used to facilitate the calculation of vehicle property taxes for all counties in the state.

**Requirements - Nonrecurring**            **\$367,200**

**Receipts - Nonrecurring**            **\$367,200**

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**Appropriation - Nonrecurring**            **-**

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**Reserves and Transfers**

**1. Legislative Salary Increase**

Funds are recommended to provide a 1.5% recurring salary increase for employees in the Department of Transportation and other state agencies whose positions are paid from the Highway Fund.

**Appropriation**            **\$8,052,171**

**2. One-Time Bonus**

Funds are recommended to provide a \$1,000 nonrecurring bonus for employees in the Department of Transportation and other state agencies whose positions are paid from the Highway Fund.

**Appropriation - Nonrecurring**            **\$12,450,407**

**3. Compensation Adjustment Reserve**

Funds are recommended to provide market rate compensation adjustments to clerical office support, law enforcement officers, and information technology personnel.

**Appropriation**            **\$2,542,500**

**4. Driver Education Program**

An increase in the funding for the Driver Education Program is recommended to support an increase in the average daily membership of students who will become eligible to complete driver education training during the 2008-09 fiscal year.

**Appropriation**            **\$667,068**

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**Total Recommended Expansion**

**Recurring**

Requirements	\$23,745,000
Receipts	-
	<hr/>
Appropriation	\$23,745,000
Number of Positions	-

**Nonrecurring**

Requirements	\$40,240,299
Receipts	5,240,299
	<hr/>
Appropriation	\$35,000,000
Time Limited Positions	-

**Total Recommended Adjustments for  
 Highway Fund  
 2008-09**

**Recurring**

Requirements	\$11,560,000
Receipts	-
	<hr/>
Appropriation	\$11,560,000
Number of Positions	-

**Nonrecurring**

Requirements	\$40,240,299
Receipts	5,240,299
	<hr/>
Appropriation	\$35,000,000
Time Limited Positions	-



## Highway Trust Fund (84290)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$1,138,780,000	\$0	(\$65,620,000)	\$1,073,160,000	(5.8)%
Receipts	-	-	-	-	
Appropriation	<u>\$1,138,780,000</u>	<u>\$0</u>	<u>(\$65,620,000)</u>	<u>\$1,073,160,000</u>	(5.8)%
Positions	-	-	-	-	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Technical Adjustments

2008-09

#### 1. Statutory Adjustment to Intrastate System Allocation

An adjustment consistent with statutory formulas is recommended to the previous appropriation for the Intrastate System. This adjustment is required to bring the allocation in line with current Highway Trust Fund revenue projections for fiscal year 2008-09 and to allow for an increase in the percentage of funds allocated for administration.

**Appropriation (\$40,691,948)**

#### 2. Statutory Adjustment to Urban Loops Construction Allocation

An adjustment consistent with statutory formulas is recommended to the previous appropriation for Urban Loops Construction. This adjustment is required to bring the allocation in line with current Highway Trust Fund revenue projections for fiscal year 2008-09, and to allow for an increase in the percentage of funds allocated for administration.

**Appropriation (\$16,454,129)**

#### 3. Statutory Adjustment to Aid to Municipalities Allocation

An adjustment consistent with statutory formulas is recommended to the previous appropriation for State Aid to Municipalities (Powell Bill). This adjustment is required to bring the allocation in line with current Highway Trust Fund revenue projections for fiscal year 2008-09, and to allow for an increase in the percentage of funds allocated for administration.

**Appropriation (\$4,269,534)**

#### 4. Statutory Adjustment to Secondary Roads Construction Allocation

An adjustment consistent with statutory formulas is recommended to the previous appropriation for Secondary Roads Construction. This adjustment is required to bring the

allocation in line with current Highway Trust Fund revenue projections for fiscal year 2008-09 and to allow for an increase in the percentage of funds allocated for administration.

**Appropriation (\$7,687,956)**

**5. Statutory Adjustment to Transfer to General Fund Allocation**

An adjustment consistent with statutory formulas is recommended to the funds previously appropriated to be transferred to the General Fund to reflect current Highway Trust Fund revenue projections for fiscal year 2008-09.

**Appropriation (\$143,793)**

**6. Statutory Adjustment to Program Administration Allocation**

An adjustment consistent with statutory formulas is recommended to the funds previously appropriated for Highway Trust Fund Administration. This adjustment is required to bring the allocation in line with current Highway Trust Fund revenue projections for fiscal year 2008-09, and to allow for an increase in the percentage of funds allocated for administration.

**Appropriation \$3,627,360**

**Total Recommended Technical Adjustments**

**Recurring**

Requirements (\$65,620,000)

Receipts -

Appropriation (\$65,620,000)

Number of Positions -

**Nonrecurring**

Requirements -

Receipts -

Appropriation -

Time Limited Positions -

**Reductions** 2008-09

**1. Reduce Transfer to General Fund**

It is recommended that the transfer from the Highway Trust Fund to the General Fund authorized by G.S. 105-187.9 be reduced by \$25 million, which represents the first in a series of reductions aimed at phasing out the transfer to the General Fund.

**Appropriation (\$25,000,000)**

**Total Recommended Reductions**

**Recurring**

Requirements	(\$25,000,000)
Receipts	-
<hr/>	
Appropriation	(\$25,000,000)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Expansion**

2008-09

**1. Funds for Other Authorized Purposes**

Notwithstanding G.S. 136-176 (b), the funds made available from phasing out the transfer from the Highway Trust Fund to the General Fund may be used for gap funding for North Carolina Turnpike Authority projects authorized by the General Assembly and urban loop projects in the Transportation Improvement Program.

**Appropriation    \$25,000,000**

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**Total Recommended Expansion**

**Recurring**

Requirements	\$25,000,000
Receipts	-
<hr/>	
Appropriation	\$25,000,000
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
Highway Trust Fund  
2008-09**

**Recurring**

Requirements	(\$65,620,000)
Receipts	-
<hr/>	
Appropriation	(\$65,620,000)
Number of Positions	-

**Nonrecurring**

Requirements	-
Receipts	-
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Appropriation	-
Time Limited Positions	-

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# **Recommended Appropriations**

## Capital Improvements

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General Fund

Non-General Fund

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## Capital Improvements - General Fund (19600)

Total Appropriations and Positions					
	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$0	\$0	\$723,680,538	\$723,680,538	
Receipts	-	-	<u>626,681,712</u>	<u>626,681,712</u>	
Appropriation	<u>\$0</u>	<u>\$0</u>	<u>\$96,998,826</u>	<u>\$96,998,826</u>	
Positions	-	-	-	-	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### General Government

##### 1. DCR - Museum of History Chronology Exhibit Phase I to 1900 (supplement)

The Governor recommends supplemental funding for the Museum of History Chronology Exhibit. This project includes redesign and relocation of existing classrooms and meeting areas from the main floor to an unused area in the ground floor to allow the entire exhibit to be located on the main floor. The additional funding will be used to renovate 6,000 sq. ft. of undeveloped ground level space for use as education classrooms, add toilets for code compliance at various locations within the museum, construct Phase I of the Chronological History exhibit conveying pre-history through 1900, demolition of existing classrooms, and modifications to fire exit for code compliance. Redesign includes design of Phase II (1900-Civil Rights Era). The 2004 Session of the General Assembly appropriated \$1.2 million for the project, and the 2007 Session of the General Assembly appropriated \$6,322,900. About \$1 million will be provided using cost savings from completed repair and renovation projects. The gifts/receipts total \$500,000 for the project. DCR is requesting an additional \$2,600,000. The total project cost is \$11,622,900.

<b>Requirements - Nonrecurring</b>	<b>\$3,100,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
<b>Appropriation - Nonrecurring</b>	<b>\$2,600,000</b>

##### 2. DCR - Museum of Art Expansion (supplement)

Funds are recommended for a supplement for the Museum of Art expansion. This project will provide supplemental funding for the construction of the 100,000 sq. ft. gallery expansion building of the Museum of Art in Raleigh. Funding will be used for track lighting

fixtures, moving and installing the art collection, moveable walls, graphic design and signage for the expansion building, security and janitorial equipment, gallery seating, education stations, light filter devices, cafe kitchen construction equipment, seating, and storage area. Also included are fixtures and millwork to complete new gift shop, security fences for new sculpture courtyards, an exterior security system and integration with the existing system, demolition of an unusable warehouse, parking lot improvements, and improvements to wall and roof of useable warehouse. The legislature appropriated \$2.2 million in FY 2004-05, \$10 million in FY 2005-06, and authorized issuance of \$40 million in certificates of participation in FY 2006-07. The City of Raleigh and Wake County have jointly committed \$15 million towards the expansion. The original budget was \$67 million and the recommended supplement will increase the total budget to \$72 million.

**Appropriation - Nonrecurring                    \$5,126,700**

**3. DCR - Mattamuskeet Lodge Renovations**

The Governor recommends that funds be provided for Lake Mattamuskeet Lodge renovations. DCR received \$1.5 million in repair and renovation funding in FY 2007-08 for planning and emergency structural repairs at Mattamuskeet Lodge. The total project cost is \$16,522,790.

**Appropriation - Nonrecurring                    \$15,022,790**

**4. DOA - Phase I North Carolina Freedom Monument planning**

The Governor recommends funding \$1 million for planning, design and site work for a new North Carolina Freedom Monument. The monument will be located on a half-acre site on Wilmington and Lane Streets. This site will be a place where discussions can take place by symbolic representations of the struggle for freedom among all people. The Freedom Monument will be a work of public art and a point of entry for all North Carolinians to contemplate and reflect upon issues of race and humanity, past and present. The total project cost will be \$4.5 million with \$1.5 million coming from gifts and grants.

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

**Natural and Economic Resources**

**1. Agriculture - Study Evaluation of the Veterinary Diagnostic Laboratory System**

The Governor recommends funds for the evaluation of five veterinary laboratory systems to determine whether the four satellite laboratories should be retained, and if so, how to equip or reequip the labs. The investment in study and design will provide a coordinated evaluation of the Veterinary Diagnostic Laboratory System (VDLS), leading to a proposal to meet the needs of industry and enhance the Department's capabilities with disease diagnosis and control. The study will also determine whether the central laboratory Rollins, should be replaced or renovated to accommodate needs for modern testing equipment and professional/technical operations staff, and will specify how to accomplish the recommendation.

**Appropriation - Nonrecurring                    \$620,000**

**2. Agriculture - Agriculture Building Comprehensive Renovation-planning**

The Governor recommends funds for the planning of the renovation of the Agriculture Building and Annex Building. Major components of the project include renovation of the space in the Annex Building into office space including infill to connect floors, plaster and paint repairs, data and communications infrastructure, ADA and Life Safety Renovations. Total cost estimate for the project is \$17,532,450.

**Appropriation - Nonrecurring                    \$1,225,000**



**3. Agriculture - Motor Fuels/Metrology Planning**

Funds are recommended for the planning and design of a new Motor Fuels and Metrology laboratory. The Motor Fuels laboratory is an integral element of this inspection program and is necessary to satisfy the testing requirements as described in the laws and regulations of the agency. The current facilities safety systems are basically nonexistent and the lab is totally inadequate for a modern petroleum testing facility. With the emergence of alternative fuels (E85 and biodiesel) the lab must expand its program to include testing of these products, however, there is inadequate space. The Blue Ridge Road Area Master Plan contains the Metrology lab, however, the surrounding construction causes vibrations that severely impact the quality of mass measurement. Also, the increased traffic after completion will make it impossible to maintain the National Institute of Standards and Technology accreditation. A new lab location, in the center of a relatively large campus, and isolated from future development, would be ideal in terms of avoiding measurement obstacles from the surrounding area.

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

**4. Agriculture - Southeastern NC Agricultural Center Pavilion**

The proposed Pavilion at Southeastern Agricultural Center is a 40,000 square foot pre-engineered fabric membrane building. The facility will include a concrete floor, air conditioning and heat, and electrical distribution necessary to accommodate trade show events. The building will be insulated and will be planned to facilitate covering the concrete floor with soil to host equine and other livestock events. Ventilation will also be sized for livestock events. Visitor restrooms will be provided inside the building.

**Appropriation - Nonrecurring      \$3,701,700**

**5. Agriculture - New Horse Barn Units at the Hunt Horse Complex**

The Governor recommends funds of up to \$900,000 for new horse barns with dirt floors at the Hunt Horse Complex in Raleigh.

**Appropriation - Nonrecurring      \$900,000**

**6. Commerce - Wanchese Fire Protection Improvements**

Funds are recommended for this project which includes the extension of 2,825 linear feet of 6" water main lines, the installation of thirteen 6" valves, and the installation of seven 6" new fire hydrants along the waterfront of the Wanchese Seafood Industrial Park. While the Park has adequate fire suppression service along its roadway that covers the businesses in the Park, the fire protection service covering the harbor is inadequate. Since 2000, the Park has seen the amount of dockage along the harbor double from around 40 slips to over 85. This project will extend existing water mains along the waterfront and allow hydrants to be added to allow for proper fire suppression service to the docks and boats in the Wanchese Seafood Industrial Park harbor.

**Appropriation - Nonrecurring      \$110,900**

**7. Commerce - Wanchese Road Repair and Road Construction**

The Governor recommends funds for the construction of a roadway that will replace an existing gravel path that runs 500 ft. to two existing marine businesses. In an effort to increase revenues and stimulate further economic development in the Wanchese Seafood Industrial Park, thus creating more jobs, the Park has created two additional parcels for lease along the roadway. The two new parcels have already been reserved for two local boat building companies that are eager for the space to expand their operations. These two new boat companies will require a finished roadway, not a gravel path. The roadway will be 28 ft.

wide to allow for the movement of boats ranging from 45 to 80 ft. in length by travel lift. 40 new jobs will be created by the two new boat building operations, thus meeting the Park's mission to create and develop new jobs in the marine sector.

**Appropriation - Nonrecurring**      **\$94,800**

**8. Commerce - Wanchese Wastewater Treatment Equipment Renovations**

The Governor recommends funding for a supplement to a continuing project for the Wanchese wastewater treatment equipment renovations. In 2005, the NC Seafood Industrial Park voted to install a central sewer package plant to service the 30 businesses in the Wanchese Seafood Industrial Park. The 2006 General Assembly appropriated \$935,000 to design, engineer, and purchase the system. In 2007, an additional \$741,000 was appropriated in the repair and renovation budget to also cover the cost of the system. In December 2007, the Park began examining alternative ways of handling Waste Water Treatment Plant (WWTP) discharge. The original plan was to directly discharge WWTP effluent into the Wanchese harbor. The purchase of this property, which is located just outside the Wanchese facility, will provide needed space for environmentally friendly disposal of reuse quality effluent through either sub-surface disposal, spray irrigation, or effluent filtration basins.

**Appropriation - Nonrecurring**      **\$400,000**

**9. Commerce - Wanchese Seafood Industrial Park Green Initiative**

Funds are recommended for the Wanchese Seafood Industrial Park to operate in a more environmentally friendly and efficient manner and set an example for other industrial facilities in the state. This request will allow the Park to better handle its storm water, thus freeing up space for some onsite disposal of reuse quality wastewater effluent. In addition, the Park will develop ways to reuse storm water and treated wastewater effluent. This initiative will help ensure the future viability of area water and environmental quality.

**Appropriation - Nonrecurring**      **\$250,000**

**10. NC Ports Authority - Port of Wilmington Berth 8 Replacement Phase I**

The Governor recommends funds to continue improvements and expansion at the Port of Wilmington. This project includes the complete rebuilding of 400 feet of Container Berth 8. A future Phase II project will rebuild an additional 600 feet of the berth. The rebuild will include new pilings, necessary docking hardware, and a new deck starting on the south end of berth 8 running 400' feet north and from the berth to the container yard. Presently, the berth has a limited capacity for container loading and ship berthing and poses a safety hazard. With the completion of this project, larger ships that are 18 containers wide can be accommodated and serviced on a majority of the container berths. The General Assembly appropriated \$5 million for this project in FY 2007-08. The total cost for the project is \$20,286,882. A total of \$10,286,882 will be funded from receipts.

**Requirements - Nonrecurring**      **\$15,288,882**

**Receipts - Nonrecurring**      **\$10,288,882**

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

**11. NC Ports Authority - Port of Morehead City Port-wide Berth Structure Construction**

Funds are recommended for the port-wide berth structure and foundation construction, which is needed because the super-structure supporting the aging infrastructure is in disrepair. The Port of Morehead City has experienced sinkholes, significant settling of pavement work areas, deteriorated concrete dock structure, deteriorated mooring and

fendering systems, and scouring along the berths. Repair to the port-wide berth structure would restore berths 1 - 9 and the barge berths. This project is the first phase of a multi-year project with a total cost of \$26,863,232. A total of \$14,363,232 will be funded from receipts.

**Appropriation - Nonrecurring \$2,500,000**

**12. DENR - Zoo Polar Bear Exhibit Addition and Renovation**

The Governor recommends funding for an addition and renovation to the NC Zoo polar bear exhibit. The NC Zoo Foundation has also raised \$1.8 million in receipts for the project. The total project cost is \$4.5 million. The project involves expanding the land area of the exhibit and the holding area to meet the new Accepted International Animal Care Standards. According to the new Standards, the addition and renovations are necessary in order for the NC Zoo to keep its current polar bear and to be allowed to accept additional polar bears. The Polar Bear Exhibit and Holding were designed almost 20 years ago. Since that time, new field research dictates these animals require provision for a much greater portfolio of behaviors than was previously believed. In addition, public perception, particularly in relation to the keeping of large mammals in general expects that provisions be made for an animal's full behavioral abilities.

**Requirements - Nonrecurring \$4,500,000**

**Receipts - Nonrecurring \$1,800,000**

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**Appropriation - Nonrecurring \$2,700,000**

**13. DENR - Zoo Children's Nature Zoo**

Funds are recommended for construction of a Children's Nature Zoo at the NC Zoo. The NC Zoo Foundation has also raised \$1.8 million in receipts for the project. The total project cost is \$4.5 million. This project involves changing the former Touch and Learn Center into The Children's Nature Zoo, a unique educational area for children ages 2 to 12 to learn first hand about the natural world through interactive play. It will feature wooded paths, a small stream, native animal encounters/demonstrations, gardens, a barn and other backyard places. One of the Zoo's missions is environmental education. 20% of all the children ages 2 to 12 in the state visit the Zoo each year. Studies show that most of these children have little exposure to the outdoors. Most of the elements in the exhibit are tied to specific curriculum requirements in the NC SCOC competencies for Science, Social Studies, Healthful Living, the Arts and the NAAEE Excellence in Environmental Educational Guidelines for Learning.

**Requirements - Nonrecurring \$4,500,000**

**Receipts - Nonrecurring \$1,800,000**

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**Appropriation - Nonrecurring \$2,700,000**

**14. DENR - Zoo Africa Pavilion Replacement - Planning**

The Governor recommends funds for planning a replacement of the existing Africa Pavilion at the NC Zoo. The NC Zoo Foundation has also raised \$400,000 in receipts for the project. The total planning cost is \$1 million. This project is to design and plan a \$25 million major expansion of the Africa area of the Zoo to replace the aging African Pavilion building and to add animal exhibits not currently at the Zoo. A recent engineering study of the African Pavilion built in 1982 indicates that the infrastructure including the roof, structure, plumbing and electrical elements are in poor condition and not worth renovating. The new Pavilion will be an equally impressive structure containing exhibit, retail and public spaces and new exhibit areas featuring animals not currently found at the Zoo, including Aquatic Africa featuring black footed penguins, pygmy hippos, jellyfish, sea dragons, sharks and crocodiles; Madagascar animals featuring a variety of lemurs, chameleons, exotic snakes, birds and

insects; and Africa Forest animals featuring gorillas with apes and monkeys, exotic snakes, and unusual hoofstock like Opaki and Bongo. Adding new and exciting exhibits in led to an increase attendance and revenue.

<b>Requirements - Nonrecurring</b>	<b>\$1,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$400,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>\$600,000</b>

**15. DENR - Water Resources Projects**

Funds are recommended for the state's share of civil works projects for navigation, flood control, drainage, and beach protection. The costs of these projects are shared by the federal government and/or local governments using a statutory formula.

<b>Requirements - Nonrecurring</b>	<b>\$83,032,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$57,296,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>\$25,736,000</b>

**Justice and Public Safety**

**1. SHP - State Highway Patrol Training Academy Facilities and Dormitory**

The Governor recommends funds be provided for planning and design of a State Highway Patrol Training Academy new dormitory and training facilities. The existing dormitory is in poor condition, has insufficient beds for the number of trainees, and lacks fire alarms. The total project cost will be \$27,083,900.

<b>Appropriation - Nonrecurring</b>	<b>\$1,790,300</b>
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**2. DOJ - Addition to SBI Buildings 17 and 18**

The Governor recommends funds to build an addition between SBI buildings 17 and 18. The Information Technology Division (ITD) of DOJ was relocated due to the Blount Street Project sale of 109 E. North Street and 407 N. Blount Street. ITD has relocated to the DOJ complex in Garner. The current amount of space available is 11,510 sq. ft. of office, computer room and PC storage space. State Property calculated the ITD office needs about 18,000 sq. ft, and with the available space, ITD is short 6,490 sq. ft. The building of an addition to join buildings 17 and 18 together as one building will add an additional 2,500 sq. ft. of usable office space.

<b>Appropriation - Nonrecurring</b>	<b>\$1,792,006</b>
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**3. CCPS - Master Planning Statewide - Phase II of V**

Funds are recommended to provide planning funds for a detailed study of current conditions of National Guard armories. A program of advance planning over a 5 year period is proposed to set priorities for major repairs, renovations or replacements of these critical facilities. The project is proposed to be funded with a mix of state and federal funds. Long term federal funding projects have been submitted to synchronize with the corresponding state request.

<b>Requirements - Nonrecurring</b>	<b>\$654,878</b>
<b>Receipts - Nonrecurring</b>	<b>\$354,578</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>\$300,300</b>

**4. CCPS - Butner Training Site Buffer - Phase II**

The Governor recommends funding for the acquisition of land rights to permit restriction of land uses adjacent to the Camp Butner Training Site. The increased development of adjacent properties is having an adverse impact upon the continued utilization, including various Combat Arms training requirements, of this site. Buffering is intended to be achieved through the procurement of easements which restrict the land uses, yet allow the land to remain in private ownership for the benefit of the local governments.

**Appropriation - Nonrecurring**                      **\$126,200**

**5. CCPS - Butner Training Site Sewer Extension and Latrine Replacement**

Funds are recommended to cover costs to demolish existing pit latrines and to build new facilities. There are 5 facilities to be built. Three will serve bivouac areas serving about 110 soldiers at a time with each sized at 500 SF with an appropriate mix of male /female area and a total of 16 plumbing fixtures in each of the three (Toilets, Urinals, Sinks as applicable). The remaining two facilities serve range areas with a lower population density and no overnight service required, so each of these will be sized at 300 sq. ft. and a total of 10 plumbing fixtures in each again with an appropriate mix of male/female areas. Each facility shall conform to NC building code requirements including ADA compliance. The North Carolina National Guard has been funded under a special federal program to extend gravity sewer service on the Camp Butner Training Site to eliminate old pit latrines on the site. The federal grant funds 100% of line extensions only, which is why state funds are needed for demolition and facility construction.

**Requirements - Nonrecurring**                      **\$984,380**

**Receipts - Nonrecurring**                              **\$738,950**

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**Appropriation - Nonrecurring**                      **\$245,430**

**6. CCPS - Gastonia Armory Rehab Addition and Alteration**

The Governor recommends funds to provide the spaces necessary for the efficient and effective completion of the federal, state and local missions assigned to this armory; and to perform needed repairs / renovations to existing spaces to support long term sustainment of facility. The project will address the shortfall of administrative space, secure storage for equipment, and parking for government owned equipment and personal vehicles. The existing facility needs repair and renovation work due to its age and normal wear and tear. However, the work exceeds the repair and renovation threshold. This project is organized to synchronize state and federal funding to gain cost savings by performing all work at one time. Request for funding being set as 75% federal, 25% state. Federal funds to support this requirements have been requested, but none have been appropriated to date.

**Requirements - Nonrecurring**                      **\$826,402**

**Receipts - Nonrecurring**                              **\$299,302**

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**Appropriation - Nonrecurring**                      **\$527,100**

**7. CCPS - Siler City Armory Rehab Addition and Alteration**

Funds are recommended to provide the assigned units with a quality facility necessary for the efficient and effective completion of the federal, state and local missions assigned to this armory. The project will address site issues such as grading, paving, drainage and erosion control. Building work includes complete window and door replacement, full renovation of all kitchen and latrine spaces, ceiling and floor replacements as required, and armory wide

painting. Mechanical and electrical work will include main boiler replacement, demand hot water heater installation, replacement of window A/C units with Mini-Split systems, full lighting replacement, electrical panels (Main Distribution and all Sub) and main feeder replacements. All of these work items also require funding to address resulting environmental work for asbestos and lead containing materials to be mitigated in the project areas.

**Appropriation - Nonrecurring**      **\$929,600**

**UNC Sytem-Board of Governors**

**1. UNC System Fire Sprinkler Systems**

The Governor recommends nonrecurring funds from the General Fund to allow campuses to revise their plans and expedite the installation of sprinklers with a goal to complete the effort by Fall 2012. The requested \$20,000,000 from the General Fund is for all campuses and allocation would be done on a \$9 per unsprinklered square foot basis. Renovations, in addition to adding fire spinklers, would be funded from indebtedness to be repaid from housing receipts or other non-General Fund sources. The total cost of the project from all sources is expected to be \$140,000,000.

**Appropriation - Nonrecurring**      **\$20,000,000**

**Projects Financed with Special Indebtedness (COPs)**

The Governor recommends the issuance of Special Indebtedness, or Certificates of Participation (COPs), in order to provide funds to the state to be used to pay the capital facility costs of the projects described in this section. The 2006 and 2007 Legislatures appropriated funds for planning and design and/or for site development for the projects listed below. These projects are expected to begin construction during FY 2008-09. Additional planning funds were appropriated for projects that will require about \$500 million for construction beginning in FY 2009-10 that are not included in this list.

**1. DOA - Capital Area Visitors Center and Parking Garage**

Funds are recommended to construct a new Capital Area Visitor Center to provide cultural tourism information about state government and North Carolina. The project includes the planning, design, and construction of a new visitor center, parking garage with approximately 490 parking spaces, and plaza. The facility will be located across from the Archives and History Building in downtown Raleigh. The existing visitor center, located in the Museum of History, was not adequate to handle the 294,000 visitors in 2005. The 2005 General Assembly funded \$250,000 and the 2007 General Assembly funded \$627,281 for planning of this project. The total project cost will be \$41,277,281. Certificates of participation would be authorized in the amount of \$40.4 million to fund the project.

**Requirements - Nonrecurring**      **\$40,400,000**

**Receipts - Nonrecurring**      **\$40,400,000**

**Appropriation - Nonrecurring**      **-**

**2. DENR - Green Square Complex**

The Governor recommends funds for DENR to accommodate a workforce of approximately 635 staff in about 172,000 gross square feet at the proposed Green Square Office Building. All Raleigh area central office staff is to be housed in either the Archdale Building or Green Square. The Nature Research Center will contain about 79,400 square feet of classroom, research laboratory, and exhibit space. It will be adjacent to the existing Museum of Natural

Sciences. The purpose of the NRC is to connect people with current science research that relates to their daily lives. The Green Square Complex will use green building and operating principles. Natural light and ventilation, building orientation, minimal use of water and electricity, and life cycle cost analysis are included. The 2007 General Assembly funded \$25,000,000 for this project and in addition, the Friends of the Museum have designated \$15,500,000 for these exhibits. In addition, the Friends of the Museum have committed to raise \$27.5 million toward the cost of construction of the museum addition. The total cost for the project is \$149,979,000. Certificates of participation would be provided in the amount of \$109,479,000 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$109,479,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$109,479,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**3. Correction - Women's Health and Mental Health Facility**

The Governor recommends the funding of a women's health and mental health facility. Construction will replace a 28 bed infirmary built in 1988 and a 19 bed mental health building built in 1991. The female inmate population has increased from 1,046 in 1991 to 2,733 in September 2006. Infirmary beds will increase to 80 to include geriatrics, hospice, assisted living (rest home), isolation cells, dialysis unit and handicapped cells. Offsite services will now be available onsite for mammography, physical and occupational therapy, cancer treatment and tuberculosis care. Expensive outside hospital stays will be reduced as inmates can be discharged sooner for recovery in the new facility. Custody staff costs will also decrease because of fewer outside trips to clinics and less need for custody supervision in outside hospitals. Mental Health beds will increase to 70 single cells to provide 10 acute care, 36 transitional and 24 residential mental health beds. The project includes \$1,612,700 in federal funds. The 2007 General Assembly funded \$5 million for planning and site development for this project. The total cost for the project is \$51,783,200. Certificates of participation would be provided in the amount of \$45,170,500 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$45,170,500</b>
<b>Receipts - Nonrecurring</b>	<b>\$45,170,500</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**4. Corrections - Minimum Security Addition- Scotland facility**

The Governor recommends funds to design and construct a minimum security addition outside the Scotland Correctional Institution. The build out of Scotland Correctional Institution is a key step in NCDOC's "10 Year Prison Capacity Plan." This project will fund the construction of a 252 bed minimum custody facility which will be built adjacent to Scotland Correctional Institution. The facility will operate under the management of the Correctional Administrator of Scotland Correctional Institution, thereby creating a significant savings in the operation costs of this facility. The 2007 General Assembly funded \$874,700 for part of the planning for this project. The total cost for the project is \$13,191,300. Certificates of participation would be provided in the amount of \$12,316,600 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$12,316,600</b>
<b>Receipts - Nonrecurring</b>	<b>\$12,316,600</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**5. Correction - Medium Security Addition- Bertie Facility**

The Governor recommend funds to plan, design and construct a medium security addition inside the perimeter security of the Bertie Correctional Institution located in Bertie County. The build-out of the Bertie Correctional Institution is a key strategy in the NCDOC's "10-Year Prison Capacity Plan." This project will fund the construction of a 504 bed medium custody facility which will be built on the grounds and attached to Bertie Correctional Institution. This additional facility will operate under the management of the Correctional Administrator of Bertie Correctional Institution, thereby creating a savings in the operation costs of this facility. The 2007 General Assembly appropriated \$874,300 for part of the planning for this project. The total project cost is \$19,816,500. Certificates of participation would be provided in the amount of \$18,942,200 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$18,942,200</b>
<b>Receipts - Nonrecurring</b>	<b>\$18,942,200</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**6. Correction - Medium Security Addition- Lanesboro Facility**

The Governor recommends funds to complete planning, design and construction of a medium security addition inside the perimeter security of the Lanesboro Correctional Institution located in Anson County. The build-out of the Lanesboro Correctional Institution is a key strategy in the NCDOC's "10-Year Prison Capacity Plan." This project will fund the construction of a 504 bed medium custody facility which will be built on the grounds and will be attached to Lanesboro Correctional Institution. This additional facility will operate under the management of the Correctional Administrator of Lanesboro Correctional Institution, thereby creating a savings in the operation costs of this facility. The 2007 General Assembly appropriated \$874,300 for part of the planning for this project. The total project cost is \$19,816,500. Certificates of participation would be provided in the amount of \$18,942,200 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$18,942,200</b>
<b>Receipts - Nonrecurring</b>	<b>\$18,942,200</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**7. Correction - Minimum Security Addition- Tabor Facility**

The Governor recommends funding to construct a minimum custody facility which will be built adjacent to Tabor Correctional Institution. The 252 bed minimum custody facility will operate under the management of the Correctional Administrator of Tabor Correctional Institution, thereby creating a significant savings in the operation costs of this facility. The state prison inmate population continues to rise between 800 to 1,000 inmates per year. Tabor Correctional Institution, which is the last 1000 cell prison to be built, will be filled shortly after its completion in early 2008. At that time, the state will have no additional prison beds to handle the increasing inmate population. The projected prison population will reach 46,219 inmates by June 2016. The expanded operating capacity of the Division of Prisons, once Tabor CI comes online, will be 39,853. Prison expanded capacity will not change unless beds are added. Additional prison bed construction must be funded in 2008-2009 to make



up the projected 6366 bed deficit. The total project cost is \$13,881,800. The 2007 General Assembly appropriated \$874,300 for part of the planning for this project. Certificates of participation would be provided in the amount of \$13,007,500 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$13,007,500</b>
<b>Receipts - Nonrecurring</b>	<b>\$13,007,500</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**8. ECU School of Dentistry**

Funds are recommended to complete building a dental school at East Carolina University. This project consists of a new 112,500 square-foot building with classrooms, offices, labs and clinical operations on the Health Sciences Campus and 10 community-based dental clinic sites located throughout the region and the state. Planning and site development funds totaling \$28,000,000 were appropriated by the 2006 and 2007 General Assemblies. The total cost for the project is \$90 million. Certificates of participation would be provided in the amount of \$62 million to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$62,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$62,000,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**9. NCSU - Centennial Campus Library**

The Governor recommends funding a 279,000 square-foot library on Centennial Campus for phase II of the 2002 Library Master Plan. The new library will serve the specific needs of Centennial Campus and will address significant shortages in student study space. The integration of the Institute for Emerging Issues with the new library will provide the unique opportunity for collaboration between academia, government, and businesses. The Textiles Library will also be housed in this facility. Planning and site utilities funds totaling \$17,000,000 were appropriated by the 2007 General Assembly. The total cost for the project is \$114 million. Certificates of participation would be provided in the amount of \$97 million to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$97,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$97,000,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**10. UNCCH - School of Dentistry Addition**

Funds are recommended for a 216,000 square-foot building for the School of Dentistry. The program spaces comprise academic, research, clinical, administrative space, as well as lecture rooms, vivarium facility, and all related site work. The project includes the demolition of the Dental Research Building, the demolition of the Dental Office Building and renovations to portions of the Old Dental Building, Tarrson Hall and Brauer Halls. Approximately one-fifth of the building will be programmed as shell space for later development. Planning and development funds of \$2 million were appropriated by the 2005 General Assembly, \$3 million by the 2006 General Assembly, and \$25 million by the 2007 General Assembly for a total of \$30 million. The university will provide \$26,000,000 in additional funding for this

project from non-general fund sources. The total construction authorization will be \$99,000,000 from the General Fund plus \$26,000,000 from non-General Fund sources. The total cost of this project, from all sources, will be \$125,000,000. Certificates of participation would be provided in the amount of \$69 million to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$69,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$69,000,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**11. WSSU - Student Activity Center-Supplement**

The Governor recommends funding the completion of the Student Activity Center at Winston-Salem State University. This project received appropriated planning funds of \$768,225 in 2006 and \$18,708,000 of construction authorization in 2007 financed with special indebtedness (COPS). A proposed supplement of \$9,799,000 is needed to cover construction costs previously anticipated to be funded from non-General Fund sources. This project will provide a 90,000 square-foot facility for academic instruction and student activities spaces including: fitness center, lockers, showers, lecture hall/theater, flexible space for dancing, racquetball, basketball, indoor track, student bookstore, food court, offices for the Student Government Association, Year Book, Student Newspaper, study rooms and student activity space. The facility will also include a two-story, 200 vehicle parking deck to be located under the facility. The university will provide \$3,252,775 in additional funding for this project from non-general fund sources.

<b>Requirements - Nonrecurring</b>	<b>\$9,799,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$9,799,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**12. UNCG - Academic Classroom and Office Building**

The Governor recommends funding to provide a 120,000 square foot, four-floor building to help alleviate an intense need for classroom space. Enrollment has increased significantly and is anticipated to grow from 16,250 students in the Fall 2006 to 18,000 students in the Fall 2009. This growth will be accompanied by a corresponding increase in faculty. Space is needed to house new academic programs based upon regional, statewide, and national demand, and to accommodate growth in externally funded research. Planning funds of \$2,300,000 were appropriated by the 2006 General Assembly and \$2,500,000 by the 2007 General Assembly. The total cost of this project is \$47,467,000.

<b>Requirements - Nonrecurring</b>	<b>\$42,667,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$42,667,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**13. UNC -GA - Upper Coastal Plain Higher Education Center**

Funds are recommended for design and construction of a 36,000 square foot general purpose classroom building in Rocky Mount as part of the Upper Coastal Plains Partnership. The building will contain ten classrooms of varying sizes, five laboratory classrooms, a library/resource center, a number of floating faculty offices, administrative and technology spaces, and a student activity area. The classroom building will serve as the primary location for UNC constituent institutions' delivery of site-based higher education programs to Edgecombe, Halifax, Nash, Northampton, and Wilson counties. The four UNC institutions

involved with the Upper Coastal Plain Higher Education Partnership are East Carolina University, Elizabeth City State University, N.C. Central University, and N.C. State University. The total cost of the project of \$14,480,000 includes costs for building construction, land and site development, technology, and furnishings, fixtures and equipment. Certificates of participation would be provided in the amount of \$14,480,000 to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$14,480,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$14,480,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

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**Repair and Renovation Reserve**

It is recommended that \$65,000,000 from the FY 2007-08 credit balance be allocated to the Repair and Renovation Reserve Account.

**1. OSBM Repair and Renovation Reserve**

Of the funds in the Reserve for Repair and Renovations for the 2008-09 fiscal year, it is recommended that \$32,500,000 (50%) be allocated to the Office of State Budget and Management for repairs and renovations pursuant to G.S. 143-15.

**2. UNC Board of Governors Repair and Renovation Reserve**

Of the funds in the Reserve for Repair and Renovations for the 2008-09 fiscal year, it is recommended that \$32,500,000 (50%) be allocated to the Board of Governors of the University of North Carolina for repairs and renovations pursuant to G.S. 143-15.

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**Total Recommended Expansion**

**Recurring**

Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$723,680,538
Receipts	626,681,712
	<hr/>
Appropriation	\$96,998,826
Time Limited Positions	-

**Total Recommended Adjustments for  
Capital Improvements - General Fund  
2008-09**

<b>Recurring</b>	
Requirements	-
Receipts	-
	<hr/>
Appropriation	-
Number of Positions	-
<b>Nonrecurring</b>	
Requirements	\$723,680,538
Receipts	626,681,712
	<hr/>
Appropriation	\$96,998,826
Time Limited Positions	-

## Capital Improvements - Non-General Fund

**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. The Governor recommends authorization of the following capital projects funded from non-General Fund sources.

<b>Total Appropriations and Positions</b>					
	<b>2008-09 Certified</b>	<b>Anticipated Recurring Adjustments*</b>	<b>Net Recommended Expansion and Reduction</b>	<b>2008-09 Recommended</b>	<b>Percent Change</b>
Requirements	\$0	\$0	\$173,848,767	\$173,848,767	
Receipts	-	-	<u>173,848,767</u>	<u>173,848,767</u>	
Appropriation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
Positions	-	-	-	-	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### Agriculture and Consumer Services

##### 1. State Fair - Campground

The Department is authorized to use up to \$5,333,495 of receipts and \$1,008,106 of net proceeds from the sale of an easement to Progress Energy for the Trenton Road Transmission Line for the purpose of constructing a modern campground of up to 400 sites at the State Fairgrounds in Raleigh.

**Requirements - Nonrecurring**      **\$6,341,601**

**Receipts - Nonrecurring**      **\$6,341,601**

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**Appropriation - Nonrecurring**      **-**

##### 2. State Fair - Infrastructure Improvements

Enterprise funds will be used to replace and improve domestic water lines, lighting, and electrical systems at the State Fairgrounds.

**Requirements - Nonrecurring**      **\$200,000**

**Receipts - Nonrecurring**      **\$200,000**

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**Appropriation - Nonrecurring**      **-**

**3. State Fair - Pond Improvements**

Enterprise funds will be used to fill a half acre of the existing large pond to improve water circulation and increase space for the Flower Show and Heritage Circle area.

<b>Requirements - Nonrecurring</b>	<b>\$500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**4. Raleigh Farmers Market Capital Improvements**

Up to \$900,000 of enterprise funds are authorized for capital improvements at the State Farmers Market.

<b>Requirements - Nonrecurring</b>	<b>\$900,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$900,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**5. Triad Farmers Market - Capital Improvements**

The Department may use up to \$3,000,000 of proceeds from the sale of 6.3 acres of land at the Piedmont Farmers Market to purchase adjacent property or make capital improvements at the Triad Farmers Market.

<b>Requirements - Nonrecurring</b>	<b>\$3,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$3,000,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**6. Senator Bob Martin Eastern Agricultural Center Capital Improvements**

Up to \$500,000 of the net proceeds from timber sales is authorized to make capital improvements at the Senator Bob Martin Eastern Agricultural Center.

<b>Requirements - Nonrecurring</b>	<b>\$500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**7. WNC Agricultural Center - New Vision Plan**

Enterprise funds will be used to create a New Vision Plan for the development of the WNC Agricultural Center into a regional event center.

<b>Requirements - Nonrecurring</b>	<b>\$900,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$900,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**8. Plant Industry Division - Plant Conservation Program**

Unallotted capital receipts will be used for preliminary costs for land acquisition and for land management activities conducted on plant conservation reserves.

<b>Requirements - Nonrecurring</b>	<b>\$30,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$30,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**9. Research Stations - Irrigation System Renovation**

Timber receipts will be used to renovate the irrigation systems at the Horticultural Crops Research Station in Clinton and the Peanut Belt Research Station in Lewiston.

<b>Requirements - Nonrecurring</b>	<b>\$200,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$200,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**10. Research Stations - Storage Facilities**

Timber receipts will be used to construct additional storage facilities to shelter existing equipment from the elements at Caswell Research Farm, Oxford Tobacco Research Station, and Horticultural Crops Research Station.

<b>Requirements - Nonrecurring</b>	<b>\$225,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$225,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**11. Piedmont Research Station - Grain Storage Facility Renovation**

Timber receipts will be used to renovate the grain storage facility to increase storage capacity and improve grain harvest efficiency and quality.

<b>Requirements - Nonrecurring</b>	<b>\$400,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$400,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**12. Tidewater Research Station - Steer Barn**

Timber receipts will be used to replace a steer barn at the Tidewater Research Station.

<b>Requirements - Nonrecurring</b>	<b>\$350,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$350,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**13. Caswell Research Farm - Repair Shop**

Timber receipts will be used to construct a repair shop to accommodate large farm equipment.

<b>Requirements - Nonrecurring</b>	<b>\$450,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$450,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**Correction**

**1. Broughton Correctional Center - Laundry Steam Plant**

Enterprise funds will be used to replace the steam plant at Broughton Laundry.

<b>Requirements - Nonrecurring</b>	<b>\$1,400,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,400,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**2. Umstead Correctional Center - Laundry Steam Plant**

Enterprise funds will be used to replace the steam plant at Umstead Laundry.

<b>Requirements - Nonrecurring</b>	<b>\$1,322,965</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,322,965</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**3. Wayne Correctional Center - Chase Laundry Steam Plant**

Enterprise funds will be used to replace the steam plant at Wayne Correctional Center's Chase Laundry.

<b>Requirements - Nonrecurring</b>	<b>\$1,368,926</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,368,926</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**Crime Control and Public Safety**

**1. NC National Guard - Asheville Field Maintenance Shop**

Federal funds will be used to construct a new field maintenance shop at the site of the new armory which is currently under construction.

<b>Requirements - Nonrecurring</b>	<b>\$3,743,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$3,743,000</b>
	<hr/>
<b>Appropriation - Nonrecurring</b>	<b>-</b>



**2. NC National Guard - Camp Butner Training Site - Cantonment Complex**

The NC National Guard has requested federal funds to construct 200 bed spaces, a dining facility, and transient company headquarter buildings.

<b>Requirements - Nonrecurring</b>	<b>\$15,617,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$15,617,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**3. NC National Guard - Fixed Wing Hanger Complex - Morrisville**

The NC National Guard has requested federal funds to construct a new maintenance hanger complex, flight operations center, and administrative and storage spaces.

<b>Requirements - Nonrecurring</b>	<b>\$6,466,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$6,466,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**4. NC National Guard - Armory Improvements**

The NC National Guard Six-Year Capital Plan includes requests for federal funds to address armory improvements through FY 2012-2013. If federal funds become available sooner than anticipated, the NC National Guard may make minor renovations, construct parking, and provide additional on-site storage at the following armories: Roseboro (\$344,048), Taylorsville (\$453,199), Mocksville (\$742,979), Raeford (746,355), Mt. Airy (\$428,560), Lexington (\$660,487), North Wilkesboro (\$597,959), Mooresville (\$743,980), Charlotte (\$748,418), Kings Mountain (\$505,446), Forest City (\$531,075), Saint Pauls (\$433,686), Winston-Salem (\$724,477), and Rockingham (\$741,604). These improvements are necessary to accommodate federal changes to the National Guard Unit's structure.

<b>Requirements - Nonrecurring</b>	<b>\$8,402,273</b>
<b>Receipts - Nonrecurring</b>	<b>\$8,402,273</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**Cultural Resources**

**1. Museum of Art - Enhanced Landscaping**

This project involves providing professionally designed landscaping for the new museum building and constructing a sculpture garden, courtyards, storm water improvements, lighting and signage. Funds from the N.C. Museum of Art Foundation will pay for this project.

<b>Requirements - Nonrecurring</b>	<b>\$7,500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$7,500,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**2. USS North Carolina Battleship Memorial - Phase 3 Renovations**

Enterprise funds will be used to restore the Battleship's honor room and wardroom to service-era conditions, renovate the main deck exhibit area, upgrade the HVAC system, and install ADA accessible restrooms.

<b>Requirements - Nonrecurring</b>	<b>\$1,977,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,977,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**Environment and Natural Resources**

**1. Bladen Lakes State Forest - Shop Building**

This project is for the construction of a shop and storage building to replace the inadequate existing shop. The current shop has received numerous citations by the State Fire Marshal due to its age, construction type, and current use. This project will be funded from timber receipts.

<b>Requirements - Nonrecurring</b>	<b>\$943,800</b>
<b>Receipts - Nonrecurring</b>	<b>\$943,800</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**2. Forest Resources - Region 2 Training Building**

Timber receipts will be used to construct a single story classroom building for use by Division staff as a central training and meeting facility.

<b>Requirements - Nonrecurring</b>	<b>\$460,500</b>
<b>Receipts - Nonrecurring</b>	<b>\$460,500</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**3. Gorges State Park - Phase 1B Development**

This project includes construction of a visitor center, picnic area with shelter, restrooms, range residence, and parking. The project will be funded from Parks and Recreation Trust Funds.

<b>Requirements - Nonrecurring</b>	<b>\$6,263,275</b>
<b>Receipts - Nonrecurring</b>	<b>\$6,263,275</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**4. Pilot Mountain State Park - Grassy Creek Development**

Parks and Recreation Trust funds will be used for the construction of roads and infrastructure to support a community and education building, picnic shelter, restrooms, and parking facilities.

<b>Requirements - Nonrecurring</b>	<b>\$5,833,722</b>
<b>Receipts - Nonrecurring</b>	<b>\$5,833,722</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**5. Carvers Creek State Park - Long Valley Development**

This project includes the development of roads, infrastructure, and facility improvements to provide public access to a historically significant property. The project will be funded from Parks and Recreation Trust funds.

<b>Requirements - Nonrecurring</b>	<b>\$1,500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,500,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**6. State Parks - Construction Reserve**

The Parks and Recreation Trust Fund will provide funding for a construction reserve to cover unexpected budget shortfalls for existing capital improvement projects at state parks throughout the state.

<b>Requirements - Nonrecurring</b>	<b>\$864,550</b>
<b>Receipts - Nonrecurring</b>	<b>\$864,550</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**7. State Parks - Major Maintenance Projects**

The Parks and Recreation Trust Fund will provide funding for a maintenance reserve to cover facility repairs of less than \$100,000 at state parks throughout the state.

<b>Requirements - Nonrecurring</b>	<b>\$1,200,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,200,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**8. State Parks - Trail Maintenance Projects**

The Parks and Recreation Trust Fund will provide funding for a trail maintenance reserve to repair trails at state parks throughout the state.

<b>Requirements - Nonrecurring</b>	<b>\$500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**9. Haw River State Park - Brown Summit Cottage Improvements**

This project involves improvements to a cottage which houses sleeping facilities for overnight visitors and staff. Parks and Recreation Trust Funds will be used to fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$450,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$450,000</b>
<hr/>	
<b>Appropriation - Nonrecurring</b>	<b>-</b>

**10. Chimney Rock State Park - Bridge and Trail Improvements**

Funds from the Parks and Recreation Trust Fund will be used to make improvements to Rocky Broad bridge and trails.

<b>Requirements - Nonrecurring</b>	<b>\$1,600,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,600,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

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**Transportation**

**1. Statewide Transportation Operations Center**

This project is to construct a Transportation Operations Center adjacent to the Emergency Operation Center located on the lower level of the new NC National Guard Joint Force Headquarters. The State Highway Patrol regional communications center and Turnpike Authority will also be located in this Transportation Operations Center. The project will be funded from \$5,330,000 of federal funds and \$2,320,000 from DOT credit balance funds. Advance planning in the amount of \$600,000 was authorized in FY 2007-08.

<b>Requirements - Nonrecurring</b>	<b>\$7,650,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$7,650,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

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**Wildlife Resources Commission**

**1. Land Acquisitions - State Game Lands**

In FY 2008-09, the Wildlife Resources Commission may use \$62,660,000 of agency receipts, state grants, federal grants, and other available non-General funds to acquire land identified in the Six-Year Capital Plan. Land identified in the capital plan for acquisition during FY 2008-09 includes: IP-Juniper Creek Tract, IP-Tar River Tract, IP-Chowan River Tract, IP-Roanoke River Tract, GMS Tract, Johns River Tract, Norwood Tract, Corbett Tract, Kannapolis Tract, Adirondack Tract, Camp Knob Tract, Pension Fund Tract, RMK Tract, McDuffie Tract, Marks Creek Tract, Jenkins Tract, McPherson Tract, Chalk Tract, Willamette Tract, Sara James Tract, Fisher Tract, McDonald Tract, Odum Tract, Fillipo Tract, Snelson Tract, Kasab Tract, Eller Tract,

Garrou Tract, Chelsie Grouse Tract, Mildred Grouse Tract, James Hill Tract, Charles Cooper Tract, Raby Bend Tract, Maple Prison Camp Tract, Pond Mountain Tract, Alcoa-Tuckertown Tract, Diggs Tract, HWY 18 Tract, Thoroughfarre Island Tract, and the Whitehall Plantation Tract.

<b>Requirements - Nonrecurring</b>	<b>\$62,660,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$62,660,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**2. Land Acquisitions - State Game Lands (Long Range Acquisitions)**

In addition to the property identified for acquisition in FY 2008-09, the Capital Plan identifies the following 25 tracts of land for acquisition through FY 2012-13 to enhance state game lands. Agency receipts, state grants, federal grants, and other available non-General Fund sources will be used to acquire these properties. Land acquisition priorities change frequently in response to property that temporarily becomes available for purchase. As a result, the Wildlife Resources Commission may acquire property listed below earlier than scheduled on the Capital Plan. The 25 tracts of land include: Weyerhauser Roquist Tract, Paschal Tract, Coastal Lumber Tract, Register King Tract, Marion Carter Estate Tract, Mulberry Bog Tract, Graves Tract, Hodgson Tract, Bernhardt Tract, Buffalo Cove Tract, CCC Tract, Tillman Tract, Atkins Tract, Robert Hill Tract, Nemeth Tract, Hawkins Tract, Wilson Tract, Coweeta Tract, Gull Island Tract, Whitehurst-Devils Garden Tract, Snoddy Tract, Little Rose Creek Tract, President Tract, Leak-Wall Tract, and the Lutz Tract.

**3. Centennial Campus Center for Wildlife Education - Exhibit Completion**

Agency receipts will be used to complete the Sustainable exhibit for the Centennial Campus Center for Wildlife Education. A portion of the planned rough structure was completed during initial construction of the exhibits in 2007.

<b>Requirements - Nonrecurring</b>	<b>\$200,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$200,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**4. Centennial Campus Center for Wildlife Education - Heat and Humidity Controls**

Agency receipts will be used for equipment to reduce heat and humidity in the distance learning control room.

<b>Requirements - Nonrecurring</b>	<b>\$6,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$6,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**5. Outer Banks Center for Wildlife Education - Teaching Facility**

Agency receipts will be used to construct classrooms and upfit the teaching facility to improve educational programs at the Center. Advance planning in the amount of \$30,000 was approved in FY 2007-08 for this project bringing the total project cost to \$730,000.

<b>Requirements - Nonrecurring</b>	<b>\$700,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$700,000</b>

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**Appropriation - Nonrecurring** -

**6. Outer Banks Center for Wildlife Education - Repairs and Improvements**

Agency receipts will be used for improvements to the boardwalk, lighting protection, external building lights, security cameras and webcams, aquarium life support generator, flooring, and interior walls.

<b>Requirements - Nonrecurring</b>	<b>\$223,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$223,000</b>

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**Appropriation - Nonrecurring** -

**7. Pisgah Center for Wildlife Education - Teaching Facility**

Agency receipts will be used to construct classrooms and office space to support educational programs. Advance planning in the amount of \$73,800 was authorized for this project in FY 2007-08 bringing the total project cost to \$638,705.

<b>Requirements - Nonrecurring</b>	<b>\$564,905</b>
<b>Receipts - Nonrecurring</b>	<b>\$564,905</b>

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**Appropriation - Nonrecurring** -

**8. Pisgah Center for Wildlife Education - Repairs and Improvements**

Agency receipts will be used for improvements to the wastewater treatment system, installation of energy efficient lighting, renovations to a classroom, and repairs to the roof.

<b>Requirements - Nonrecurring</b>	<b>\$148,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$148,000</b>

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**Appropriation - Nonrecurring** -

**9. Pisgah Center for Wildlife Education - Outdoor Exhibit**

Agency receipts will be used to repair and upgrade the existing outdoor exhibits. The current outdoor exhibit is worn, the audio component is inoperable, and information is outdated.

<b>Requirements - Nonrecurring</b>	<b>\$450,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$450,000</b>

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**Appropriation - Nonrecurring** -

**10. Pisgah Center for Wildlife Education - Gift Shop Extension**

The existing gift shop will be expanded using agency receipts.

<b>Requirements - Nonrecurring</b>	<b>\$200,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$200,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**11. Pisgah Center for Wildlife Education - Teaching Facility Upfit and Pavilion**

Agency receipts will be used to construct classrooms, offices, and an outdoor teaching pavilion to support educational programs at the Center.

<b>Requirements - Nonrecurring</b>	<b>\$280,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$280,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**12. Pisgah Center for Wildlife Education - Storage Building**

Agency receipts will be used to replace four small sheds behind the classroom with one large storage building.

<b>Requirements - Nonrecurring</b>	<b>\$150,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$150,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**13. McKinney Lake Hatchery - Kettle Replacement**

This project will replace existing harvest kettles and water inlet boxes in hatchery ponds to allow for efficient harvest of fish. The existing kettles are old and are deteriorating. License fees and federal funds will pay for this project.

<b>Requirements - Nonrecurring</b>	<b>\$1,955,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,955,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**14. New Coldwater Fish Hatchery**

License fees and federal funds will be used to construct a new coldwater fish hatchery as existing hatcheries are nearing production capacity.

<b>Requirements - Nonrecurring</b>	<b>\$7,900,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$7,900,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**15. Table Rock Hatchery - Office Building and Workshop**

License fees and federal funds will be used to replace the existing office building and workshop that are inadequate to meet the needs of the hatchery.

<b>Requirements - Nonrecurring</b>	<b>\$345,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$345,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**16. Table Rock Fish Hatchery - New Building**

This project will renovate and expand an existing hatchery building at Table Rock State Fish Hatchery and demolish another old hatchery building. Federal funds and license fees will fund this project.

<b>Requirements - Nonrecurring</b>	<b>\$575,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$575,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**17. Watha Fish Hatchery - Residence Replacement**

This project will replace three severely deteriorating modular residences at the Watha State Fish Hatchery with new site built residences.

<b>Requirements - Nonrecurring</b>	<b>\$707,250</b>
<b>Receipts - Nonrecurring</b>	<b>\$707,250</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**18. Chowan Bridge Fishing Pier and Boating Access**

This project will renovate the remaining section of the old US 17 bridge into a public fishing pier. In addition, the existing Edenhouse Boating Access Area will be renovated. Coastal Recreation Fishing License receipts and federal funds will pay for this project.

<b>Requirements - Nonrecurring</b>	<b>\$2,000,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$2,000,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**19. Rhodes Pond Dam Repairs**

License fees and federal funds will be used to repair the existing dam per Division of Dam Safety requirements.

<b>Requirements - Nonrecurring</b>	<b>\$500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>



**20. Armstrong Hatchery - Lower Raceway Renovation**

License fees and federal funds will be used to design and construct new raceways to provide more efficient use of water resources and increase trout production capabilities at the hatchery.

<b>Requirements - Nonrecurring</b>	<b>\$1,725,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$1,725,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**21. Marion Depot - Drainage Repairs**

This project will repair drainage resulting from old pipes, culverts and springs that are eroding the field below the Marion Depot building. The erosion and sinkholes are threatening the roadway and equipment at the facility. License fees and federal funds will pay for this project.

<b>Requirements - Nonrecurring</b>	<b>\$200,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$200,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**22. New Construction Depot**

Agency receipts will be used to build a new depot to function as an office and heavy equipment yard for a new heavy construction crew recently approved. There is no available space at the existing depots to support this new construction crew.

<b>Requirements - Nonrecurring</b>	<b>\$500,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$500,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**23. Boating Access Area Improvements**

Agency receipts will be used to renovate existing and construct new boating access areas throughout the coastal region of state. Advance planning in the amount of \$50,000 was approved for this project in FY 2007-08 bringing the total project cost to 2,850,000.

<b>Requirements - Nonrecurring</b>	<b>\$2,800,000</b>
<b>Receipts - Nonrecurring</b>	<b>\$2,800,000</b>
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<b>Appropriation - Nonrecurring</b>	<b>-</b>

**Total Recommended Expansion**

**Recurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$173,848,767
Receipts	173,848,767
<hr/>	
Appropriation	-
Time Limited Positions	-

**Total Recommended Adjustments for  
 Capital Improvements - Non-General Fund  
 2008-09**

**Recurring**

Requirements	-
Receipts	-
<hr/>	
Appropriation	-
Number of Positions	-

**Nonrecurring**

Requirements	\$173,848,767
Receipts	173,848,767
<hr/>	
Appropriation	-
Time Limited Positions	-

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# **Recommended Appropriations**

Reserves, Debt Service, and Other Adjustments

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General Fund

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## Reserves, Debt Service, and Other Adjustments - General Fund (190xx)

### Total Appropriations and Positions

	2008-09 Certified	Anticipated Recurring Adjustments*	Net Recommended Expansion and Reduction	2008-09 Recommended	Percent Change
Requirements	\$1,401,537,863	\$0	\$621,614,110	\$2,023,151,973	44.4 %
Receipts	<u>42,612,214</u>	-	<u>17,500,000</u>	<u>60,112,214</u>	41.1 %
Appropriation	<u>\$1,358,925,649</u>	<u>\$0</u>	<u>\$604,114,110</u>	<u>\$1,963,039,759</u>	44.5 %
Positions	-	-	17.000	17.000	

\* Adjustments subject to GS 143C-6-4.(b)(3)(iii)

## Appropriation Items -- Recommended Adjustments

### Expansion

2008-09

#### Employee Benefits

##### 1. Excess Funds in Health Plan Reserve

It is recommended that funds in the Health Plan Reserve be reduced to more accurately reflect actual requirements for FY 2008-09.

**Appropriation (\$5,000,000)**

##### 2. State-Funded Employee Compensation Increases

It is recommended that funds be appropriated to increase salaries of state-funded public school system employees, community college employees, university system employees, and state agency employees.

1. Teacher Salary Schedule Employees - step (1.83%), plus \$2,000 flat increase and compression of 0-2 and 3-4 steps equal to an average of 7%. Administrators - step (1.67%) plus \$2,000 flat increase to equal an average of 6.0%.

2. Community Colleges, University System, and State Agency Employees - 1.5% annual increase and \$1,000 one-time bonus.

**Appropriation \$404,000,000**

**Appropriation - Nonrecurring \$190,200,000**

##### 3. Retirement Contribution (Retiree COLA)

It is recommended that a 1.2% cost-of-living adjustment be provided to retirees of the Teachers' and State Employees' Retirement System and to retirees of the Consolidated Judicial Retirement System. This adjustment is funded by actuarial gains within the retirement system, so no additional appropriations are needed.

**Statewide Reserves**

**1. Task Force on Preventing Agricultural Pesticide Exposure**

It is recommended that funds be appropriated to implement the recommendations outlined by the Governor's Task Force on Preventing Pesticide Exposure. They include: 1. NCSU Cooperative Extension - \$100,000 R to establish a bilingual extension associate. 2. DHHS Office of Rural Health - \$197,152 R to establish 5 additional certified trainers in the NC Farmworker Health Program. 3. DHHS Division of Public Health - \$91,340 R and \$142,962 NR to establish one public health epidemiologist to assist with the screening of pesticide exposure. Funds also support updating worker protection training curriculum materials. 4. Agriculture - \$54,256 R and \$128,400 NR to establish a Quality Assurance Manager position and to accelerate the development of a comprehensive data tracking system for field inspectors.

<b>Appropriation</b>	<b>\$442,748</b>
<b>Appropriation - Nonrecurring</b>	<b>\$271,362</b>
<b>Number of Positions</b>	<b>8.000</b>

**2. 2010 Census Local Promotion**

It is recommended that funds be appropriated to support the "NC Can Count on Me" 2010 Census promotional campaign. 2010 Census data will be used to apportion seats in the United States Congress and the North Carolina General Assembly, distribute state and federal resources, and support needs assessment and planning for the future of our communities. The campaign will support the creation of local Complete Count Committees across the state by providing information and material to inform North Carolinians of the importance of the United States Census and encourage their participation. The campaign will also include public service announcements for broadcast across the state's television and radio stations. Funds will be managed by the State Data Center in the Office of State Budget and Management.

<b>Appropriation - Nonrecurring</b>	<b>\$1,500,000</b>
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**3. North Carolina Master Address Dataset**

It is recommended that funds be appropriated to develop a North Carolina Master Address Dataset, which is critical to the accuracy and completeness of the decennial census. In addition to ensuring census coverage across the state, the dataset will also improve emergency response, school and voting redistricting, delivery of citizen services, and other public agency business applications and functions. Funds to complete this project would be provided to the Center for Geographic Information and Analysis.

<b>Appropriation - Nonrecurring</b>	<b>\$1,000,000</b>
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**4. Energy Efficiency Reserve**

It is recommended that funds be appropriated to support projects that make state, university, or community college facilities more energy efficient. Projects may include the utilization of more efficient lighting technology, insulation and weatherproofing, modification of HVAC systems, and installation of aerators in faucets. These funds shall be administered by the State Energy Office in the Department of Administration.

<b>Appropriation - Nonrecurring</b>	<b>\$2,000,000</b>
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**5. Drought Reserve**

It is recommended that funds be appropriated for drought response activities, including 1) initiatives to assist local governments with leak detection programs, 2) development of water

conservation educational programs, 3) completion of a statewide inventory of interconnections among water systems, and 4) supplemental funding for emergency infrastructure projects.

**Appropriation - Nonrecurring \$1,500,000**

**6. Job Development Investment Grant (JDIG) Program**

It is recommended that additional funds be provided to the meet the cash requirements of the JDIG Program.

**Appropriation \$17,700,000**

**Information Technology**

**1. ITS Costs - Hold Harmless Funds for State Agencies**

It is recommended that funds be provided to hold affected state agencies harmless as a result of the restructuring of fees at the Office of Information Technology Services.

**Appropriation \$1,500,000**

**2. Geographic Information System (GIS) Reserve**

The Office of State Budget and Management (OSBM) recently completed a study of statewide geographic information system operations. The study included several recommendations related to governance and funding and has been endorsed by the the state's Geographic Information Coordinating Council. This budget recommendation includes funding for 1) \$2,552,330 R and \$2,250,000 NR to develop and maintain data layers for stream mapping, parcel boundaries, land cover, water distribution, sewer and storm water systems and transportation systems; 2) \$734,040 R to support 8 positions in the Center for Geographic Information and Analysis that are currently receipt-supported; 3) \$635,625 R to cover 25% match for orthophotography (aerial imagery) data layer development; 4) \$250,000 NR to develop a system architecture for the NC OneMap; and 5) \$78,005 R to establish a position to manage the GIS Reserve.

**Appropriation \$4,000,000**

**Appropriation - Nonrecurring \$2,500,000**

**Number of Positions 9.000**

**Debt Service**

**1. Adjust Debt Service Requirements**

It is recommended that General Fund appropriations for debt service be reduced due to revised earnings on bond proceeds.

**Receipts - Nonrecurring \$17,500,000**

**Total Recommended Expansion**

**Recurring**

Requirements	\$422,642,748
Receipts	-
Appropriation	<u>\$422,642,748</u>
Number of Positions	17.000

**Nonrecurring**

Requirements	\$198,971,362
Receipts	17,500,000
<hr/>	
Appropriation	\$181,471,362
Time Limited Positions	-

**Total Recommended Adjustments for  
 Reserves, Debt Service, and Other Adjustments -  
 General Fund  
 2008-09**

**Recurring**

Requirements	\$422,642,748
Receipts	-
<hr/>	
Appropriation	\$422,642,748
Number of Positions	17.000

**Nonrecurring**

Requirements	\$198,971,362
Receipts	17,500,000
<hr/>	
Appropriation	\$181,471,362
Time Limited Positions	-



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# Appendix

## Tables

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Governor's Recommended Budget,  
Governmental and Proprietary Funds and  
Selected Component Units, 2008-09

Governor's Recommended Transportation  
Budget, Governmental and Proprietary  
Funds and Component Units, 2008-09

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**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Education</b>									
<b>Department of Public Instruction (DPI)</b>									
<b>13510</b>	<b>DPI - Requirements GF</b>	\$ 9,540,535,941	\$ (256,848,564)	\$ (59,380,731)	\$ (4,500,000)	\$ 69,337,637	\$ 122,344,780	\$ (129,046,878)	\$ 9,411,489,063
	Receipts	(1,832,220,656)	256,848,564	(27,000,000)	-	(616,491)	-	229,232,073	(1,602,988,583)
	General Fund Appropriation	7,708,315,285	-	(86,380,731)	(4,500,000)	68,721,146	122,344,780	100,185,195	7,808,500,480
	Positions	636.20	14.00	-	-	-	-	14.00	650.20
<b>23502</b>	<b>DPI Requirements - Special GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>23510</b>	<b>DPI Requirements - Special</b>	5,557,676	-	-	-	-	-	-	5,557,676
	Receipts	(5,557,676)	-	-	-	-	-	-	(5,557,676)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>23515</b>	<b>DPI - IT Projects - GF</b>	31,077,644	-	-	-	-	-	-	31,077,644
	Receipts	(31,077,644)	-	-	-	-	-	-	(31,077,644)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	34.0	10.0	-	-	-	-	10.0	44.0
<b>23511</b>	<b>DPI - School Technology - Special</b>	32,315,000	-	-	-	-	-	-	32,315,000
	Receipts	(32,315,000)	-	-	-	-	-	-	(32,315,000)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63501</b>	<b>DPI - Trust - Special</b>	14,012,772	(49,362)	-	-	-	-	(49,362)	13,963,410
	Receipts	(14,012,772)	49,362	-	-	-	-	49,362	(13,963,410)
	Change in Fund Balance	-	-	-	-	-	-	49,362	49,362
	Positions	-	1.5	-	-	-	-	1.5	1.5
<b>63503</b>	<b>DPI - Trust GF</b>	8,553,542	-	-	-	-	-	-	8,553,542
	Receipts	(8,553,542)	-	-	-	-	-	-	(8,553,542)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63510</b>	<b>DPI - Trust - Enterprise</b>	9,601,970	(95,821)	-	-	-	-	(95,821)	9,506,149
	Receipts	(9,601,970)	95,821	-	-	-	-	95,821	(9,506,149)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	9.55	-	-	-	-	-	-	9.55
<b>63511</b>	<b>DPI - Trust GF</b>	35,805,781	-	-	-	-	-	-	35,805,781
	Receipts	(35,805,781)	-	-	-	-	-	-	(35,805,781)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>73510</b>	<b>DPI - Internal Service Fund</b>	145,480,572.0	20,159,020.0	-	-	-	-	20,159,020	165,639,592
	Receipts	(145,480,572.0)	(20,159,020.0)	-	-	-	-	(20,159,020)	(165,639,592)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Education</b>									
<b>Department of Public Instruction (DPI)</b>									
<b>13510</b>	<b>DPI - Requirements GF</b>	\$ 9,540,535,941	\$ (256,848,564)	\$ (59,380,731)	\$ (4,500,000)	\$ 69,337,637	\$ 122,344,780	\$ (129,046,878)	\$ 9,411,489,063
	Receipts	(1,832,220,656)	256,848,564	(27,000,000)	-	(616,491)	-	229,232,073	(1,602,988,583)
	General Fund Appropriation	7,708,315,285	-	(86,380,731)	(4,500,000)	68,721,146	122,344,780	100,185,195	7,808,500,480
	Positions	636.20	14.00	-	-	-	-	14.00	650.20
<b>23502</b>	<b>DPI Requirements - Special GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>23510</b>	<b>DPI Requirements - Special</b>	5,557,676	-	-	-	-	-	-	5,557,676
	Receipts	(5,557,676)	-	-	-	-	-	-	(5,557,676)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>23515</b>	<b>DPI - IT Projects - GF</b>	31,077,644	-	-	-	-	-	-	31,077,644
	Receipts	(31,077,644)	-	-	-	-	-	-	(31,077,644)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	34.0	10.0	-	-	-	-	10.0	44.0
<b>23511</b>	<b>DPI - School Technology - Special</b>	32,315,000	-	-	-	-	-	-	32,315,000
	Receipts	(32,315,000)	-	-	-	-	-	-	(32,315,000)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63501</b>	<b>DPI - Trust - Special</b>	14,012,772	(49,362)	-	-	-	-	(49,362)	13,963,410
	Receipts	(14,012,772)	49,362	-	-	-	-	49,362	(13,963,410)
	Change in Fund Balance	-	-	-	-	-	-	49,362	49,362
	Positions	-	1.5	-	-	-	-	1.5	1.5
<b>63503</b>	<b>DPI - Trust GF</b>	8,553,542	-	-	-	-	-	-	8,553,542
	Receipts	(8,553,542)	-	-	-	-	-	-	(8,553,542)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63510</b>	<b>DPI - Trust - Enterprise</b>	9,601,970	(95,821)	-	-	-	-	(95,821)	9,506,149
	Receipts	(9,601,970)	95,821	-	-	-	-	95,821	(9,506,149)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	9.55	-	-	-	-	-	-	9.55
<b>63511</b>	<b>DPI - Trust GF</b>	35,805,781	-	-	-	-	-	-	35,805,781
	Receipts	(35,805,781)	-	-	-	-	-	-	(35,805,781)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>73510</b>	<b>DPI - Internal Service Fund</b>	145,480,572.0	20,159,020.0	-	-	-	-	20,159,020	165,639,592
	Receipts	(145,480,572.0)	(20,159,020.0)	-	-	-	-	(20,159,020)	(165,639,592)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget  
Governmental and Proprietary Funds and Selected Component Units  
2008-09**

Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
	Total Requirement Budget - Public Instruction	9,822,940,898	(236,834,727)	(59,380,731)	(4,500,000)	69,337,637	122,344,780	(109,033,041)	9,713,907,857		
	Total Receipts	(2,114,625,613)	236,834,727	(27,000,000)	-	(616,491)	-	209,218,236	(1,905,407,377)		
	Total Appropriation	7,708,315,285	-	(86,380,731)	(4,500,000)	68,721,146	122,344,780	100,185,195	7,808,500,480		
	Total Change in Fund Balance							49,362			
	Positions	679.75	25.50	-	-	-	-	25.50	705.25		
<b>Community Colleges (CC)</b>											
16800	CC - Requirements GF	1,122,535,857	745,853	(4,526,595)	(5,283,246)	36,828,754	8,813,952	36,578,718	1,159,114,575		
	Receipts	(222,892,854)	(745,853)	(4,500,000)	-	(6,672,670)	-	(11,918,523)	(234,811,377)		
	General Fund Appropriation	899,643,003	-	(9,026,595)	(5,283,246)	30,156,084	8,813,952	24,660,195	924,303,198		
	Positions	203.00	-	-	-	2.00	-	2.00	205.00		
26800	CC - Special GF	30,343,822	-	-	-	-	-	-	30,343,822		
	Receipts	(30,343,822)	-	-	-	-	-	-	(30,343,822)		
	Change in Fund Balance	-	-	-	-	-	-	-	-		
	Positions	-	-	-	-	-	-	-	-		
26802	NCCCS - Information Technology	27,279,227.0	-	-	-	-	-	-	27,279,227		
	Receipts	(27,279,227.0)	-	-	-	-	-	-	(27,279,227)		
	Change in Fund Balance	-	-	-	-	-	-	-	-		
	Positions	-	-	-	-	-	-	-	-		
66801	CC - Trust GF	14,011,202	-	-	-	-	-	-	14,011,202		
	Receipts	(14,011,202)	-	-	-	-	-	-	(14,011,202)		
	Change in Fund Balance	-	-	-	-	-	-	-	-		
	Positions	-	-	-	-	-	-	-	-		
	Total Requirement Budget - Community Colleges	1,194,170,108	745,853	(4,526,595)	(5,283,246)	36,828,754	8,813,952	36,578,718	1,230,748,826		
	Total Receipts	(294,527,105)	(745,853)	(4,500,000)	-	(6,672,670)	-	(11,918,523)	(306,445,628)		
	Total Appropriation	899,643,003	-	(9,026,595)	(5,283,246)	30,156,084	8,813,952	24,660,195	924,303,198		
	Total Change in Fund Balance										
	Positions	203.00	-	-	-	2.00	-	2.00	205.00		
<b>Component Units</b>											
<b>University System</b>											
16010	UNC - General Administration Requirements	51,542,724	-	(698,003)	-	-	-	(698,003)	50,844,721		
	Receipts	(8,895,700)	-	-	-	-	-	-	(8,895,700)		
	General Fund Appropriation	42,647,024	-	(698,003)	-	-	-	(698,003)	41,949,021		
	Positions	365.52	-	-	-	-	-	-	365.52		
16011	UNC - Institutional Programs Requirements	132,917,624	-	-	-	51,607,952	8,680,200	60,288,152	193,205,776		
	Receipts	-	-	-	-	-	-	-	-		
	General Fund Appropriation	132,917,624	-	-	-	51,607,952	8,680,200	60,288,152	193,205,776		
	Positions	49.00	-	-	-	60.40	-	60.40	109.40		
16012	UNC - Educational Programs Requirements	294,667,162	-	-	-	-	-	-	294,667,162		
	Receipts	(166,321,590)	-	-	-	-	-	-	(166,321,590)		
	General Fund Appropriation	128,345,572	-	-	-	-	-	-	128,345,572		
	Positions	-	-	-	-	-	-	-	-		

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>16015</b>	<b>UNC - Aid to Private Institutions Requirements</b>								
	Receipts								
	General Fund Appropriation								
	Positions								
<b>16020</b>	<b>UNC-CH Academic Affairs Requirements</b>	463,148,464		(2,976,799)	(461,324)			(3,438,123)	459,710,341
	Receipts	(187,291,887)							(187,291,887)
	General Fund Appropriation	275,856,577		(2,976,799)	(461,324)			(3,438,123)	272,418,454
	Positions	4,234,03							4,234,03
<b>16021</b>	<b>UNC-CH Health Affairs Requirements</b>	242,864,860		(2,500,731)	(29,973)			(2,530,704)	240,334,156
	Receipts	(48,557,497)							(48,557,497)
	General Fund Appropriation	194,407,363		(2,500,731)	(29,973)			(2,530,704)	191,876,659
	Positions	2,133,00							2,133,00
<b>16022</b>	<b>UNC-CH Health Education Requirements</b>	47,818,875		(382,551)				(382,551)	47,436,324
	Receipts								
	General Fund Appropriation	47,818,875		(382,551)				(382,551)	47,436,324
	Positions	95,08							95,08
<b>16030</b>	<b>UNC-NCSU - Academic Affairs Requirements</b>	548,075,961		(4,191,292)	(308,156)			(4,499,448)	543,576,513
	Receipts	(189,400,092)							(189,400,092)
	General Fund Appropriation	358,675,869		(4,191,292)	(308,156)			(4,499,448)	354,176,421
	Positions	5,734,28							5,734,28
<b>16031</b>	<b>UNC-NCSU - Agricultural Research Requirements</b>	62,740,554		(1,727,832)				(1,727,832)	61,012,722
	Receipts	(10,596,545)							(10,596,545)
	General Fund Appropriation	52,144,009		(1,727,832)				(1,727,832)	50,416,177
	Positions	917,53							917,53
<b>16032</b>	<b>UNC-NCSU - Agricultural Extension Requirements</b>	57,561,381		(422,222)				(422,222)	57,139,159
	Receipts	(15,435,194)							(15,435,194)
	General Fund Appropriation	42,126,187		(422,222)				(422,222)	41,703,965
	Positions	813,39							813,39
<b>16040</b>	<b>UNC-Greensboro Requirements</b>	210,119,796		(1,301,393)				(1,301,393)	208,818,403
	Receipts	(60,171,334)							(60,171,334)
	General Fund Appropriation	149,948,462		(1,301,393)				(1,301,393)	148,647,069
	Positions	2,214,52							2,214,52
<b>16050</b>	<b>UNC-Charlotte Requirements</b>	250,467,764		(2,544,424)				(2,544,424)	247,923,340
	Receipts	(83,366,912)							(83,366,912)
	General Fund Appropriation	167,100,852		(2,544,424)				(2,544,424)	164,556,428
	Positions	2,665,85							2,665,85
<b>16055</b>	<b>UNC-Asheville Requirements</b>	47,760,338		(652,328)	(26,836)			(721,492)	47,038,846
	Receipts	(13,608,752)							(13,608,752)
	General Fund Appropriation	34,151,586		(652,328)	(26,836)			(721,492)	33,429,090
	Positions	621,90							621,90

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>16060</b>	<b>UNC-Wilmington Requirements</b>	142,953,351	-	(1,748,746)	-	-	-	(1,748,746)	141,204,605
	Receipts	(45,719,735)	-	-	-	-	-	-	(45,719,735)
	General Fund Appropriation	97,233,616	-	(1,748,746)	-	-	-	(1,748,746)	95,484,870
	Positions	1,654,30	-	-	-	-	-	-	1,654,30
<b>16065</b>	<b>UNC-ECU Requirements</b>	307,995,018	-	(2,173,341)	1,665,101	-	-	(508,240)	307,486,778
	Receipts	(100,196,850)	-	-	-	-	-	-	(100,196,850)
	General Fund Appropriation	207,798,168	-	(2,173,341)	1,665,101	-	-	(508,240)	207,289,928
	Positions	3,145,59	-	-	-	-	-	-	3,145,59
<b>16066</b>	<b>UNC-ECU Health Services Requirements</b>	50,367,536	-	(389,192)	-	-	-	(389,192)	49,978,344
	Receipts	(1,718,500)	-	-	-	-	-	-	(1,718,500)
	General Fund Appropriation	48,649,036	-	(389,192)	-	-	-	(389,192)	48,259,844
	Positions	535,75	-	-	-	-	-	-	535,75
<b>16070</b>	<b>UNC-A&amp;T Requirements</b>	144,008,499	-	(1,195,054)	(80,938)	-	-	(1,275,992)	142,732,507
	Receipts	(52,337,314)	-	-	-	-	-	-	(52,337,314)
	General Fund Appropriation	91,671,185	-	(1,195,054)	(80,938)	-	-	(1,275,992)	90,395,193
	Positions	1,677,25	-	-	-	-	-	-	1,677,25
<b>16075</b>	<b>UNC-Western Carolina Requirements</b>	112,144,022	-	(956,545)	(11,332)	-	-	(967,877)	111,176,145
	Receipts	(26,750,401)	-	-	-	-	-	-	(26,750,401)
	General Fund Appropriation	85,393,621	-	(956,545)	(11,332)	-	-	(967,877)	84,425,744
	Positions	1,359,21	-	-	-	-	-	-	1,359,21
<b>16080</b>	<b>UNC-Appalachian Requirements</b>	175,488,056	-	(1,584,063)	-	-	-	(1,584,063)	173,903,993
	Receipts	(52,003,757)	-	-	-	-	-	-	(52,003,757)
	General Fund Appropriation	123,484,299	-	(1,584,063)	-	-	-	(1,584,063)	121,900,236
	Positions	1,947,84	-	-	-	-	-	-	1,947,84
<b>16082</b>	<b>UNC-Pembroke Requirements</b>	70,352,703	-	(1,031,722)	-	-	-	(1,031,722)	69,320,981
	Receipts	(15,385,574)	-	-	-	-	-	-	(15,385,574)
	General Fund Appropriation	54,967,129	-	(1,031,722)	-	-	-	(1,031,722)	53,935,407
	Positions	749,26	-	-	-	-	-	-	749,26
<b>16084</b>	<b>UNC-Winston-Salem State Requirements</b>	86,244,210	-	(624,656)	-	-	-	(624,656)	85,619,554
	Receipts	(16,691,824)	-	-	-	-	-	-	(16,691,824)
	General Fund Appropriation	69,552,386	-	(624,656)	-	-	-	(624,656)	68,927,730
	Positions	925,12	-	-	-	-	-	-	925,12
<b>16086</b>	<b>UNC-Elizabeth City State Requirements</b>	40,888,108	-	(295,630)	-	-	-	(295,630)	40,592,478
	Receipts	(8,300,722)	-	-	-	-	-	-	(8,300,722)
	General Fund Appropriation	32,587,386	-	(295,630)	-	-	-	(295,630)	32,291,756
	Positions	516,14	-	-	-	-	-	-	516,14
<b>16088</b>	<b>UNC-Fayetteville State Requirements</b>	71,150,853	-	(768,967)	(14,072)	-	-	(783,039)	70,367,814
	Receipts	(17,091,155)	-	-	-	-	-	-	(17,091,155)
	General Fund Appropriation	54,059,698	-	(768,967)	(14,072)	-	-	(783,039)	53,276,659
	Positions	862,15	-	-	-	-	-	-	862,15

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	Recommended Budget
		Budget	Positions	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>16090</b>	<b>UNC-NCCU Requirements</b>	109,803,916	-	-	-	(800,290)	-	-	-	(800,290)	109,003,626
	Receipts	(31,674,794)	-	-	-	-	-	-	-	-	(31,674,794)
	General Fund Appropriation	78,129,122	-	-	-	(800,290)	-	-	-	(800,290)	77,328,832
	Positions	1,150,20	-	-	-	-	-	-	-	-	1,150,20
<b>16092</b>	<b>UNC-NC School of the Arts Requirements</b>	34,022,522	-	-	-	(502,470)	-	-	-	(502,470)	33,520,052
	Receipts	(9,980,461)	-	-	-	-	-	-	-	-	(9,980,461)
	General Fund Appropriation	24,042,061	-	-	-	(502,470)	-	-	-	(502,470)	23,539,591
	Positions	417.14	-	-	-	-	-	-	-	-	417.14
<b>16094</b>	<b>UNC-NC School of Science and Math Requirements</b>	17,803,753	-	-	-	(93,693)	-	-	-	(93,693)	17,810,060
	Receipts	(838,331)	-	-	-	-	-	-	-	-	(838,331)
	General Fund Appropriation	17,065,422	-	-	-	(93,693)	-	-	-	(93,693)	16,971,729
	Positions	270.75	-	-	-	-	-	-	-	-	270.75
<b>16095</b>	<b>UNC-Hospitals Requirements</b>	45,673,970	-	-	-	-	-	-	-	-	45,673,970
	Receipts	-	-	-	-	-	-	-	-	-	-
	General Fund Appropriation	45,673,970	-	-	-	-	-	-	-	-	45,673,970
	Positions	-	-	-	-	-	-	-	-	-	-
<b>56095</b>	<b>UNC-Hospitals Auxiliary Enterprises</b>	174,850	(174,850)	-	-	-	-	-	-	(174,850)	-
	Receipts	(414,849)	414,849	-	-	-	-	-	-	414,849	-
	Change in Fund Balance	(239,999)	239,999	-	-	-	-	-	-	239,999	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>56096</b>	<b>UNC-Hospitals Operating Requirements</b>	812,556,177	(765,824,374)	-	-	-	-	-	-	(765,824,374)	46,731,803
	Receipts	(806,482,623)	760,808,653	-	-	-	-	-	-	760,808,653	(45,673,970)
	Change in Fund Balance	6,073,554	(5,015,721)	-	-	-	-	-	-	(5,015,721)	1,057,833
	Positions	6,230.62	(6,230.62)	-	-	-	-	-	-	(6,230.62)	-
<b>Component Unit Total</b>											
	Total Requirement Budget-UNC System	4,631,513,047	(765,999,224)	(29,761,944)	732,470	51,607,952	8,680,200	8,680,200	8,680,200	(734,740,546)	3,896,772,501
	Total Receipts	(1,969,232,393)	761,223,502	-	-	-	-	-	-	761,223,502	(1,208,008,891)
	Total Appropriation	2,656,447,099	-	(29,761,944)	732,470	51,607,952	8,680,200	8,680,200	8,680,200	31,258,678	2,687,705,777
	Total Change in Fund Balance	5,833,555	(4,775,722)	-	-	-	-	-	-	(4,775,722)	1,057,833
	Positions	41,285.40	(6,230.62)	-	-	60.40	-	-	-	(6,170.22)	35,115.18
	Total Requirement Budget - Education	15,648,624,053	(1,002,088,098)	(93,669,270)	(9,050,776)	157,774,343	139,838,932	139,838,932	139,838,932	(807,194,869)	14,841,429,184
	Total Receipts	(4,378,385,111)	997,312,376	(31,500,000)	-	(7,289,161)	-	-	-	958,523,215	(3,419,861,896)
	Total Appropriation	11,264,405,387	-	(125,169,270)	(9,050,776)	150,485,182	139,838,932	139,838,932	139,838,932	156,104,068	11,420,509,455
	Total Change in Fund Balance	5,833,555	(4,775,722)	-	-	-	-	-	-	(4,726,360)	1,057,833
	Positions	42,168.15	(6,205.12)	-	-	62.40	-	-	-	(6,142.72)	36,025.43
<b>General Government</b>											
<b>Department of Administration</b>											
<b>14100</b>	<b>Administration Requirements - GF</b>	105,283,224	246,273	(638,636)	-	4,150,635	526,063	526,063	526,063	4,284,335	109,567,559
	Receipts	(34,323,690)	(246,273)	-	-	-	-	-	-	(2,546,273)	(36,869,963)
	General Fund Appropriation	70,959,534	-	(638,636)	-	1,850,635	526,063	526,063	526,063	1,738,062	72,697,596
	Positions	746.11	-	-	-	9.00	-	9.00	9.00	-	755.11



**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24100</b>	<b>DOA - Special Fund</b>								
	Receipts	10,989,708	2,184,381	-	-	-	-	2,184,381	13,174,089
	Change in Fund Balance	(10,927,179)	(1,692,244)	-	-	-	-	(1,692,244)	(12,619,423)
	Positions	62,529	492,137	-	-	-	-	492,137	554,666
		37,75	-	-	-	-	-	-	37,75
<b>24101</b>	<b>DOA - Special Health Plan</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24102</b>	<b>DOA - Special Fund</b>								
	Receipts	97,538	-	-	-	-	-	-	97,538
	Change in Fund Balance	(46,620)	-	-	-	-	-	-	(46,620)
	Positions	50,918	-	-	-	-	-	-	50,918
<b>24104</b>	<b>DOA - Special GF</b>								
	Receipts	15,378	4,500,000	-	-	-	-	4,500,000	4,515,378
	Change in Fund Balance	15,378	4,500,000	-	-	-	-	4,500,000	4,515,378
	Positions	-	-	-	-	-	-	-	-
<b>54100</b>	<b>DOA Enterprise</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64100</b>	<b>DOA - Trust</b>								
	Receipts	2,000	-	-	-	-	-	-	2,000
	Change in Fund Balance	(2,000)	-	-	-	-	-	-	(2,000)
	Positions	-	-	-	-	-	-	-	-
<b>64106</b>	<b>DOA - NC Veteran Trust</b>								
	Receipts	15,281,130	-	-	-	-	-	-	15,281,130
	Change in Fund Balance	(15,281,130)	-	-	-	-	-	-	(15,281,130)
	Positions	-	-	-	-	-	-	-	-
<b>74100</b>	<b>DOA - Internal Service</b>								
	Receipts	60,137,128	-	-	-	-	-	-	60,137,128
	Change in Fund Balance	(60,137,128)	-	-	-	-	-	-	(60,137,128)
	Positions	192,25	-	-	-	-	-	-	192,25
<b>74103</b>	<b>DOA - Internal Service - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Department of Administration</b>	191,806,106	6,930,654	(638,636)	-	4,150,635	526,063	10,968,716	202,774,822
	<b>Total Receipts</b>	(120,717,747)	(1,938,517)	-	-	(2,300,000)	-	(4,238,517)	(124,956,264)
	<b>Total Appropriation</b>	70,959,534	-	(638,636)	-	1,850,635	526,063	1,739,062	72,697,596
	<b>Total Change in Fund Balance</b>	128,825	4,992,137	-	-	-	-	4,992,137	5,120,962
	<b>Positions</b>	976,11	-	-	-	9,00	-	9,00	985,11
<b>18210</b>	<b>Office of Administrative Hearings (OAH)</b>								
	Office of Administrative Hearings Requirements GF	3,576,594	-	(31,696)	-	91,840	253,400	313,544	3,890,138
	Receipts	(54,859)	-	-	-	-	-	-	(54,859)
	General Fund Appropriation	3,521,735	-	(31,696)	-	91,840	253,400	313,544	3,835,279
	Positions	45,00	-	-	-	-	-	-	45,00

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Total Requirement Budget - Administrative Hearings</b>											
	Total Receipts	3,576,594	-	-	-	(31,896)	-	91,840	253,400	313,544	3,890,138
	Total Appropriation	(54,859)	-	-	-	-	-	-	-	-	(54,859)
	Total Change in Fund Balance	3,521,735	-	-	-	(31,896)	-	91,840	253,400	313,544	3,835,279
	Positions	45.00	-	-	-	-	-	-	-	-	45.00
<b>Office of the State Auditor (OSA)</b>											
<b>13300 OSA - Requirements GF</b>											
	Receipts	15,803,310	802,493	-	-	-	-	82,128	-	884,621	16,687,931
	General Fund Appropriation	(3,056,831)	(802,493)	-	-	(316,066)	-	-	-	(1,118,559)	(4,175,390)
	Positions	12,746,479	-	-	-	(316,066)	-	82,128	-	(233,939)	12,512,541
	Positions	192.00	9.00	-	-	-	-	-	-	9.00	201.00
<b>23300 OSA - Special</b>											
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>Total Requirement Budget - Office of the State Auditor</b>											
	Total Receipts	15,803,310	802,493	-	-	-	-	82,128	-	884,621	16,687,931
	Total Appropriation	(3,056,831)	(802,493)	-	-	(316,066)	-	-	-	(1,118,559)	(4,175,390)
	Total Change in Fund Balance	12,746,479	-	-	-	(316,066)	-	82,128	-	(233,939)	12,512,541
	Positions	192.00	9.00	-	-	-	-	-	-	9.00	201.00
<b>State Board of Elections (SBOE)</b>											
<b>18025 Board of Elections - Requirements GF</b>											
	Receipts	13,158,985	-	-	-	(48,135)	-	285,962	-	237,827	13,396,812
	General Fund Appropriation	(3,532,117)	-	-	-	-	-	-	-	-	(3,532,117)
	Positions	9,626,868	-	-	-	(48,135)	-	285,962	-	237,827	9,864,695
	Positions	62.00	-	-	-	-	-	5.00	-	5.00	67.00
<b>28025 SBOE - HAVA Federal GF</b>											
	Receipts	12,036,446	-	-	-	-	-	-	-	-	12,036,446
	Change in Fund Balance	(629,250)	-	-	-	-	-	-	-	-	(629,250)
	Positions	11,407,196	-	-	-	-	-	-	-	-	11,407,196
	Positions	-	-	-	-	-	-	-	-	-	-
<b>68025 SBOE - NC Candidate - Special</b>											
	Receipts	1,089,510	-	-	-	-	-	-	-	-	1,089,510
	Change in Fund Balance	(1,089,510)	-	-	-	-	-	-	-	-	(1,089,510)
	Positions	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>68026 SBOE - NC Political Party - Special</b>											
	Receipts	258,876	-	-	-	-	-	-	-	-	258,876
	Change in Fund Balance	(258,876)	-	-	-	-	-	-	-	-	(258,876)
	Positions	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>68027 SBOE - Presidential Candidate Special</b>											
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>28026 SBOE - IT Project</b>											
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>54670 SBOE - Education Lottery Commission - Enterprise</b>											
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Total Requirement Budget - SBOE</b>											
	Total Receipts	26,543,817	-	-	-	(48,135)	-	285,962	-	237,827	26,781,644
	Total Appropriation	(5,509,753)	-	-	-	(48,135)	-	-	-	-	(5,509,753)
	Total Change in Fund Balance	9,826,868	-	-	-	-	-	285,962	-	237,827	9,864,695
	Positions	11,407,196	-	-	-	-	-	-	-	-	11,407,196
		62.00	-	-	-	-	-	5.00	-	5.00	67.00
<b>Office of State Controller (OSC)</b>											
<b>14160 OSC - Requirements GF</b>											
	Receipts	20,805,378	-	-	-	(103,638)	-	-	-	(103,638)	20,701,740
	General Fund Appropriation	(77,680)	-	-	-	-	-	-	-	-	(77,680)
	Positions	20,727,698	-	-	-	(103,638)	-	-	-	(103,638)	20,624,060
		142.50	-	-	-	-	-	-	-	-	142.50
<b>24160 OSC - Special GF</b>											
	Receipts	2,789,153	-	-	-	-	-	-	-	-	2,789,153
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	2,789,153	-	-	-	-	-	-	-	-	2,789,153
<b>Total Requirement Budget - OSC</b>											
	Total Receipts	23,594,531	-	-	-	(103,638)	-	-	-	(103,638)	23,490,893
	Total Appropriation	(77,680)	-	-	-	-	-	-	-	-	(77,680)
	Total Change in Fund Balance	20,727,698	-	-	-	(103,638)	-	-	-	(103,638)	20,624,060
	Positions	2,789,153	-	-	-	-	-	-	-	-	2,789,153
		142.50	-	-	-	-	-	-	-	-	142.50
<b>Cultural Resources</b>											
<b>14800 Cultural Resources - Requirements GF</b>											
	Receipts	79,664,614	244,162	-	-	(646,933)	-	1,814,800	500,000	1,912,029	81,576,643
	General Fund Appropriation	(7,783,190)	(244,162)	-	-	-	-	-	-	(244,162)	(8,027,352)
	Positions	71,881,424	-	-	-	(646,933)	-	1,814,800	500,000	1,667,867	73,549,291
		785.17	2.00	-	-	-	-	1.00	-	3.00	788.17
<b>14802 Cultural Resources - Roanoke Island Comm. Requirements GF</b>											
	Receipts	2,020,023	-	-	-	-	-	-	-	-	2,020,023
	General Fund Appropriation	-	-	-	-	-	-	-	-	-	-
	Positions	2,020,023	-	-	-	-	-	-	-	-	2,020,023
<b>24800 Cultural Resources - Special</b>											
	Receipts	497,240	-	-	-	-	-	-	-	-	497,240
	Change in Fund Balance	(497,240)	-	-	-	-	-	-	-	-	(497,240)
	Positions	-	-	-	-	-	-	-	-	-	-
<b>24801 Cultural Resources - Art Museum Special</b>											
	Receipts	10,000	-	-	-	-	-	-	-	-	10,000
	Change in Fund Balance	(10,000)	-	-	-	-	-	-	-	-	(10,000)
	Positions	-	-	-	-	-	-	-	-	-	-
<b>24802 Cultural Resources - Roanoke Island Special</b>											
	Receipts	2,107,546	-	-	-	-	-	-	-	-	2,107,546
	Change in Fund Balance	(2,107,546)	-	-	-	-	-	-	-	-	(2,107,546)
	Positions	1.00	-	-	-	-	-	-	-	-	1.00
<b>24803 Cultural Resources - Special</b>											
	Receipts	331	-	-	-	-	-	-	-	-	331
	Change in Fund Balance	(331)	-	-	-	-	-	-	-	-	(331)
	Positions	-	-	-	-	-	-	-	-	-	-
<b>24804 Cultural Resources - Special Tryon Palace</b>											
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24805</b>	<b>Cultural Resources - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>54800</b>	<b>Cultural Resources - Enterprise</b>								
	Receipts	94,032	-	-	-	-	-	-	94,032
	Change in Fund Balance	(94,032)	-	-	-	-	-	-	(94,032)
	Positions	1.00	-	-	-	-	-	-	1.00
	<b>Total Requirement Budget - Cultural Resources</b>	84,393,786	244,162	(646,933)	-	1,814,800	500,000	1,912,029	86,305,815
	<b>Total Receipts</b>	(10,492,339)	(244,162)	-	-	-	-	(244,162)	(10,736,501)
	<b>Total Appropriation</b>	73,901,447	-	(646,933)	-	1,814,800	500,000	1,667,867	75,569,314
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	Positions	787.17	2.00	-	-	1.00	-	3.00	790.17
<b>11000</b>	<b>General Assembly</b>								
	<b>General Assembly Requirements GF</b>								
	Receipts	56,884,593	-	(636,000)	-	-	-	(636,000)	56,248,593
	General Fund Appropriation	(1,143,807)	-	-	-	-	-	-	(1,143,807)
	Positions	55,740,786	-	(636,000)	-	-	-	(636,000)	55,104,786
	Change in Fund Balance	339.00	-	-	-	-	-	-	339.00
	<b>Total Requirement Budget - General Assembly</b>	56,884,593	-	(636,000)	-	-	-	(636,000)	56,248,593
	<b>Total Receipts</b>	(1,143,807)	-	-	-	-	-	-	(1,143,807)
	<b>Total Appropriation</b>	55,740,786	-	(636,000)	-	-	-	(636,000)	55,104,786
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	Positions	339.00	-	-	-	-	-	-	339.00
<b>13000</b>	<b>Office of the Governor</b>								
	<b>Governor's Office - Requirements GF</b>								
	Receipts	6,731,692	-	(56,705)	-	39,789	-	(16,916)	6,714,776
	General Fund Appropriation	(431,105)	-	-	-	-	-	-	(431,105)
	Positions	6,300,587	-	(56,705)	-	39,789	-	(16,916)	6,283,671
	Change in Fund Balance	63.72	-	-	-	0.43	-	0.43	64.15
	<b>Governor's Reserve for Appropriation - GF</b>								
	Receipts	6,741,446	-	-	-	300,000	1,000,000	1,300,000	8,041,446
	General Fund Appropriation	(1,120,000)	-	-	-	-	-	-	(1,120,000)
	Positions	5,621,446	-	-	-	300,000	1,000,000	1,300,000	6,921,446
<b>23000</b>	<b>Governor's Office - Special</b>								
	Receipts	2,816,343	-	-	-	-	-	-	2,816,343
	Change in Fund Balance	(2,742,408)	-	-	-	-	-	-	(2,742,408)
	Positions	73,935	-	-	-	-	-	-	73,935
<b>23001</b>	<b>Governor's Office - Special Interest Earning</b>								
	Receipts	100,000	-	-	-	-	-	-	100,000
	Change in Fund Balance	(17,000)	-	-	-	-	-	-	(17,000)
	Positions	83,000	-	-	-	-	-	-	83,000
<b>23002</b>	<b>Governor's Office - Special GF</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>23003</b>	<b>Governor's - Education Lottery Fund Special Fund</b>								
	Receipts	-	68,174,565	-	-	-	-	68,174,565	68,174,565
	Change in Fund Balance	-	(68,174,565)	-	-	-	-	(68,174,565)	(68,174,565)
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>23004</b>	<b>Governor's - Education Lottery Reserve Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Governors Office</b>	16,389,481	68,174,565	(56,705)	1,000,000	338,789	69,457,649	85,847,130	(72,485,078)
	<b>Total Receipts</b>	(4,310,513)	(68,174,565)	-	-	-	(68,174,565)	13,205,117	156,935
	<b>Total Appropriation</b>	11,922,033	-	(56,705)	1,000,000	338,789	1,283,084	156,935	64.15
	<b>Total Change in Fund Balance</b>	156,935	-	-	-	0.43	0.43	-	-
	<b>Positions</b>	63.72	-	-	-	-	-	-	-
	<b>Information Technology Services</b>								
<b>24467</b>	<b>ITS - Special</b>								
	Receipts	14,189,314	6,140	-	-	-	6,140	14,195,454	-
	Change in Fund Balance	(10,898,826)	138,859	-	-	-	138,859	(10,759,967)	-
	Positions	3,290,488	144,999	-	-	-	144,999	3,435,487	-
	<b>ITS - E-Grant - Special</b>								
	Receipts	47.00	(3.00)	-	-	-	(3.00)	44.00	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24669</b>	<b>ITS - Wireless - Special</b>								
	Receipts	103,614,754	-	-	-	-	-	103,614,754	-
	Change in Fund Balance	(105,408,389)	-	-	-	-	-	(105,408,389)	-
	Positions	(1,793,635)	-	-	-	-	-	(1,793,635)	-
<b>74660</b>	<b>ITS - Internal Service</b>								
	Receipts	203,508,903	22,588,184	-	-	-	22,588,184	226,097,087	-
	Change in Fund Balance	(197,819,436)	(23,929,692)	-	-	-	(23,929,692)	(221,749,130)	-
	Positions	5,689,465	(1,341,508)	-	-	-	(1,341,508)	4,347,957	-
	<b>Total Requirement Budget - ITS</b>	412.00	79.00	-	-	-	79.00	491.00	-
	<b>Total Receipts</b>	321,312,971	22,594,324	-	-	-	22,594,324	343,907,295	-
	<b>Total Appropriation</b>	(314,126,653)	(23,790,833)	-	-	-	(23,790,833)	(337,917,486)	-
	<b>Total Change in Fund Balance</b>	7,186,318	(1,196,509)	-	-	-	(1,196,509)	5,989,809	-
	<b>Positions</b>	459.00	76.00	-	-	-	76.00	535.00	-
<b>13005</b>	<b>Office of State Budget and Management</b>								
	<b>OSBM - Requirements GF</b>								
	Receipts	6,091,884	-	(52,897)	-	101,594	48,697	6,140,581	-
	Change in Fund Balance	(214,444)	-	-	-	-	-	(214,444)	-
	Positions	5,877,440	-	(52,897)	-	101,594	48,697	5,926,137	-
	<b>OSBM - Fines and Penalties - Special</b>								
	Receipts	95,500,000	-	-	-	1.00	1.00	95,500,000	-
	Change in Fund Balance	(95,500,000)	-	-	-	-	-	(95,500,000)	-
	Positions	-	-	-	-	-	-	-	-
<b>23009</b>	<b>OSBM - Disaster Relief GF</b>								
	Receipts	6,947,157	-	-	-	-	-	6,947,157	-
	Change in Fund Balance	(6,947,157)	-	-	-	-	-	(6,947,157)	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - OSBM</b>	108,539,041	-	(52,897)	-	101,594	48,697	108,587,738	-
	<b>Total Receipts</b>	(102,661,601)	-	-	-	-	-	(102,661,601)	-
	<b>Total Appropriation</b>	5,877,440	-	(52,897)	-	101,594	48,697	5,926,137	-
	<b>Total Change in Fund Balance</b>	62.00	-	-	-	1.00	1.00	63.00	-

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Component Units</b>									
<b>Housing Financing Agency</b>									
13010	NC Housing Finance - Requirements GF	9,608,417	-	-	-	-	-	2,500,000	12,108,417
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	9,608,417	-	-	-	-	-	2,500,000	12,108,417
	Positions	-	-	-	-	-	-	-	-
23010	NC Housing Finance - Special	57,141,118	141,005	-	-	-	-	141,005	57,282,123
	Receipts	(57,141,118)	(141,005)	-	-	-	-	(141,005)	(57,282,123)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	116,000	-	-	-	-	-	-	116,000
23011	NC Housing Finance - Special Interest	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
63010	NC Housing Finance - Trust	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
63011	NC Housing Finance - Partnership	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Housing Finance</b>	66,749,535	141,005	-	-	-	-	2,500,000	69,390,540
	<b>Total Receipts</b>	(57,141,118)	(141,005)	-	-	-	-	(141,005)	(57,282,123)
	<b>Total Appropriation</b>	9,608,417	-	-	-	-	-	2,500,000	12,108,417
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	<b>Positions</b>	116,000	-	-	-	-	-	-	116,000
<b>Insurance</b>									
13900	Insurance - Requirements GF	35,746,002	88,093	-	-	233,040	-	6,000	36,073,135
	Receipts	(4,803,298)	(88,093)	-	-	-	-	(88,093)	(4,891,391)
	General Fund Appropriation	30,938,704	-	-	-	233,040	-	239,040	31,175,744
	Positions	408,700	3,000	-	-	1,000	-	4,000	412,700
13901	Insurance Direct Appropriation GF	4,500,000	-	-	-	-	-	-	4,500,000
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	4,500,000	-	-	-	-	-	-	4,500,000
	Positions	-	-	-	-	-	-	-	-
23900	Insurance - Special - Interest Earning	28,889,985	-	-	-	-	-	-	28,889,985
	Receipts	(29,659,465)	-	-	-	-	-	-	(29,659,465)
	Change in Fund Balance	(769,480)	-	-	-	-	-	-	(769,480)
	Positions	3,300	-	-	-	-	-	-	3,300
23901	Insurance - Special - Non-Interest Earning	1,240,983	-	-	-	-	-	-	1,240,983
	Receipts	(1,240,983)	-	-	-	-	-	-	(1,240,983)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	6,000	-	-	-	-	-	-	6,000
23902	Insurance - Special - Interest Earning	245,533	-	-	-	-	-	-	245,533
	Receipts	(168,554)	-	-	-	-	-	-	(168,554)
	Change in Fund Balance	76,979	-	-	-	-	-	-	76,979
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
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Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		2008-09 Certified Budget	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Anticipated Recurring Adjustments*	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>23903</b>	<b>Insurance - Special - Non-Interest Earning</b>										
	Receipts	86,192									86,192
	Change in Fund Balance	(75,549)									(75,549)
	Positions	10,643									10,643
<b>63901</b>	<b>Insurance - Special - Trust</b>										
	Receipts	5,975,386									5,975,386
	Change in Fund Balance	(5,975,386)									(5,975,386)
	Positions										
<b>63902</b>	<b>Insurance - Voluntary Safety Workers Compensation</b>										
	Receipts	6,885,094									6,885,094
	Change in Fund Balance	(6,885,094)									(6,885,094)
	Positions										
<b>63903</b>	<b>Insurance - Trust - Internal Service</b>										
	Receipts	17,261,268									17,261,268
	Change in Fund Balance	(17,261,268)									(17,261,268)
	Positions										
	<b>Total Requirement Budget - Insurance</b>	100,830,443		88,093			233,040	6,000		327,133	101,157,576
	<b>Total Receipts</b>	(66,075,597)		(88,093)						(88,093)	(66,163,690)
	<b>Total Appropriation</b>	35,436,704					233,040	6,000		239,040	35,675,744
	<b>Total Change in Fund Balance</b>	(681,858)									(681,858)
	Positions	418,000		3,000			1,000			4,000	422,000
<b>Office of the Lieutenant Governor</b>											
<b>13100</b>	<b>Office of Lt. Governor - Requirements GF</b>										
	Receipts	915,109									915,109
	General Fund Appropriation	915,109									915,109
	Positions	12,000									12,000
	<b>Total Requirement Budget - Lieutenant Governor</b>	915,109									915,109
	<b>Total Receipts</b>										
	<b>Total Appropriation</b>	915,109									915,109
	<b>Total Change in Fund Balance</b>										
	Positions	12,000									12,000
<b>Department of Revenue</b>											
<b>14700</b>	<b>Revenue - Requirements GF</b>										
	Receipts	110,389,090		46,105		(767,975)		25,000,000		24,278,130	134,667,220
	Change in Fund Balance	(25,058,479)		(46,105)				(10,000,000)		(10,046,105)	(35,104,594)
	General Fund Appropriation	85,330,611				(767,975)		15,000,000		14,232,025	99,562,636
	Positions	1,523,500		3,000						3,000	1,526,500
	<b>Revenue - Special Fund</b>										
	Receipts										
	Change in Fund Balance										
	Positions										
<b>24701</b>	<b>Revenue - Special Federal Retiree - GF</b>										
	Receipts										
	Change in Fund Balance										
	Positions										
<b>24702</b>	<b>Revenue - Intangible Tax - Special GF</b>										
	Receipts										
	Change in Fund Balance										
	Positions										

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24703</b>	<b>Revenue - Disaster - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24704</b>	<b>Revenue Project Collect Tax - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24705</b>	<b>Revenue Transfers/Refunds - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24706</b>	<b>Revenue - Lee Tax Credits - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24707</b>	<b>Revenue - Tax Transaction Fees - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24708</b>	<b>Revenue - IT Projects - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Revenue</b>	110,389,090	46,105	(767,975)	-	-	25,000,000	24,278,130	134,667,220
	<b>Total Receipts</b>	(25,058,479)	(46,105)	-	-	-	(10,000,000)	(10,046,105)	(35,104,584)
	<b>Total Appropriation</b>	85,330,611	-	(767,975)	-	-	15,000,000	14,232,025	99,562,636
	<b>Total Change in Fund Balance</b>	1,523,50	3,00	-	-	-	-	3,00	1,526,50
	<b>Department of Secretary of State</b>								
<b>13200</b>	<b>Secretary of State - Requirements GF</b>	11,211,472	20,351	(53,715)	-	180,118	33,547	180,301	11,391,773
	Receipts	(468,431)	(20,351)	-	-	-	-	(20,351)	(488,782)
	General Fund Appropriation	10,743,041	-	(53,715)	-	180,118	33,547	159,950	10,902,991
	Positions	186,00	-	-	-	4,00	-	4,00	190,00
<b>23200</b>	<b>Secretary of State - Special</b>	224,171	2,750	-	-	-	-	2,750	226,921
	Receipts	(224,171)	(2,750)	-	-	-	-	(2,750)	(226,921)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63201</b>	<b>Secretary of State - Trust - Special</b>	113,469	70,951	-	-	-	-	70,951	184,420
	Receipts	(113,469)	(70,951)	-	-	-	-	(70,951)	(184,420)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	2,00	-	-	-	-	2,00	2,00
	<b>Total Requirement Budget - Secretary of State</b>	11,548,112	94,052	(53,715)	-	180,118	33,547	254,002	11,803,114
	<b>Total Receipts</b>	(806,071)	(94,052)	-	-	-	-	(89,052)	(900,123)
	<b>Total Appropriation</b>	10,743,041	-	(53,715)	-	180,118	33,547	159,950	10,902,991
	<b>Total Change in Fund Balance</b>	186,00	2,00	-	-	4,00	-	6,00	192,00



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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Department of State Treasurer</b>									
<b>13410</b>	<b>DST - Requirements GF</b>	38,446,395	166,919	-	-	-	-	166,919	38,613,314
	Receipts	(29,120,205)	(166,919)	-	-	-	-	(166,919)	(29,287,124)
	General Fund Appropriation	9,326,190	-	-	-	-	-	-	9,326,190
	Positions	348,00	-	-	-	-	-	-	348,00
<b>13412</b>	<b>DST - Transfer Retirement System - GF</b>	9,458,957	-	-	-	-	-	-	9,458,957
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	9,458,957	-	-	-	-	-	-	9,458,957
	Positions	-	-	-	-	-	-	-	-
<b>23420</b>	<b>DST - IT Projects - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>23480</b>	<b>DST - Blount Street Properties - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>68163</b>	<b>DST - Bonding Refunding Proceeds - GF</b>	112,107	-	-	-	-	-	-	112,107
	Receipts	(153,444)	-	-	-	-	-	-	(153,444)
	Change in Fund Balance	(41,337)	-	-	-	-	-	-	(41,337)
	Positions	-	-	-	-	-	-	-	-
<b>69430</b>	<b>DST - Debt Service Clearing</b>	708,780,624	-	-	-	-	-	-	708,780,624
	Receipts	(709,912,267)	-	-	-	-	-	-	(709,912,267)
	Change in Fund Balance	(1,131,643)	-	-	-	-	-	-	(1,131,643)
	Positions	-	-	-	-	-	-	-	-
<b>69440</b>	<b>DST - Infrastructure Finance Corporation - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>69450</b>	<b>DST - Basis Swap - GF</b>	5,836,628	-	-	-	-	-	-	5,836,628
	Receipts	(5,836,628)	-	-	-	-	-	-	(5,836,628)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>68175</b>	<b>DST - Interest Public School Bond 1997 - Special</b>	7,171	-	-	-	-	-	-	7,171
	Receipts	(304,872)	-	-	-	-	-	-	(304,872)
	Change in Fund Balance	(297,701)	-	-	-	-	-	-	(297,701)
	Positions	-	-	-	-	-	-	-	-
<b>68132</b>	<b>DST - Interest Clean Water 2003A - Special</b>	1	-	-	-	-	-	-	1
	Receipts	(77)	-	-	-	-	-	-	(77)
	Change in Fund Balance	(76)	-	-	-	-	-	-	(76)
	Positions	-	-	-	-	-	-	-	-
<b>68140</b>	<b>DST - Interest Clean Water Revolving Loan 2003B - Special</b>	11	-	-	-	-	-	-	11
	Receipts	(1,097)	-	-	-	-	-	-	(1,097)
	Change in Fund Balance	(1,086)	-	-	-	-	-	-	(1,086)
	Positions	-	-	-	-	-	-	-	-
<b>68148</b>	<b>DST - Interest Clean Water Revolving Loan 2004A - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>68157</b>	<b>DST - Interest 2006A Clean Water Bonds - Special</b>	1,870,388	-	-	-	-	-	-	1,870,388
	Receipts	(1,923,583)	-	-	-	-	-	-	(1,923,583)
	Change in Fund Balance	(53,195)	-	-	-	-	-	-	(53,195)
	Positions	-	-	-	-	-	-	-	-
<b>68183</b>	<b>DST - Interest 1999C Clean Water Bonds - Special</b>	59	-	-	-	-	-	-	59
	Receipts	(6,306)	-	-	-	-	-	-	(6,306)
	Change in Fund Balance	(6,247)	-	-	-	-	-	-	(6,247)
	Positions	-	-	-	-	-	-	-	-
<b>68192</b>	<b>DST - Interest Drinking Water Repayment 2002C</b>	328	-	-	-	-	-	-	328
	Receipts	(38,118)	-	-	-	-	-	-	(38,118)
	Change in Fund Balance	(37,790)	-	-	-	-	-	-	(37,790)
	Positions	-	-	-	-	-	-	-	-
<b>68193</b>	<b>DST - Interest Clean Water Revolving Loan 2002C - Special</b>	19,472	-	-	-	-	-	-	19,472
	Receipts	(1,118)	-	-	-	-	-	-	(1,118)
	Change in Fund Balance	18,354	-	-	-	-	-	-	18,354
	Positions	-	-	-	-	-	-	-	-
<b>68155</b>	<b>DST - Interest Natural Gas Bonds 2005 - Special</b>	464,000	-	-	-	-	-	-	464,000
	Receipts	(20,112)	-	-	-	-	-	-	(20,112)
	Change in Fund Balance	443,888	-	-	-	-	-	-	443,888
	Positions	-	-	-	-	-	-	-	-
<b>68174</b>	<b>DST - Interest CI 1997 Series A</b>	235	-	-	-	-	-	-	235
	Receipts	(23,951)	-	-	-	-	-	-	(23,951)
	Change in Fund Balance	(23,716)	-	-	-	-	-	-	(23,716)
	Positions	-	-	-	-	-	-	-	-
<b>23460</b>	<b>DST - Health and Wellness Trust Fund - Special</b>	25,496,722	-	-	-	-	-	-	25,496,722
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	25,496,722	-	-	-	-	-	-	25,496,722
	Positions	-	-	-	-	-	-	-	-
<b>68158</b>	<b>DST - Interest 2006A Higher Education - Special</b>	15,096,518	-	-	-	-	-	-	15,096,518
	Receipts	(9,935,314)	-	-	-	-	-	-	(9,935,314)
	Change in Fund Balance	5,161,204	-	-	-	-	-	-	5,161,204
	Positions	-	-	-	-	-	-	-	-
<b>68188</b>	<b>DST - Interest Higher Education CC 01 - Special</b>	6,969	-	-	-	-	-	-	6,969
	Receipts	(601,244)	-	-	-	-	-	-	(601,244)
	Change in Fund Balance	(594,275)	-	-	-	-	-	-	(594,275)
	Positions	-	-	-	-	-	-	-	-
<b>23401</b>	<b>DST - Clean Water Repayment - Special</b>	9,830,865	-	-	-	-	-	-	9,830,865
	Receipts	(9,812,176)	-	-	-	-	-	-	(9,812,176)
	Change in Fund Balance	18,689	-	-	-	-	-	-	18,689
	Positions	-	-	-	-	-	-	-	-
<b>63412</b>	<b>DST - Escheats - Special</b>	66,686,902	-	-	-	-	-	-	66,686,902
	Receipts	(202,107,116)	-	-	-	-	-	-	(202,107,116)
	Change in Fund Balance	(135,420,214)	-	-	-	-	-	-	(135,420,214)
	Positions	-	-	-	-	-	-	-	-
<b>68154</b>	<b>DST - Public Improvement 2005A - Special</b>	34,260,718	-	-	-	-	-	-	34,260,718
	Receipts	(1,791,964)	-	-	-	-	-	-	(1,791,964)
	Change in Fund Balance	32,468,754	-	-	-	-	-	-	32,468,754
	Positions	-	-	-	-	-	-	-	-

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**Governmental and Proprietary Funds and Selected Component Units**  
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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>68190</b>	<b>DST - Interest Public Improvements Bonds 2002A - Special</b>	26,860	-	-	-	-	-	-	26,860
	Receipts	(2,896,616)	-	-	-	-	-	-	(2,896,616)
	Change in Fund Balance	(2,869,756)	-	-	-	-	-	-	(2,869,756)
	Positions	-	-	-	-	-	-	-	-
<b>68220</b>	<b>DST - Interest 2007A GO Public Improvement - Special</b>	1,466,893	-	-	-	-	-	-	1,466,893
	Receipts	(30,170,483)	-	-	-	-	-	-	(30,170,483)
	Change in Fund Balance	(28,703,590)	-	-	-	-	-	-	(28,703,590)
	Positions	-	-	-	-	-	-	-	-
<b>68128</b>	<b>DST - Interest Wastewater Repayment 1999C - Enterprise</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>68133</b>	<b>DST - Interest Wastewater Repayment 2003A - Enterprise</b>	122	-	-	-	-	-	-	122
	Receipts	(14,606)	-	-	-	-	-	-	(14,606)
	Change in Fund Balance	(14,484)	-	-	-	-	-	-	(14,484)
	Positions	-	-	-	-	-	-	-	-
<b>68141</b>	<b>DST - Interest Wastewater Repayment 2003B - Enterprise</b>	71	-	-	-	-	-	-	71
	Receipts	(9,389)	-	-	-	-	-	-	(9,389)
	Change in Fund Balance	(9,318)	-	-	-	-	-	-	(9,318)
	Positions	-	-	-	-	-	-	-	-
<b>68149</b>	<b>DST - Interest Wastewater Repayment 2004A - Enterprise</b>	168	-	-	-	-	-	-	168
	Receipts	(23,750)	-	-	-	-	-	-	(23,750)
	Change in Fund Balance	(23,582)	-	-	-	-	-	-	(23,582)
	Positions	-	-	-	-	-	-	-	-
<b>68198</b>	<b>DST - Interest Wastewater Repayment 2002C - Enterprise</b>	971	-	-	-	-	-	-	971
	Receipts	(112,325)	-	-	-	-	-	-	(112,325)
	Change in Fund Balance	(111,354)	-	-	-	-	-	-	(111,354)
	Positions	-	-	-	-	-	-	-	-
<b>68126</b>	<b>DST - Interest Drinking Water Repayment 1999C - Enterprise</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>68137</b>	<b>DST - Interest Drinking Water Repayment 2003A - Enterprise</b>	29	-	-	-	-	-	-	29
	Receipts	(4,148)	-	-	-	-	-	-	(4,148)
	Change in Fund Balance	(4,119)	-	-	-	-	-	-	(4,119)
	Positions	-	-	-	-	-	-	-	-
<b>68142</b>	<b>DST - Interest Drinking Water Repayment 2003B - Enterprise</b>	25	-	-	-	-	-	-	25
	Receipts	(3,326)	-	-	-	-	-	-	(3,326)
	Change in Fund Balance	(3,301)	-	-	-	-	-	-	(3,301)
	Positions	-	-	-	-	-	-	-	-
<b>68150</b>	<b>DST - Interest Drinking Water Repayment 2004B - Enterprise</b>	48	-	-	-	-	-	-	48
	Receipts	(7,512)	-	-	-	-	-	-	(7,512)
	Change in Fund Balance	(7,464)	-	-	-	-	-	-	(7,464)
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - State Treasurer</b>	917,870,257	166,919	-	-	-	-	166,919	918,037,176
	<b>Total Receipts-DST</b>	(1,004,831,747)	(166,919)	-	-	-	-	(166,919)	(1,004,998,666)
	<b>Total Appropriation-DST</b>	18,785,147	-	-	-	-	-	-	18,785,147
	<b>Total Change in Fund Balance</b>	(105,746,637)	-	-	-	-	-	-	(105,746,637)
	<b>Positions</b>	348,00	-	-	-	-	-	-	348,00

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**Governmental and Proprietary Funds and Selected Component Units**  
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Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>State Licensing Boards</b>											
28101	NC State Board-Barber - Proprietary	528,797	-	-	-	-	-	-	-	-	528,797
	Receipts	(543,549)	-	-	-	-	-	-	-	-	(543,549)
	Change in Fund Balance	(14,752)	-	-	-	-	-	-	-	-	(14,752)
	Positions	7.00	-	-	-	-	-	-	-	-	7.00
28102	NC State Board of Cosmetic Arts - Proprietary	2,127,587	-	-	-	-	-	-	-	-	2,127,587
	Receipts	(1,066,211)	-	-	-	-	-	-	-	-	(1,066,211)
	Change in Fund Balance	1,061,376	-	-	-	-	-	-	-	-	1,061,376
	Positions	33.00	-	-	-	-	-	-	-	-	33.00
28103	NC State Board of Opticians - Proprietary	209,457	-	-	-	-	-	-	-	-	209,457
	Receipts	(176,265)	-	-	-	-	-	-	-	-	(176,265)
	Change in Fund Balance	33,192	-	-	-	-	-	-	-	-	33,192
	Positions	2.00	-	-	-	-	-	-	-	-	2.00
28104	NC State Board of Psychology - Proprietary	601,235	-	-	-	-	-	-	-	-	601,235
	Receipts	(783,830)	-	-	-	-	-	-	-	-	(783,830)
	Change in Fund Balance	(182,595)	-	-	-	-	-	-	-	-	(182,595)
	Positions	6.00	-	-	-	-	-	-	-	-	6.00
28106	NC State Board of Auctioneer - Proprietary	508,657	-	-	-	-	-	-	-	-	508,657
	Receipts	(509,539)	-	-	-	-	-	-	-	-	(509,539)
	Change in Fund Balance	(882)	-	-	-	-	-	-	-	-	(882)
	Positions	4.50	-	-	-	-	-	-	-	-	4.50
28107	NC State Board of Electrolysis - Proprietary	22,900	-	-	-	-	-	-	-	-	22,900
	Receipts	(22,900)	-	-	-	-	-	-	-	-	(22,900)
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - State Licensing Boards</b>	3,998,633	-	-	-	-	-	-	-	-	3,998,633
	<b>Total Receipts</b>	(3,079,394)	-	-	-	-	-	-	-	-	(3,079,394)
	<b>Total Appropriation</b>	-	-	-	-	-	-	-	-	-	-
	<b>Total Change in Fund Balance</b>	896,339	-	-	-	-	-	-	-	-	896,339
	<b>Positions</b>	52.50	-	-	-	-	-	-	-	-	52.50
<b>Wildlife Resources Commission</b>											
24350	Wildlife Resources - Special	59,134,869	500,640	-	-	-	-	-	-	500,640	59,635,509
	Receipts	(59,185,535)	(500,640)	-	-	-	-	-	-	(500,640)	(59,686,175)
	Change in Fund Balance	(50,666)	-	-	-	-	-	-	-	-	(50,666)
	Positions	637.50	12.00	-	-	-	-	-	-	12.00	649.50
24351	Wildlife Resources - Interest - Special	24,204,677	-	-	-	-	-	-	-	-	24,204,677
	Receipts	(24,204,677)	-	-	-	-	-	-	-	-	(24,204,677)
	Change in Fund Balance	1.50	-	-	-	-	-	-	-	-	1.50
	Positions	-	-	-	-	-	-	-	-	-	-
24352	Wildlife Resources - Non-Interest - Special	26,618,540	-	-	-	-	-	-	-	-	26,618,540
	Receipts	(26,618,540)	-	-	-	-	-	-	-	-	(26,618,540)
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
64350	Wildlife Resources Endowment - Permanent	-	-	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-

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Governmental and Proprietary Funds and Selected Component Units  
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Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		2008-09 Certified Budget	2008-09 Certified Budget	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Total Requirement Budget - Wildlife Resources</b>											
	Total Receipts	109,958,086	500,640	-	-	-	-	-	-	500,640	110,458,726
	Total Appropriation	(110,008,752)	(500,640)	-	-	-	-	-	-	(500,640)	(110,509,392)
	Total Change in Fund Balance	(50,666)	-	-	-	-	-	-	-	-	(50,666)
	Positions	639.00	12.00	-	-	-	-	-	-	12.00	651.00
<b>Comprehensive Major Medical Plan</b>											
<b>56410</b>	<b>Child Health Insurance Program</b>	517,585,632	214,619,300	-	-	-	-	-	-	214,619,300	732,204,932
	Receipts	(517,585,632)	(214,619,300)	-	-	-	-	-	-	(214,619,300)	(732,204,932)
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>Total Requirement Budget - Comp. Major Medical</b>											
	Total Receipts	-	214,619,300	-	-	-	-	-	-	214,619,300	732,204,932
	Total Appropriation	-	(214,619,300)	-	-	-	-	-	-	(214,619,300)	(732,204,932)
	Total Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>Total Requirement Budget - General Government</b>											
	Total Receipts	2,171,104,495	314,402,512	(3,036,330)	29,819,010	7,279,906	29,819,010	348,464,898	3,037,155,025		
	Total Appropriation	(1,629,152,941)	(310,606,684)	(316,066)	(10,000,000)	(2,300,000)	(10,000,000)	(323,222,750)	(2,669,961,323)		
	Total Change in Fund Balance	425,843,049	(60,338)	(3,352,396)	19,819,010	4,979,906	19,819,010	21,446,520	447,289,569		
	Positions	(83,914,395)	3,795,628	-	-	-	-	3,795,628	(80,118,767)		
	Positions	6,423,49	107,00	-	-	21,43	-	128,43	6,551,92		
<b>Health and Human Services</b>											
<b>DHHS - Central Management and Support</b>											
<b>14410</b>	<b>Central Management - Requirements GF</b>	146,800,210	134,348	(3,934,966)	11,713,000	339,846	11,713,000	8,252,228	154,052,438		
	Receipts	(83,208,032)	(195,186)	(4,000,000)	(7,200,000)	-	(8,838,000)	(20,233,186)	(103,441,218)		
	General Fund Appropriation	62,592,178	(60,838)	(7,934,966)	(7,200,000)	339,846	2,875,000	(11,980,958)	50,611,220		
	Positions	718.25	2.00	-	-	4.00	-	6.00	724.25		
<b>64410</b>	<b>Central Management-Trust - GF</b>	268,419	-	-	-	-	-	-	268,419		
	Receipts	(268,419)	-	-	-	-	-	-	(268,419)		
	Change in Fund Balance	-	-	-	-	-	-	-	-		
	Positions	-	-	-	-	-	-	-	-		
<b>64412</b>	<b>Central Management - Trust - Interest Earning - GF</b>	475,325	-	-	-	-	-	-	475,325		
	Receipts	(475,325)	-	-	-	-	-	-	(475,325)		
	Change in Fund Balance	-	-	-	-	-	-	-	-		
	Positions	-	-	-	-	-	-	-	-		
<b>Total Requirement Budget - Central Management</b>											
	Total Receipts	146,543,954	134,348	(3,934,966)	11,713,000	339,846	11,713,000	8,252,228	154,796,182		
	Total Appropriation	(83,951,776)	(195,186)	(4,000,000)	(7,200,000)	-	(8,838,000)	(20,233,186)	(104,184,962)		
	Total Change in Fund Balance	62,592,178	(60,838)	(7,934,966)	(7,200,000)	339,846	2,875,000	(11,980,958)	50,611,220		
	Positions	718.25	2.00	-	-	4.00	-	6.00	724.25		
<b>DHHS - Aging</b>	<b>Aging - Requirements GF</b>	84,546,036	-	-	-	-	-	666,666	85,212,702		
	Receipts	(48,800,857)	-	-	-	-	-	(166,666)	(48,967,523)		
	General Fund Appropriation	35,745,179	-	-	-	-	-	500,000	36,245,179		
	Positions	57.00	-	-	-	-	-	-	57.00		
<b>64411</b>	<b>Aging - Trust - GF</b>	-	-	-	-	-	-	-	-		
	Receipts	-	-	-	-	-	-	-	-		
	Change in Fund Balance	-	-	-	-	-	-	-	-		
	Positions	-	-	-	-	-	-	-	-		

**Governor's Recommended Budget**  
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**2008-09**

Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget	Adjustments*	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Total Requirement Budget - Aging</b>											
	Total Receipts	84,546,036	-	-	-	-	-	-	-	666,666	85,212,702
	Total Appropriation	(48,800,857)	-	-	-	-	-	-	-	(166,666)	(48,967,523)
	Total Change in Fund Balance	35,745,179	-	-	-	-	-	-	-	500,000	36,245,179
	Positions	57.00	-	-	-	-	-	-	-	-	57.00
<b>DHHS - Child Development</b>											
<b>14420</b>	<b>Child Development - Requirements GF</b>	636,744,308	1,200,000	-	-	-	-	9,150,310	8,000	10,358,310	647,102,618
	Receipts	(325,760,101)	(1,200,000)	(3,000,000)	-	-	-	(9,023,811)	-	(13,223,811)	(338,983,912)
	General Fund Appropriation	310,984,207	-	(3,000,000)	-	-	-	126,499	8,000	(2,865,501)	308,118,706
	Positions	293.75	-	-	-	-	-	3.00	-	3.00	296.75
<b>64411</b>	<b>Child Development - Trust - GF</b>	-	-	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>Total Requirement Budget - Child Development</b>											
	Total Receipts	636,744,308	1,200,000	-	-	-	-	9,150,310	8,000	10,358,310	647,102,618
	Total Appropriation	(325,760,101)	(1,200,000)	(3,000,000)	-	-	-	(9,023,811)	-	(13,223,811)	(338,983,912)
	Total Change in Fund Balance	310,984,207	-	(3,000,000)	-	-	-	126,499	8,000	(2,865,501)	308,118,706
	Positions	293.75	-	-	-	-	-	3.00	-	3.00	296.75
<b>DHHS - Education Services</b>											
<b>14424</b>	<b>Education Services - Requirements GF</b>	41,111,244	-	-	-	-	-	-	776,406	776,406	41,887,650
	Receipts	(2,255,787)	-	-	-	-	-	-	(77,466)	(77,466)	(2,333,253)
	General Fund Appropriation	38,855,457	-	-	-	-	-	-	698,940	698,940	39,554,397
	Positions	658.13	-	-	-	-	-	-	-	-	658.13
<b>24424</b>	<b>Education Services - Special</b>	379,658	-	-	-	-	-	-	-	-	379,658
	Receipts	(379,658)	-	-	-	-	-	-	-	-	(379,658)
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	4.00	-	-	-	-	-	-	-	-	4.00
<b>64424</b>	<b>Education Services - Trust - Special</b>	76,814	-	-	-	-	-	-	-	-	76,814
	Receipts	(76,814)	-	-	-	-	-	-	-	-	(76,814)
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>67424</b>	<b>Education Services - Trust - Special</b>	7,560	-	-	-	-	-	-	-	-	7,560
	Receipts	(7,560)	-	-	-	-	-	-	-	-	(7,560)
	Change in Fund Balance	-	-	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-	-	-
<b>Total Requirement Budget - Education Services</b>											
	Total Receipts	41,575,276	-	-	-	-	-	9,150,310	776,406	776,406	42,344,122
	Total Appropriation	(2,719,819)	-	-	-	-	-	(9,023,811)	(77,466)	(2,789,725)	(41,240,347)
	Total Change in Fund Balance	38,855,457	-	-	-	-	-	126,499	698,940	698,940	39,554,397
	Positions	662.13	-	-	-	-	-	3.00	-	3.00	662.13
<b>DHHS - Public Health</b>											
<b>14430</b>	<b>Public Health - Requirements GF</b>	706,467,937	40,292,095	(2,705,095)	-	-	-	2,778,168	3,708,300	44,073,468	750,541,405
	Receipts	(524,305,227)	(38,994,765)	(401,379)	-	-	-	(1,844,203)	-	(41,240,347)	(565,545,574)
	General Fund Appropriation	182,162,710	1,297,330	(3,106,474)	-	-	-	933,965	3,708,300	2,833,121	184,995,831
	Positions	2,051.97	1.00	-	-	-	-	13.00	-	14.00	2,065.97

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24430</b>	<b>Public Health - Special</b>	5,635,926	-	-	-	-	-	-	5,635,926
	Receipts	(5,635,926)	-	-	-	-	-	-	(5,635,926)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24432</b>	<b>Public Health - Special - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64430</b>	<b>Public Health - WIC - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64431</b>	<b>Public Health - FMNP - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Public Health</b>	712,103,863	40,292,095	(2,705,095)	3,708,300	2,778,168	3,708,300	44,073,468	756,177,331
	<b>Total Receipts</b>	(529,941,155)	(38,994,765)	(401,379)	-	(1,844,203)	-	(41,240,347)	(571,181,500)
	<b>Total Appropriation</b>	182,162,710	1,297,330	(3,106,474)	3,708,300	933,965	3,708,300	2,833,121	184,995,831
	<b>Total Change in Fund Balance</b>	2,051,97	1.00	-	-	13.00	-	14.00	2,065.97
	Positions	-	-	-	-	-	-	-	-
<b>DHHS - Social Services</b>									
<b>14440</b>	<b>Social Services - Requirements GF</b>	1,487,090,178	(2,674,512)	(14,252,223)	-	26,877,151	-	9,950,416	1,497,040,594
	Receipts	(1,265,863,140)	2,674,512	2,500,000	-	(18,540,230)	-	(13,365,718)	(1,279,228,858)
	General Fund Appropriation	221,227,038	-	(11,752,223)	-	8,336,921	-	(3,415,302)	217,811,736
	Positions	772.00	-	-	-	-	-	-	772.00
<b>24441</b>	<b>Social Services Special - GF</b>	1,582,453	-	-	-	-	-	-	1,582,453
	Receipts	(1,582,453)	-	-	-	-	-	-	(1,582,453)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64440</b>	<b>Social Services - Trust - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64442</b>	<b>Social Services - Trust - GF</b>	719,936	-	-	-	-	-	-	719,936
	Receipts	(719,936)	-	-	-	-	-	-	(719,936)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Social Services</b>	1,489,392,567	(2,674,512)	(14,252,223)	-	26,877,151	-	9,950,416	1,498,623,047
	<b>Total Receipts</b>	(1,268,165,529)	2,674,512	2,500,000	-	(18,540,230)	-	(13,365,718)	(1,280,811,311)
	<b>Total Appropriation</b>	221,227,038	-	(11,752,223)	-	8,336,921	-	(3,415,302)	217,811,736
	<b>Total Change in Fund Balance</b>	772.00	-	-	-	-	-	-	772.00
	Positions	-	-	-	-	-	-	-	-
<b>DHHS - Medical Assistance</b>									
<b>14445</b>	<b>Medical Assistance - Requirements GF</b>	12,151,849,862	(1,490,467)	(222,115,200)	(40,706,624)	(837,246)	29,046,396	(236,103,141)	11,915,746,721
	Receipts	(8,761,856,392)	1,490,467	76,204,412	25,100,326	965,857	(17,986,962)	85,772,100	(8,676,084,292)
	General Fund Appropriation	3,389,993,470	-	(145,910,788)	(15,606,298)	128,611	11,057,434	(150,331,041)	3,239,662,429
	Positions	391.25	12.00	-	-	18.00	-	30.00	421.25

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24445</b>	<b>Medical Assistance - Special GF</b>	291,872,767	-	-	-	-	-	-	291,872,767
	Receipts	(283,816,060)	-	-	-	-	-	-	(283,816,060)
	Change in Fund Balance	8,056,707	-	-	-	-	-	-	8,056,707
	Positions	-	-	-	-	-	-	-	-
<b>64445</b>	<b>Medical Assistance - Trust - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Medical Assistance</b>	12,443,722,629	(1,490,467)	(222,115,200)	(40,706,624)	(637,246)	29,046,396	(236,103,141)	12,207,619,488
	<b>Total Receipts</b>	(9,045,672,452)	1,490,467	76,204,412	25,100,326	965,857	(17,988,962)	85,772,100	(8,959,900,352)
	<b>Total Appropriation</b>	3,389,993,470	-	(145,910,788)	(15,606,298)	128,611	11,057,434	(150,331,041)	3,239,662,429
	<b>Total Change in Fund Balance</b>	8,056,707	-	-	-	-	-	-	8,056,707
	Positions	391.25	12.00	-	-	18.00	-	30.00	421.25
<b>DHHS - NC Health Choice</b>									
<b>14446</b>	<b>NC Health Choice - Requirements GF</b>	226,556,984	-	-	-	41,919,491	6,013,072	47,932,563	274,489,547
	Receipts	(167,165,829)	-	-	-	(31,531,841)	(4,517,454)	(36,049,295)	(203,215,124)
	General Fund Appropriation	59,391,155	-	-	-	10,387,650	1,495,618	11,883,268	71,274,423
	Positions	1.00	-	-	-	-	-	-	1.00
	<b>Total Requirement Budget - NC Health Choice</b>	226,556,984	-	-	-	41,919,491	6,013,072	47,932,563	274,489,547
	<b>Total Receipts</b>	(167,165,829)	-	-	-	(31,531,841)	(4,517,454)	(36,049,295)	(203,215,124)
	<b>Total Appropriation</b>	59,391,155	-	-	-	10,387,650	1,495,618	11,883,268	71,274,423
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	Positions	1.00	-	-	-	-	-	-	1.00
<b>DHHS Services for the Blind and Deaf</b>									
<b>14450</b>	<b>Blind/Deaf - Requirements GF</b>	30,035,144	4,493	-	-	-	-	4,493	30,039,637
	Receipts	(18,600,501)	(4,493)	-	-	-	-	(4,493)	(18,604,994)
	General Fund Appropriation	11,434,643	-	-	-	-	-	-	11,434,643
	Positions	319.00	-	-	-	-	-	-	319.00
<b>24450</b>	<b>Blind/Deaf - Special</b>	2,674,914	-	-	-	-	-	-	2,674,914
	Receipts	(2,674,914)	-	-	-	-	-	-	(2,674,914)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>54450</b>	<b>Blind/Deaf - Enterprise</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64450</b>	<b>Blind/Deaf - Trust - Special</b>	1,025	-	-	-	-	-	-	1,025
	Receipts	(1,025)	-	-	-	-	-	-	(1,025)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64452</b>	<b>Blind/Deaf - Trust - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>67425</b>	<b>Blind/Deaf - Trust - Telecommunication - Special</b>	9,981,780	-	-	-	-	-	-	9,981,780
	Receipts	(9,981,780)	-	-	-	-	-	-	(9,981,780)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	26.00	-	-	-	-	-	-	26.00



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Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
	Total Requirement Budget - Blind and Deaf	42,892,863		4,493						4,493	42,897,356
	Total Receipts	(31,258,220)		(4,493)						(4,493)	(31,262,713)
	Total Appropriation	11,434,643									11,434,643
	Total Change in Fund Balance										
	Positions	345.00									345.00
	<b>DHHS - Mental Health/Devel, Disab./Sub. Abuse</b>										
14460	DHHS - Mental Health - Requirements GF	1,210,827,959		1,841,754				73,613,696	11,047,829	86,503,279	1,297,331,238
	Receipts	(489,188,236)		(1,841,754)		(500,000)		(18,362,335)	(1,021,419)	(33,215,508)	(522,403,744)
	General Fund Appropriation	721,639,723				(11,500,000)		55,261,361	10,026,410	53,287,771	774,927,494
	Positions	11,714.33						436.75		436.75	12,151.08
24460	DHHS - Mental Health - Special	117,248		61,287						61,287	178,535
	Receipts	(117,248)		(61,287)						(61,287)	(178,535)
	Change in Fund Balance										
	Positions	1.49									1.49
64405	DHHS - Mental Health - Trust Interest Bearing										
	Receipts										
	Change in Fund Balance										
	Positions										
64460	DHHS - Mental Health Trust										
	Receipts										
	Change in Fund Balance										
	Positions										
64408	DHHS - Mental Health Keethlin Trust										
	Receipts										
	Change in Fund Balance										
	Positions										
24401	DHHS - Julian F. Keith ADATC - Special	32,318									32,318
	Receipts	(32,318)									(32,318)
	Change in Fund Balance										
	Positions										
24403	DHHS - ADATC WB Jones - Special										
	Receipts										
	Change in Fund Balance										
	Positions										
24404	DHHS - NC Special Care Center - Special	29,392		3,504						3,504	32,896
	Receipts	(29,285)		(3,504)						(3,504)	(32,789)
	Change in Fund Balance										
	Positions	107									107
64404	DHHS - NC Special Care Center - Trust	1,395		600						600	1,995
	Receipts	(1,395)		(600)						(600)	(1,995)
	Change in Fund Balance										
	Positions										
24406	DHHS - Black Mountain Center - Special	19,375									19,375
	Receipts	(19,375)									(19,375)
	Change in Fund Balance										
	Positions										
64406	DHHS - Black Mountain Center - Trust	123									123
	Receipts										
	Change in Fund Balance										
	Positions										

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>67406</b>	<b>DHHS - Black Mountain Center - Trust Interest Bearing</b>	6,275	-	-	-	-	-	-	6,275
	Receipts	(7,815)	-	-	-	-	-	-	(7,815)
	Change in Fund Balance	(1,540)	-	-	-	-	-	-	(1,540)
	Positions	-	-	-	-	-	-	-	-
<b>24466</b>	<b>DHHS - J Iverson Riddle Development Center - Special</b>	654,001	2,884	-	-	-	-	2,884	656,885
	Receipts	(536,137)	(2,883)	-	-	-	-	(2,883)	(539,020)
	Change in Fund Balance	117,864	1	-	-	-	1	117,865	117,865
	Positions	3,00	-	-	-	-	-	3,00	3,00
<b>64466</b>	<b>DHHS - J Iverson Riddle Development Center - Trust</b>	100,311	-	-	-	-	-	-	100,311
	Receipts	(108,251)	-	-	-	-	-	-	(108,251)
	Change in Fund Balance	(7,940)	-	-	-	-	-	-	(7,940)
	Positions	-	-	-	-	-	-	-	-
<b>67466</b>	<b>DHHS - J Iverson Riddle Development Center - Trust Int. Bearing</b>	100,198	-	-	-	-	-	-	100,198
	Receipts	(76,409)	-	-	-	-	-	-	(76,409)
	Change in Fund Balance	23,789	-	-	-	-	-	-	23,789
	Positions	-	-	-	-	-	-	-	-
<b>24467</b>	<b>DHHS - O'Berry Center - Special</b>	402,479	-	-	-	-	-	-	402,479
	Receipts	(402,479)	-	-	-	-	-	-	(402,479)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64467</b>	<b>DHHS - O'Berry Center - Trust - Special</b>	82,450	-	-	-	-	-	-	82,450
	Receipts	(82,450)	-	-	-	-	-	-	(82,450)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>67467</b>	<b>DHHS - O'Berry Center - Trust - Special Interest Bearing</b>	32,943	-	-	-	-	-	-	32,943
	Receipts	(32,943)	-	-	-	-	-	-	(32,943)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24468</b>	<b>DHHS - Murdoch Center - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64468</b>	<b>DHHS - Murdoch Center - Trust - Special</b>	57,088	-	-	-	-	-	-	57,088
	Receipts	(57,250)	-	-	-	-	-	-	(57,250)
	Change in Fund Balance	(162)	-	-	-	-	-	-	(162)
	Positions	-	-	-	-	-	-	-	-
<b>67468</b>	<b>DHHS - Murdoch Center - Trust - Special Interest</b>	168,661	-	-	-	-	-	-	168,661
	Receipts	(166,426)	-	-	-	-	-	-	(166,426)
	Change in Fund Balance	2,235	-	-	-	-	-	-	2,235
	Positions	-	-	-	-	-	-	-	-
<b>24469</b>	<b>DHHS - Caswell Center - Special</b>	595,157	38,339	-	-	-	-	38,339	633,496
	Receipts	(595,157)	(38,339)	-	-	-	-	(38,339)	(633,496)
	Change in Fund Balance	1,00	-	-	-	-	-	-	1,00
	Positions	-	-	-	-	-	-	-	-
<b>64469</b>	<b>DHHS - Caswell Center - Trust - Special</b>	1,870	-	-	-	-	-	-	1,870
	Receipts	(1,632)	-	-	-	-	-	-	(1,632)
	Change in Fund Balance	238	-	-	-	-	-	-	238
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
67469	DHHS - Caswell Center - Trust - Special Interest Bearing	337,696	-	-	-	-	-	-	337,696
	Receipts	(412,425)	-	-	-	-	-	-	(412,425)
	Change in Fund Balance	(74,729)	-	-	-	-	-	-	(74,729)
	Positions	-	-	-	-	-	-	-	-
24462	DHHS - Dorothea Dix - Special	258,163	-	-	-	-	-	-	258,163
	Receipts	(252,448)	-	-	-	-	-	-	(252,448)
	Change in Fund Balance	5,715	-	-	-	-	-	-	5,715
	Positions	-	-	-	-	-	-	-	-
64462	DHHS - Dorothea Dix - Trust - Special	10	-	-	-	-	-	-	10
	Receipts	(10)	-	-	-	-	-	-	(10)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
67462	DHHS - Dorothea Dix - Trust - Special Interest Bearing	8,039	-	-	-	-	-	-	8,039
	Receipts	(7,061)	-	-	-	-	-	-	(7,061)
	Change in Fund Balance	978	-	-	-	-	-	-	978
	Positions	-	-	-	-	-	-	-	-
24463	DHHS - Broughton Hospital - Special	163,178	-	-	-	-	-	-	163,178
	Receipts	(144,553)	-	-	-	-	-	-	(144,553)
	Change in Fund Balance	18,625	-	-	-	-	-	-	18,625
	Positions	-	-	-	-	-	-	-	-
64463	DHHS - Broughton Hospital - Trust - Special	53,050	-	-	-	-	-	-	53,050
	Receipts	(37,902)	-	-	-	-	-	-	(37,902)
	Change in Fund Balance	15,148	-	-	-	-	-	-	15,148
	Positions	-	-	-	-	-	-	-	-
67463	DHHS - Broughton Hosp - Trust - Special Interest Bearing	55,757	-	-	-	-	-	-	55,757
	Receipts	(73,484)	-	-	-	-	-	-	(73,484)
	Change in Fund Balance	(17,727)	-	-	-	-	-	-	(17,727)
	Positions	-	-	-	-	-	-	-	-
24464	DHHS - Cherry Hospital - Special	95,355	62,675	-	-	-	-	62,675	158,030
	Receipts	(82,570)	(62,675)	-	-	-	-	(62,675)	(145,245)
	Change in Fund Balance	12,785	-	-	-	-	-	-	12,785
	Positions	-	-	-	-	-	-	-	-
64464	DHHS - Cherry Hospital - Trust - Special	18,837	-	-	-	-	-	-	18,837
	Receipts	(18,800)	-	-	-	-	-	-	(18,800)
	Change in Fund Balance	37	-	-	-	-	-	-	37
	Positions	-	-	-	-	-	-	-	-
67464	DHHS - Cherry Hospital - Trust-Special - Interest Bearing	151,200	-	-	-	-	-	-	151,200
	Receipts	(142,500)	-	-	-	-	-	-	(142,500)
	Change in Fund Balance	8,700	-	-	-	-	-	-	8,700
	Positions	-	-	-	-	-	-	-	-
74464	DHHS - Cherry Hospital -Internal Service - Special	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
24465	DHHS - Umstead Hospital - Special	172,878	-	-	-	-	-	-	172,878
	Receipts	(168,807)	-	-	-	-	-	-	(168,807)
	Change in Fund Balance	4,071	-	-	-	-	-	-	4,071
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>54465</b>	<b>DHHS - Town of Butler - Enterprise - Special</b>								
	Receipts	1,984,618	-	-	-	-	-	-	1,984,618
	Change in Fund Balance	(1,984,618)	-	-	-	-	-	-	(1,984,618)
	Positions	-	-	-	-	-	-	-	-
		8.00	-	-	-	-	-	-	8.00
<b>64465</b>	<b>DHHS - Umstead Hospital - Trust - Special</b>								
	Receipts	21,084	-	-	-	-	-	-	21,084
	Change in Fund Balance	(20,729)	-	-	-	-	-	-	(20,729)
	Positions	355	-	-	-	-	-	-	355
		-	-	-	-	-	-	-	-
<b>67465</b>	<b>DHHS - Umstead Hospital - Trust-Special - Interest</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>74465</b>	<b>DHHS - Umstead Hospital - Internal Services - Special</b>								
	Receipts	749,978	-	-	-	-	-	-	749,978
	Change in Fund Balance	(775,695)	-	-	-	-	-	-	(775,695)
	Positions	(25,717)	-	-	-	-	-	-	(25,717)
		9.00	-	-	-	-	-	-	9.00
	<b>Total Requirement Budget - Mental Health</b>	1,217,299,086	2,011,043	-	-	73,613,696	11,047,829	86,672,568	1,303,971,654
	<b>Total Receipts</b>	(495,676,408)	(2,011,042)	-	-	(18,352,335)	(1,021,419)	(33,384,796)	(528,961,204)
	<b>Total Appropriation</b>	721,639,723	-	(11,500,000)	(500,000)	55,261,361	10,026,410	53,287,771	774,927,494
	<b>Total Change in Fund Balance</b>	82,955	1	-	-	-	-	(61,286)	82,956
	<b>Positions</b>	11,736.82	-	-	-	436.75	-	436.75	12,173.57
<b>14470</b>	<b>DHHS - Health Service Regulation - Requirements GF</b>								
	Receipts	53,994,094	(907,721)	-	-	787,918	34,110	(85,693)	53,908,401
	General Fund Appropriation	(33,337,866)	(328,771)	-	-	-	-	(328,771)	(33,666,637)
	Positions	20,656,228	(1,236,492)	-	-	787,918	34,110	(414,464)	20,241,764
		505.00	-	-	-	8.00	-	8.00	513.00
<b>24470</b>	<b>DHHS - Health Service Regulation - Special - GF</b>								
	Receipts	299,750	-	-	-	-	-	-	299,750
	Change in Fund Balance	(299,750)	-	-	-	-	-	-	(299,750)
	Positions	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Health Service Regulation</b>	54,293,844	(907,721)	-	-	787,918	34,110	(85,693)	54,208,151
	<b>Total Receipts</b>	(33,637,616)	(328,771)	-	-	-	-	(328,771)	(33,966,387)
	<b>Total Appropriation</b>	20,656,228	(1,236,492)	-	-	787,918	34,110	(414,464)	20,241,764
	<b>Total Change in Fund Balance</b>	505.00	-	-	-	8.00	-	8.00	513.00
	<b>Positions</b>	505.00	-	-	-	8.00	-	8.00	513.00
<b>14480</b>	<b>DHHS - Vocational Rehabilitation</b>								
	Receipts	138,876,370	374,140	(2,000,000)	-	-	-	(1,625,860)	137,252,510
	General Fund Appropriation	(93,360,005)	(374,140)	-	-	-	-	(374,140)	(93,734,145)
	Positions	45,518,365	-	(2,000,000)	-	-	-	(2,000,000)	43,518,365
		1,054.01	2.00	-	-	-	-	2.00	1,056.01
<b>24480</b>	<b>DHHS - VR - Special</b>								
	Receipts	(606,781)	-	-	-	-	-	-	(606,781)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24481</b>	<b>DHHS - Disability Determination - Special</b>								
	Receipts	58,927,412	601,322	-	-	-	-	601,322	59,528,734
	Change in Fund Balance	(58,927,412)	(601,322)	-	-	-	-	(601,322)	(59,528,734)
	Positions	660.00	-	-	-	-	-	(601,322)	-
		-	-	-	-	-	-	-	660.00

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
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Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Total Requirement Budget - Vocational Rehabilitation</b>											
	Total Receipts	198,412,563		975,462		(2,000,000)				(1,024,538)	197,388,025
	Total Appropriation	(152,894,196)		(975,462)						(975,462)	(153,869,660)
	Total Change in Fund Balance	45,518,365				(2,000,000)				(2,000,000)	43,518,365
	Positions									(601,322)	
<b>Total Requirement Budget - Health and Human Services</b>											
	Total Receipts	17,293,883,973		39,544,741		(245,007,484)				154,629,334	17,264,630,223
	Total Appropriation	(12,185,543,956)		(39,544,740)		59,803,033				(78,326,563)	(12,258,094,373)
	Total Change in Fund Balance	5,108,340,017				(185,204,451)				76,302,771	4,998,396,187
	Positions	8,139,662		1						(662,606)	8,139,663
		19,248.17		17.00						482.75	19,747.92
<b>Justice and Public Safety</b>											
<b>Department of Correction</b>											
<b>14500</b>	<b>Correction - Requirements GF</b>	1,256,420,592		-		(8,125,000)				16,364,562	1,261,106,863
	Receipts	(29,793,011)		-		(3,699,375)				(3,699,375)	(33,492,386)
	General Fund Appropriation	1,226,627,581		-		(11,824,375)				16,364,562	1,227,614,477
	Positions	21,223.00		-						83.00	21,306.00
<b>24500</b>	<b>Correction - Special</b>	2,016,335		-		-				-	2,016,335
	Receipts	(2,016,335)		-		-				-	(2,016,335)
	Change in Fund Balance	-		-		-				-	-
	Positions	-		-		-				-	-
<b>24501</b>	<b>Correction - IT - Special - GF</b>	-		-		-				-	-
	Receipts	-		-		-				-	-
	Change in Fund Balance	-		-		-				-	-
	Positions	-		-		-				-	-
<b>24502</b>	<b>Correction - Canteen Other Special</b>	13,393,003		-		-				-	13,393,003
	Receipts	(13,393,003)		-		-				-	(13,393,003)
	Change in Fund Balance	-		-		-				-	-
	Positions	22.00		-		-				-	22.00
<b>24503</b>	<b>Correction - Special - Interest Bearing</b>	-		-		-				-	-
	Receipts	-		-		-				-	-
	Change in Fund Balance	-		-		-				-	-
	Positions	-		-		-				-	-
<b>74500</b>	<b>Correction - Internal Service Fund</b>	85,091,196		-		-				-	85,091,196
	Receipts	(85,509,921)		-		-				-	(85,509,921)
	Change in Fund Balance	(418,725)		-		-				-	(418,725)
	Positions	402.00		-		-				-	402.00
<b>Total Requirement Budget - Correction</b>											
	Total Receipts	1,356,921,126		-		(8,125,000)				16,364,562	1,361,607,397
	Total Appropriation	(130,712,270)		-		(3,699,375)				(3,699,375)	(134,411,645)
	Total Change in Fund Balance	1,226,627,581		-		(11,824,375)				16,364,562	1,227,614,477
	Positions	(418,725)		-		-				-	(418,725)
		21,647.00		-		-				83.00	21,730.00
<b>Crime Control and Public Safety</b>											
<b>14900</b>	<b>CC&amp;PS - Requirements GF</b>	109,893,289		46,908,503		(160,482)				1,145,000	158,445,889
	Receipts	(68,404,252)		(46,908,503)		-				(252,000)	(115,564,755)
	General Fund Appropriation	41,489,037		-		(160,482)				893,000	42,881,134
	Positions	515.75		3.00		-				3.00	518.75

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24960</b>	<b>CC&amp;PS - Highway Control Special</b>	203,903,080	1,958,467	-	-	-	-	1,958,467	205,861,547
	Receipts	(203,903,080)	(1,958,467)	-	-	-	-	(1,958,467)	(205,861,547)
	Change in Fund Balance								
	Positions	2,381,000	-	-	-	-	-	-	2,381,000
<b>24961</b>	<b>CC&amp;PS - Seized/Forfeited Assets - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24962</b>	<b>CC&amp;PS - Juvenile Justice Block Grant - GF</b>	11,655,971	-	-	-	-	-	-	11,655,971
	Receipts	(11,655,971)	-	-	-	-	-	-	(11,655,971)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24963</b>	<b>CC&amp;PS - Disaster Relief - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24964</b>	<b>CC&amp;PS - Other Special Grants</b>	60,818,010	153,978	-	-	-	-	153,978	60,971,988
	Receipts	(60,818,010)	(153,978)	-	-	-	-	(153,978)	(60,971,988)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Crime Control and Public Safety</b>	386,270,350	49,020,948	(160,482)	(140,421)	1,145,000	800,000	50,865,045	436,935,395
	<b>Total Receipts</b>	(344,781,313)	(49,020,948)	-	-	(252,000)	-	(49,272,948)	(394,054,261)
	<b>Total Appropriation</b>	41,489,037	-	(160,482)	(140,421)	893,000	800,000	1,392,097	42,881,134
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	Positions	2,896.75	3.00	-	-	-	-	3.00	2,899.75
<b>12000</b>	<b>Judicial Branch (AOC)</b>	454,699,297	15,399	(2,620,486)	(1,701,752)	1,865,815	34,605	(2,406,419)	452,292,878
	AOC - Requirements GF	(2,309,380)	(15,399)	-	-	-	-	(15,399)	(2,324,779)
	General Fund Appropriation	452,389,917	-	(2,620,486)	(1,701,752)	1,865,815	34,605	(2,421,818)	449,968,099
	Positions	6,313.20	-	(200,000)	-	22.00	-	22.00	6,335.20
<b>12001</b>	<b>AOC - Indigent Defense - Requirements GF</b>	124,862,463	-	(200,000)	-	-	3,000,000	2,800,000	127,662,463
	Receipts	(8,871,115)	-	(200,000)	-	-	-	-	(8,871,115)
	General Fund Appropriation	115,991,348	-	(200,000)	-	-	3,000,000	2,800,000	118,791,348
	Positions	376.50	-	-	-	-	-	-	376.50
<b>22001</b>	<b>AOC - Special</b>	12,200,000	-	-	-	-	-	-	12,200,000
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	12,200,000	-	-	-	-	-	-	12,200,000
	Positions	-	-	-	-	-	-	-	-
<b>22004</b>	<b>AOC - Reserve for Safe Roads - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>22005</b>	<b>AOC - Worthless Check Fund-Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>22006</b>	<b>AOC - IT Fund - Special</b>	2,179,963	-	-	-	-	-	-	2,179,963
	Receipts	(2,179,963)	-	-	-	-	-	-	(2,179,963)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>22007</b>	<b>AOC - Appellate Courts Printing and Computer - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>22008</b>	<b>AOC - Special - GF</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Judicial</b>	593,941,723	15,399	(2,820,486)	(1,701,752)	1,865,815	3,034,605	393,581	594,335,304
	<b>Total Receipts</b>	(13,360,458)	(15,399)	-	-	-	-	(15,399)	(13,375,857)
	<b>Total Appropriation</b>	568,381,265	-	(2,820,486)	(1,701,752)	1,865,815	3,034,605	378,182	568,759,447
	<b>Total Change in Fund Balance</b>	12,200,000	-	-	-	-	-	-	12,200,000
	<b>Positions</b>	6,689,70	-	-	-	-	-	-	6,689,70
	<b>Department of Justice</b>								
<b>13600</b>	<b>Justice - Requirements GF</b>	118,699,734	775,649	(456,525)	(311,959)	1,128,061	191,301	1,326,527	120,026,261
	Receipts	(26,528,064)	(775,649)	-	-	(422,866)	(63,529)	(1,262,044)	(27,790,108)
	General Fund Appropriation	92,171,670	-	(456,525)	(311,959)	705,195	127,772	64,483	92,236,153
	Positions	1,329,75	3,00	-	-	12,00	-	15,00	1,344,75
<b>23600</b>	<b>Justice - Special</b>	53,455	-	-	-	-	-	-	53,455
	Receipts	(53,455)	-	-	-	-	-	-	(53,455)
	Change in Fund Balance	2,00	-	-	-	-	-	-	2,00
	Positions	-	-	-	-	-	-	-	-
<b>23601</b>	<b>Justice - Special Recurring</b>	2,571,559	-	-	-	-	-	-	2,571,559
	Receipts	(2,571,559)	-	-	-	-	-	-	(2,571,559)
	Change in Fund Balance	26,00	-	-	-	-	-	-	26,00
	Positions	-	-	-	-	-	-	-	-
<b>23606</b>	<b>Justice - Seized and Forfeited Assets - Special</b>	1,290,587	-	-	-	-	-	-	1,290,587
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	1,290,587	-	-	-	-	-	-	1,290,587
	Positions	-	-	-	-	-	-	-	-
<b>63600</b>	<b>Justice - Private Protection Services - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63602</b>	<b>Justice - Alarm Systems Recovery - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Justice</b>	122,615,335	775,649	(456,525)	(311,959)	1,128,061	191,301	1,326,527	123,941,862
	<b>Total Receipts</b>	(29,153,078)	(775,649)	-	-	(422,866)	(63,529)	(1,262,044)	(30,415,122)
	<b>Total Appropriation</b>	92,171,670	-	(456,525)	(311,959)	705,195	127,772	64,483	92,236,153
	<b>Total Change in Fund Balance</b>	1,290,587	-	-	-	-	-	-	1,290,587
	<b>Positions</b>	1,357,75	3,00	-	-	12,00	-	15,00	1,372,75
<b>14060</b>	<b>Juvenile Justice and Delinquency Prevention</b>	150,336,299	-	(739,954)	(474,277)	25,243,447	26,400	24,055,616	174,391,915
	Receipts	(10,780,195)	-	-	-	(847,609)	(10,580)	(858,169)	(11,638,364)
	General Fund Appropriation	139,556,104	-	(739,954)	(474,277)	24,395,838	15,840	23,197,447	162,753,551
	Positions	1,943,06	-	-	-	47,00	-	47,00	1,990,06

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Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	Recommended Budget
		Budget	Positions	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24060</b>	<b>Juvenile Justice - Special</b>										
	Receipts	1,497,930		16,008		-		-		16,008	1,513,938
	Change in Fund Balance	(1,497,930)		(9,767)		-		-		(9,767)	(1,507,697)
	Positions	-		6,241		-		-		6,241	6,241
		23.50		-		-		-		-	23.50
<b>64060</b>	<b>Juvenile Justice - Trust</b>										
	Receipts	-		-		-		-		-	-
	Change in Fund Balance	-		-		-		-		-	-
	Positions	-		-		-		-		-	-
		-		-		-		-		-	-
	<b>Total Requirement Budget - Juvenile Justice, Delinquency Prev.</b>	151,834,229		16,008		(739,954)		(474,277)		24,071,824	175,905,853
	<b>Total Receipts</b>	(12,278,125)		(9,767)		-		-		(10,560)	(13,146,061)
	<b>Total Appropriation</b>	139,556,104		-		(739,954)		(474,277)		23,197,447	162,753,551
	<b>Total Change in Fund Balance</b>	-		6,241		-		-		6,241	6,241
	<b>Positions</b>	1,966.56		-		-		47.00		47.00	2,013.56
	<b>Total Requirement Budget - Justice and Public Safety</b>	2,611,582,763		49,828,004		(12,302,447)		(7,003,409)		81,143,048	2,692,725,811
	<b>Total Receipts</b>	(530,285,244)		(49,827,763)		(3,689,375)		(1,522,475)		(55,117,702)	(585,402,946)
	<b>Total Appropriation</b>	2,068,225,657		-		(16,001,822)		(7,003,409)		26,019,105	2,094,244,762
	<b>Total Change in Fund Balance</b>	13,071,862		6,241		-		-		6,241	13,078,103
	<b>Positions</b>	34,557.75		6.00		-		142.00		148.00	34,705.75
<b>Natural and Economic Resources</b>											
<b>Department of Agriculture and Consumer Services</b>											
<b>13700</b>	<b>Agriculture - Requirements GF</b>										
	Receipts	84,927,771		568,745		-		309,132		5,880,582	90,808,353
	Change in Fund Balance	(24,228,770)		(568,745)		(606,990)		(21,213)		(1,196,948)	(25,425,718)
	General Fund Appropriation	60,699,001		-		(606,990)		287,919		4,683,634	65,382,635
	Positions	1,189.00		6.00		-		6.00		12.00	1,201.00
<b>23700</b>	<b>Agriculture - Livestock - Special</b>										
	Receipts	-		-		-		-		-	-
	Change in Fund Balance	-		-		-		-		-	-
	Positions	-		-		-		-		-	-
<b>23701</b>	<b>Agriculture - Warehouse Investment - Special</b>										
	Receipts	-		-		-		-		-	-
	Change in Fund Balance	-		-		-		-		-	-
	Positions	-		-		-		-		-	-
<b>23702</b>	<b>Agriculture - Disaster Relief - GF</b>										
	Receipts	-		-		-		-		-	-
	Change in Fund Balance	-		-		-		-		-	-
	Positions	-		-		-		-		-	-
<b>23703</b>	<b>Agriculture - Tobacco Trust - Special</b>										
	Receipts	-		90,767		-		-		90,767	90,767
	Change in Fund Balance	-		(90,767)		-		-		(90,767)	(90,767)
	Positions	-		1.00		-		-		1.00	1.00
<b>53700</b>	<b>Agriculture - Farmers' Market - Enterprise</b>										
	Receipts	1,294,206		-		-		-		-	1,294,206
	Change in Fund Balance	(1,294,206)		-		-		-		-	(1,294,206)
	Positions	17.00		-		-		-		-	17.00
<b>53725</b>	<b>Agriculture - Western NC Agriculture Fair - Enterprise</b>										
	Receipts	1,982,283		-		-		-		-	1,982,283
	Change in Fund Balance	(1,982,283)		-		-		-		-	(1,982,283)
	Positions	13.00		-		-		-		-	13.00



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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>53750</b>	<b>Agriculture - State Fair - Enterprise</b>	12,556,517	-	-	-	-	-	-	12,556,517
	Receipts	(12,556,517)	-	-	-	-	-	-	(12,556,517)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	74.00	-	-	-	-	-	-	74.00
<b>63700</b>	<b>Agriculture - Trust - Special</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63704</b>	<b>Agriculture - Tobacco Trust - Special</b>	-	517,100	-	-	-	-	517,100	517,100
	Receipts	-	(517,100)	-	-	-	-	(517,100)	(517,100)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63706</b>	<b>Agriculture - Trust - GF</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	Excluding DACS Component Units	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - Agriculture and Consumer Services</b>	100,760,777	1,176,612	-	309,132	5,002,705	6,488,449	107,249,226	
	<b>Total Receipts</b>	(40,061,776)	(1,176,612)	(606,990)	(21,213)	-	(1,804,815)	(41,866,991)	
	<b>Total Appropriation</b>	60,699,001	-	(606,990)	287,919	5,002,705	4,683,634	65,382,635	
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	
	<b>Positions</b>	1,293.00	7.00	-	6.00	-	13.00	1,306.00	
<b>DACS Component Units</b>									
<b>63702</b>	<b>Agriculture - Rural Rehab Loans - Proprietary</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>63703</b>	<b>Agriculture - Finance Authority - Proprietary</b>	-	-	-	-	-	-	-	-
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - DACS Component Units</b>	-	-	-	-	-	-	-	
	<b>Total Receipts</b>	-	-	-	-	-	-	-	
	<b>Total Appropriation</b>	-	-	-	-	-	-	-	
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	
	<b>Positions</b>	-	-	-	-	-	-	-	
<b>Department of Commerce</b>									
<b>14600</b>	<b>Commerce - Requirements GF</b>	97,713,036	68,868	(303,502)	(1,476,535)	746,517	16,975,000	113,723,384	
	Receipts	(52,423,695)	(68,868)	-	-	(110,620)	(179,488)	(52,603,183)	
	General Fund Appropriation	45,289,341	-	(303,502)	(1,476,535)	635,897	15,830,860	61,120,201	
	Positions	458.57	-	-	-	1.00	1.00	459.57	
<b>24600</b>	<b>Commerce - Special</b>	183,833,097	4,003,290	-	-	-	4,003,290	187,836,387	
	Receipts	(151,620,412)	(3,290)	-	-	-	(3,290)	(151,623,702)	
	Change in Fund Balance	32,212,685	4,000,000	-	-	-	4,000,000	36,212,685	
	Positions	86.40	3.00	-	-	-	3.00	89.40	
<b>24602</b>	<b>Commerce - Disaster Relief - GF</b>	-	-	-	-	-	-	-	
	Receipts	-	-	-	-	-	-	-	
	Change in Fund Balance	-	-	-	-	-	-	-	
	Positions	-	-	-	-	-	-	-	

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**Governmental and Proprietary Funds and Selected Component Units**  
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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24603</b>	<b>Commerce - NC Clean - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24604</b>	<b>Commerce - Morehead - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24605</b>	<b>Commerce - Cape Fear - Special</b>	6,000	-	-	-	-	-	-	6,000
	Receipts	(6,000)	-	-	-	-	-	-	(6,000)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24606</b>	<b>Commerce - Clean Water Bonds - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24609</b>	<b>Commerce - Special GF</b>	57,500	-	-	-	-	-	-	57,500
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	57,500	-	-	-	-	-	-	57,500
	Positions	-	-	-	-	-	-	-	-
<b>24611</b>	<b>Commerce - IT Projects</b>		2,989,549					2,989,549	2,989,549
	Receipts	-	2,989,549	-	-	-	-	2,989,549	2,989,549
	Change in Fund Balance	-	2,989,549	-	-	-	-	2,989,549	2,989,549
	Positions	-	-	-	-	-	-	-	-
<b>24608</b>	<b>Commerce - Special - GF</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24610</b>	<b>Commerce - Special</b>	66,100	-						66,100
	Receipts	(66,100)	-	-	-	-	-	-	(66,100)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>54600</b>	<b>Commerce - Enterprise</b>	35,276,267	1,912,414					1,912,414	37,188,681
	Receipts	(33,516,851)	(1,405,104)					(1,405,104)	(34,921,955)
	Change in Fund Balance	1,759,416	507,310					507,310	2,266,726
	Positions	301,000	-					-	301,000
<b>64604</b>	<b>Commerce - EDA Funds - GF</b>	200,000	-						200,000
	Receipts	(200,000)	-					-	(200,000)
	Change in Fund Balance	-	-					-	-
	Positions	-	-					-	-
<b>64605</b>	<b>Commerce - Utilities Commission/PS - Enterprise</b>								
	Receipts	-	-					-	-
	Change in Fund Balance	-	-					-	-
	Positions	-	-					-	-
<b>64612</b>	<b>Commerce - NC Rural Electric Authority - Special</b>								
	Receipts	-	-					-	-
	Change in Fund Balance	-	-					-	-
	Positions	-	-					-	-

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>64613</b>	Commerce - Utilities Commission/Natural Gas - Special								
	Receipts								
	Change in Fund Balance								
	Positions								
<b>64616</b>	Commerce - CDBG - Revolving Loan - GF								
	Receipts	1,000,000							1,000,000
	Change in Fund Balance	(1,000,000)							(1,000,000)
	Positions								
	<b>Total Requirement Budget - Commerce</b>	318,152,000	8,974,121	(303,502)	(1,476,535)	746,517	16,975,000	24,915,601	343,067,601
	<b>Total Receipts</b>	(238,833,058)	(1,477,262)	-	-	(110,620)	-	(1,587,882)	(240,420,940)
	<b>Total Appropriation</b>	45,289,341	-	(303,502)	(1,476,535)	635,897	16,975,000	15,830,860	61,120,201
	<b>Total Change in Fund Balance</b>	34,029,601	7,496,859	-	-	-	-	7,496,859	41,526,460
	Positions	845.97	3.00			1.00		4.00	849.97
	<b>Commerce - State-Aid</b>								
<b>14601</b>	Commerce - State Aid - Requirements GF								
	Receipts	61,247,487				1,500,000	2,500,000	4,000,000	65,247,487
	General Fund Appropriation								
	Positions	61,247,487				1,500,000	2,500,000	4,000,000	65,247,487
<b>24601</b>	Commerce - Disaster - Special								
	Receipts								
	Change in Fund Balance								
	Positions								
	<b>Total Requirement Budget - Commerce State Aid</b>	61,247,487				1,500,000	2,500,000	4,000,000	65,247,487
	<b>Total Receipts</b>								
	<b>Total Appropriation</b>	61,247,487				1,500,000	2,500,000	4,000,000	65,247,487
	<b>Total Change in Fund Balance</b>								
	Positions								
<b>54641</b>	Education Lottery								
	NC Education Lottery Proceeds								
	Receipts	1,067,647,291	271,945,709					271,945,709	1,339,593,000
	Change in Fund Balance	(1,067,647,291)	(271,945,709)					(271,945,709)	(1,339,593,000)
	Positions								
<b>54670</b>	NC Education Lottery Commission Requirements								
	Receipts	52,385,209							52,385,209
	Change in Fund Balance	(52,385,209)							(52,385,209)
	Positions								
	<b>Total Requirement Budget - Education Lottery</b>	1,120,032,500	271,945,709					271,945,709	1,391,978,209
	<b>Total Receipts</b>	(1,120,032,500)	(271,945,709)					(271,945,709)	(1,391,978,209)
	<b>Total Appropriation</b>								
	<b>Total Change in Fund Balance</b>								
	Positions	225.00							225.00
	<b>Employment Security Commission (ESC)</b>								
<b>24650</b>	ESC - Administration - Special								
	Receipts	246,658,700							246,658,700
	Change in Fund Balance	(246,658,700)							(246,658,700)
	Positions								
	<b>Total Requirement Budget - Trust - Special</b>	1,687,86							1,687,86
	<b>Total Receipts</b>	4,742,378							4,742,378
	<b>Total Appropriation</b>	(4,742,378)							(4,742,378)
	<b>Total Change in Fund Balance</b>								
	Positions								

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Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>64651</b>	<b>ESC - Claims/Benefits - Trust - Enterprise</b>	880,915,483	-	-	-	-	-	-	880,915,483
	Receipts	(880,915,483)	-	-	-	-	-	-	(880,915,483)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64653</b>	<b>ESC - Reserve - Trust - Enterprise</b>	162,982,484	-	-	-	-	-	-	162,982,484
	Receipts	(162,982,484)	-	-	-	-	-	-	(162,982,484)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64652</b>	<b>ESC - Trust - Clearing</b>	944,644,817	-	-	-	-	-	-	944,644,817
	Receipts	(944,644,817)	-	-	-	-	-	-	(944,644,817)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64655</b>	<b>ESC - Training and Employment - Trust - Enterprise</b>	74,141	-	-	-	-	-	-	74,141
	Receipts	(74,141)	-	-	-	-	-	-	(74,141)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - ESC</b>	2,240,018,003	-	-	-	-	-	-	2,240,018,003
	<b>Total Receipts</b>	(2,240,018,003)	-	-	-	-	-	-	(2,240,018,003)
	<b>Total Appropriation</b>	-	-	-	-	-	-	-	-
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	Positions	1,687,86	-	-	-	-	-	-	1,687,86
<b>Environment and Natural Resources (DENR)</b>									
<b>14300</b>	<b>DENR - Requirements GF</b>	317,161,761	(7,500,223)	(1,988,157)	-	1,427,384	9,685,431	1,624,435	318,786,196
	Receipts	(124,346,099)	7,500,223	-	-	608,550	-	8,108,773	(116,237,325)
	General Fund Appropriation	192,815,663	-	(1,988,157)	-	2,035,934	9,685,431	9,733,208	202,548,871
	Positions	3,411,79	(11,35)	-	-	22,62	-	11,27	3,423,06
<b>24300</b>	<b>DENR - Special</b>	38,810,076	(1,255,092)	-	-	-	-	(1,255,092)	37,554,984
	Receipts	(36,308,755)	1,255,092	-	-	-	-	1,255,092	(35,053,663)
	Change in Fund Balance	2,501,321	-	-	-	-	-	-	2,501,321
	Positions	282,11	(14,00)	-	-	-	-	(14,00)	268,11
<b>24301</b>	<b>DENR - Air Quality - Fuel Tax - Special</b>	10,607,061	748,433	-	-	-	-	748,433	11,355,494
	Receipts	(10,607,061)	(748,433)	-	-	-	-	(748,433)	(11,355,494)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	96,00	11,00	-	-	-	-	11,00	107,00
<b>24302</b>	<b>DENR - Governor's Cup - Trust - Special</b>	6,080	-	-	-	-	-	-	6,080
	Receipts	(1,414)	-	-	-	-	-	-	(1,414)
	Change in Fund Balance	4,666	-	-	-	-	-	-	4,666
	Positions	-	-	-	-	-	-	-	-
<b>24303</b>	<b>DENR - Marine Fisheries Conservation - Special</b>	22,687	-	-	-	-	-	-	22,687
	Receipts	(22,687)	-	-	-	-	-	-	(22,687)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24304</b>	<b>DENR - Wetlands Trust Fund - Special</b>	59,518,833	-	-	-	-	-	-	59,518,833
	Receipts	(59,443,833)	-	-	-	-	-	-	(59,443,833)
	Change in Fund Balance	75,000	-	-	-	-	-	-	75,000
	Positions	-	-	-	-	-	-	-	-
<b>24305</b>	<b>DENR - Clean Water Management Trust - Special</b>	80,538,288	-	-	-	-	-	-	80,538,288
	Receipts	(80,538,288)	-	-	-	-	-	-	(80,538,288)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>24306</b>	<b>DENR - Dry Cleaning Solvent Tax - Special</b>								
	Receipts	18,555,015	2,742,923	-	-	-	-	2,742,923	21,297,938
	Change in Fund Balance	(18,555,015)	(2,742,923)	-	-	-	-	(2,742,923)	(21,297,938)
	Positions	-	-	-	-	-	-	-	-
<b>24307</b>	<b>DENR - Forest Development - Special</b>								
	Receipts	3,218,693	(12,681)	-	-	-	-	(12,681)	3,206,012
	Change in Fund Balance	(3,218,693)	12,681	-	-	-	-	12,681	(3,206,012)
	Positions	2.75	-	-	-	-	-	-	2.75
<b>24308</b>	<b>DENR - Special</b>								
	Receipts	13,785,327	1,299,231	-	-	-	-	1,299,231	15,084,558
	Change in Fund Balance	(12,785,956)	(1,299,231)	-	-	-	-	(1,299,231)	(14,085,187)
	Positions	999,371	-	-	-	-	-	-	999,371
		96.50	(5.25)	-	-	-	-	(5.25)	91.25
<b>24309</b>	<b>DENR - Part F - Special</b>								
	Receipts	49,037,721	-	-	-	-	-	-	49,037,721
	Change in Fund Balance	(49,037,721)	-	-	-	-	-	-	(49,037,721)
	Positions	-	-	-	-	-	-	-	-
<b>24310</b>	<b>DENR - Disaster - GF</b>								
	Receipts	2,361,722	-	-	-	-	-	-	2,361,722
	Change in Fund Balance	(2,302,443)	-	-	-	-	-	-	(2,302,443)
	Positions	59,279	-	-	-	-	-	-	59,279
<b>24311</b>	<b>DENR - Interest - CI</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>24323</b>	<b>DENR - Marine Resources Fund</b>								
	Receipts	1,610,900	-	-	-	-	-	-	1,610,900
	Change in Fund Balance	(1,610,900)	-	-	-	-	-	-	(1,610,900)
	Positions	-	-	-	-	-	-	-	-
<b>24325</b>	<b>DENR - DWR - FERC Interest Bearing</b>								
	Receipts	-	30,500	-	-	-	-	30,500	30,500
	Change in Fund Balance	-	(30,500)	-	-	-	-	(30,500)	(30,500)
	Positions	-	-	-	-	-	-	-	-
<b>24317</b>	<b>DENR - Special - GF</b>								
	Receipts	-	38,827	-	-	-	-	38,827	38,827
	Change in Fund Balance	-	(38,827)	-	-	-	-	(38,827)	(38,827)
	Positions	-	1.00	-	-	-	-	1.00	1.00
<b>64300</b>	<b>DENR - Trust - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64301</b>	<b>DENR - Waste Water Operations Training - Special</b>								
	Receipts	-	31,726	-	-	-	-	31,726	31,726
	Change in Fund Balance	-	(31,726)	-	-	-	-	(31,726)	(31,726)
	Positions	-	-	-	-	-	-	-	-
<b>64302</b>	<b>DENR - Natural Heritage - Trust - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget		Anticipated Recurring Adjustments*		Reductions		Expansion		Net Change	2008-09 Recommended Budget
		Budget		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>64303</b>	<b>DENR - Solid Waste Management Trust - Special</b>	7,664,898		-	-	-	-	-	-	-	7,664,898
	Receipts	(7,664,898)		-	-	-	-	-	-	-	(7,664,898)
	Change in Fund Balance	22,000		-	-	-	-	-	-	-	22,000
	Positions	8.00		-	-	-	-	-	-	-	8.00
<b>64304</b>	<b>DENR - Clean Water Revolving Loan - Special</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64305</b>	<b>DENR - Commercial LUST Cleanup - Special</b>	31,199,650		152,289	-	-	-	-	-	152,289	31,351,939
	Receipts	(31,199,650)		(152,289)	-	-	-	-	-	(152,289)	(31,351,939)
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	4.00		(1.00)	-	-	-	-	-	(1.00)	3.00
<b>64306</b>	<b>DENR - Waste Water Treatment Maintenance - Special</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64307</b>	<b>DENR - Conservation Grant Endowment - Permanent</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64308</b>	<b>DENR - Non-Commercial LUST Cleanup - Special</b>	13,095,000		-	-	-	-	-	-	-	13,095,000
	Receipts	(13,095,000)		-	-	-	-	-	-	-	(13,095,000)
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64309</b>	<b>DENR - Ground Water Protection Loan - Special</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64311</b>	<b>DENR - Water Pollution Revolving Loan - Enterprise</b>	-		81,327	-	-	-	-	-	81,327	81,327
	Receipts	-		(81,327)	-	-	-	-	-	(81,327)	(81,327)
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		1.00	-	-	-	-	-	1.00	1.00
<b>64312</b>	<b>DENR - Federal Bond Revolving Loan - Enterprise</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64314</b>	<b>DENR - State Bond Revolving Loan - Special</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64316</b>	<b>DENR - Pigeon River Trust - Special</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-
<b>64317</b>	<b>DENR - Settlement - Special</b>	-		-	-	-	-	-	-	-	-
	Receipts	-		-	-	-	-	-	-	-	-
	Change in Fund Balance	-		-	-	-	-	-	-	-	-
	Positions	-		-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>64318</b>	<b>DENR - High Unit Cost WW Grants - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64319</b>	<b>DENR - CWSRF Federal Program - Enterprise</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64320</b>	<b>DENR - Drinking Water SRF - Enterprise</b>								
	Receipts	9,886,588	8,986,548	-	-	-	-	8,986,548	18,682,136
	Change in Fund Balance	(9,886,588)	(8,986,548)	-	-	-	-	(8,986,548)	(18,682,136)
	Positions	46.20	(5.00)	-	-	-	-	(5.00)	41.20
<b>64321</b>	<b>DENR - High Unit Cost WS Grants - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64322</b>	<b>DENR - Drinking Water SRF - Bond Match - Enterprise</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64323</b>	<b>DENR - Marine Resources Endowment - Permanent</b>								
	Receipts	168,790	-	-	-	-	-	-	168,790
	Change in Fund Balance	(168,790)	-	-	-	-	-	-	(168,790)
	Positions	-	-	-	-	-	-	-	-
<b>64324</b>	<b>DENR - Drinking Water Reserve - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64325</b>	<b>DENR - Trust - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
<b>64326</b>	<b>DENR - Trust - Special</b>								
	Receipts	-	-	-	-	-	-	-	-
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	-	-	-	-	-	-	-	-
	<b>Total Requirement Budget - DENR (except 14301)</b>	657,080,090	5,343,808	(1,988,157)	-	1,427,384	9,685,431	14,468,466	671,548,556
	<b>Total Receipts</b>	(460,602,790)	(5,343,808)	-	-	608,550	-	(4,735,258)	(465,338,048)
	<b>Total Appropriation</b>	192,815,663	-	(1,988,157)	-	2,035,934	9,685,431	9,733,208	202,548,871
	<b>Total Change in Fund Balance</b>	3,661,637	-	-	-	-	-	-	3,661,637
	<b>Positions</b>	3,957.15	(21.10)	-	-	22.62	-	1.52	3,956.67
<b>14301</b>	<b>DENR - Clean Water Management Trust Fund</b>								
	Receipts	100,000,000	-	-	-	-	-	-	100,000,000
	General Fund Appropriation	100,000,000	-	-	-	-	-	-	100,000,000
	Positions	-	-	-	-	-	-	-	-





**Governor's Recommended Budget  
Governmental and Proprietary Funds and Selected Component Units  
2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Reserves</b>									
<b>19001</b>	<b>Contingency and Emergency Reserve</b>								
	Receipts	5,000,000	-	-	-	-	-	-	5,000,000
	General Fund Appropriation	5,000,000	-	-	-	-	-	-	5,000,000
	Positions	-	-	-	-	-	-	-	-
<b>19003</b>	<b>Compensation Increase Reserve</b>								
	Receipts	499,667,978	-	-	-	404,000,000	190,200,000	594,200,000	1,093,867,978
	General Fund Appropriation	499,667,978	-	-	-	404,000,000	190,200,000	594,200,000	1,093,867,978
	Positions	-	-	-	-	-	-	-	-
<b>19004</b>	<b>Salary Adjustment Reserve</b>								
	Receipts	23,688,000	-	-	-	-	-	-	23,688,000
	General Fund Appropriation	23,688,000	-	-	-	-	-	-	23,688,000
	Positions	-	-	-	-	-	-	-	-
<b>19013</b>	<b>Job Development Incentive Grant Reserve</b>								
	Receipts	12,400,000	-	-	-	17,700,000	-	17,700,000	30,100,000
	General Fund Appropriation	12,400,000	-	-	-	17,700,000	-	17,700,000	30,100,000
	Positions	-	-	-	-	-	-	-	-
<b>19015</b>	<b>Vacant Eliminated Position Reserve</b>								
	Receipts	(10,038,466)	-	-	-	-	-	-	(10,038,466)
	General Fund Appropriation	(10,038,466)	-	-	-	-	-	-	(10,038,466)
	Positions	-	-	-	-	-	-	-	-
<b>190xx</b>	<b>Geographic Information System (GIS) Study Recommendations</b>								
	Receipts	-	-	-	-	4,000,000	2,500,000	6,500,000	6,500,000
	General Fund Appropriation	-	-	-	-	4,000,000	2,500,000	6,500,000	6,500,000
	Positions	-	-	-	-	9	-	9.00	9.00
<b>190xx</b>	<b>Census 2010 Outreach and Promotion</b>								
	Receipts	-	-	-	-	-	1,500,000	1,500,000	1,500,000
	General Fund Appropriation	-	-	-	-	-	1,500,000	1,500,000	1,500,000
	Positions	-	-	-	-	-	-	-	-
<b>190xx</b>	<b>Multipurpose Database Reserve</b>								
	Receipts	-	-	-	-	-	1,000,000	1,000,000	1,000,000
	General Fund Appropriation	-	-	-	-	-	1,000,000	1,000,000	1,000,000
	Positions	-	-	-	-	-	-	-	-
<b>190xx</b>	<b>Drought and Energy Efficiency Reserve</b>								
	Receipts	-	-	-	-	-	3,500,000	3,500,000	3,500,000
	General Fund Appropriation	-	-	-	-	-	3,500,000	3,500,000	3,500,000
	Positions	-	-	-	-	-	-	-	-
<b>190xx</b>	<b>Pesticide Prevention Program Reserve</b>								
	Receipts	-	-	-	-	442,748	271,362	714,110	714,110
	General Fund Appropriation	-	-	-	-	442,748	271,362	714,110	714,110
	Positions	-	-	-	-	8.00	-	8.00	8.00
<b>19043</b>	<b>Hospitalization Reserve</b>								
	Receipts	122,890,207	-	(5,000,000)	-	-	-	(5,000,000)	117,890,207
	General Fund Appropriation	122,890,207	-	(5,000,000)	-	-	-	(5,000,000)	117,890,207
	Positions	-	-	-	-	-	-	-	-
<b>19044</b>	<b>Information Technology Reserve</b>								
	Receipts	7,840,000	-	-	-	-	-	-	7,840,000
	General Fund Appropriation	7,840,000	-	-	-	-	-	-	7,840,000
	Positions	-	-	-	-	-	-	-	-

**Governor's Recommended Budget**  
**Governmental and Proprietary Funds and Selected Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments*	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>19047</b>	<b>Retirement Rate Adjustment Reserve</b>	35,705,000	-	-	-	-	-	-	35,705,000
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	35,705,000	-	-	-	-	-	-	35,705,000
	Positions	-	-	-	-	-	-	-	-
<b>19051</b>	<b>Reserve - Judicial Longevity Additional Steps</b>	566,643	-	-	-	-	-	-	566,643
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	566,643	-	-	-	-	-	-	566,643
	Positions	-	-	-	-	-	-	-	-
<b>19052</b>	<b>Reserve - Transfer Public Defenders to Judicial Retire. System</b>	573,000	-	-	-	-	-	-	573,000
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	573,000	-	-	-	-	-	-	573,000
	Positions	-	-	-	-	-	-	-	-
<b>19053</b>	<b>ITAS Replacement Reserve</b>	-	-	-	1,500,000	-	-	1,500,000	1,500,000
	Receipts	-	-	-	-	-	-	-	-
	General Fund Appropriation	-	-	-	1,500,000	-	-	1,500,000	1,500,000
	Positions	-	-	-	-	-	-	-	-
	<b>Total Receipts</b>	698,292,362	-	(5,000,000)	427,642,748	198,971,362	621,614,110	1,319,906,472	
	<b>Total Appropriation</b>	698,292,362	-	(5,000,000)	427,642,748	198,971,362	621,614,110	1,319,906,472	
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	<b>Positions</b>	-	-	-	9,000	-	9,000	9,000	-
	<b>Total Requirement Budget</b>	43,754,355,379	(310,751,405)	(58,237,344)	797,945,742	567,679,060	635,332,863	44,906,546,378	
	<b>Total Receipts</b>	(23,079,264,019)	317,274,412	(99,674)	(89,135,482)	(42,684,056)	209,035,802	(23,387,086,353)	
	<b>Total Appropriation</b>	20,694,246,538	-	(58,337,018)	708,814,260	524,995,004	837,945,658	21,532,092,196	
	<b>Total Change in Fund Balance</b>	\$ (19,178,075)	\$ 6,523,007	\$ -	\$ -	\$ -	\$ 5,909,760	\$ (12,655,071)	
	<b>Positions</b>	110,837,29	(6,086,22)	-	747,20	-	(5,339,02)	105,495,27	

\* Adjustments subject to GS 143C-6-4 (b)(3)(iii)

Appendix Table 2

**Governor's Recommended Transportation Budget  
Governmental and Proprietary Funds and Component Units  
2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>84210</b>	<b>HIGHWAY FUND</b>								
	DOT Administration Requirements	96,344,426	8,202	(12,000,000)		2,416,692	5,240,299	(4,334,807)	92,009,619
	Receipts	(12,500,239)	(8,202)				(5,240,299)	(5,248,501)	(17,748,740)
	Highway Fund Appropriation	83,844,187		(12,000,000)		2,416,692		(9,583,308)	74,260,879
	Division of Highways Administration Requirements								
	Receipts	58,604,076	889,984					889,984	59,494,060
	Highway Fund Appropriation	(25,900,940)	(889,984)					(889,984)	(26,790,924)
	Highway Fund Appropriation	32,703,136							32,703,136
	Highway - Construction Requirements	1,032,173,949				1,807,592		1,807,592	1,033,981,541
	Receipts	(882,000,000)							(882,000,000)
	Highway Fund Appropriation	150,173,949				1,807,592		1,807,592	151,981,541
	Highway - Maintenance Requirements	909,599,625				6,256,119	22,549,593	28,805,712	938,405,337
	Receipts								
	Highway Fund Appropriation	909,599,625				6,256,119	22,549,593	28,805,712	938,405,337
	Highway - Planning and Research Requirements	22,700,000							22,700,000
	Receipts	(18,000,000)							(18,000,000)
	Highway Fund Appropriation	4,700,000							4,700,000
	Highway - OSHA Program Requirements	425,000							425,000
	Receipts								
	Highway Fund Appropriation	425,000							425,000
	Ferry Operations Requirements	31,313,921							31,313,921
	Receipts								
	Highway Fund Appropriation	31,313,921							31,313,921
	State Aid - Municipalities Requirements	93,073,949				1,807,592		1,807,592	94,881,541
	Receipts								
	Highway Fund Appropriation	93,073,949				1,807,592		1,807,592	94,881,541
	State Aid - Public Transportation Requirements	83,144,229							83,144,229
	Receipts	(10,000,000)							(10,000,000)
	Highway Fund Appropriation	73,144,229							73,144,229
	State Aid - Airports Requirements	47,758,616							47,758,616
	Receipts	(28,350,801)							(28,350,801)
	Highway Fund Appropriation	19,407,815							19,407,815
	State Aid - Railroads Requirements	20,330,883							20,330,883
	Receipts								
	Highway Fund Appropriation	20,330,883							20,330,883
	Governor's Highway Safety Program Requirements	4,670,899							4,670,899
	Receipts	(4,335,450)							(4,335,450)
	Highway Fund Appropriation	335,449							335,449
	Division of Motor Vehicles Requirements	124,294,456	9,233,333			195,266		9,428,599	133,723,055
	Receipts	(24,365,752)	(9,233,333)					(9,233,333)	(33,599,085)
	Highway Fund Appropriation	99,928,704				195,266		195,266	100,123,970
	Other State Agencies Requirements	262,547,389		(185,000)		667,068		482,068	263,029,457
	Receipts	(400,880)							(400,880)
	Highway Fund Appropriation	262,146,509		(185,000)		667,068		482,068	262,628,577

Appendix Table 2

**Governor's Recommended Transportation Budget**  
**Governmental and Proprietary Funds and Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
	<b>Reserves and Transfers Requirements</b>								
	Receipts	29,862,644	-	-	-	10,594,671	12,450,407	23,045,078	52,907,722
	Highway Fund Appropriation	29,862,644	-	-	-	10,594,671	12,450,407	23,045,078	52,907,722
	<b>Total Requirements - Highway Fund</b>	<b>2,816,844,062</b>	<b>10,131,519</b>	<b>(12,185,000)</b>	<b>-</b>	<b>23,745,000</b>	<b>40,240,299</b>	<b>61,931,818</b>	<b>2,878,775,880</b>
	Total Receipts	(1,005,854,062)	(10,131,519)	-	-	-	(5,240,299)	(15,371,818)	(1,021,225,880)
	<b>Total Highway Fund Appropriation</b>	<b>1,810,990,000</b>	<b>-</b>	<b>(12,185,000)</b>	<b>-</b>	<b>23,745,000</b>	<b>35,000,000</b>	<b>46,560,000</b>	<b>1,857,550,000</b>
	Positions	14,680	-	-	-	-	-	-	14,680
<b>84290</b>	<b>HIGHWAY TRUST FUND</b>								
	<b>Administration Requirements</b>								
	Receipts	47,782,560	-	-	-	3,627,360	-	3,627,360	51,409,920
	Highway Trust Fund Appropriation	47,782,560	-	-	-	3,627,360	-	3,627,360	51,409,920
	<b>Construction - Intrastate System Requirements</b>								
	Receipts	544,982,323	-	(40,691,948)	-	-	-	(40,691,948)	504,290,375
	Highway Trust Fund Appropriation	544,982,323	-	(40,691,948)	-	-	-	(40,691,948)	504,290,375
	<b>Construction - Urban Loops Construction Requirements</b>								
	Receipts	220,368,154	-	(16,454,129)	-	-	-	(16,454,129)	203,914,025
	Highway Trust Fund Appropriation	220,368,154	-	(16,454,129)	-	-	-	(16,454,129)	203,914,025
	<b>Construction - Secondary Roads Requirements</b>								
	Receipts	95,790,568	-	(7,687,956)	-	-	-	(7,687,956)	88,102,612
	Highway Trust Fund Appropriation	95,790,568	-	(7,687,956)	-	-	-	(7,687,956)	88,102,612
	<b>Construction - Other Authorized Purposes Requirements</b>								
	Receipts	-	-	-	-	25,000,000	-	25,000,000	25,000,000
	Highway Trust Fund Appropriation	-	-	-	-	25,000,000	-	25,000,000	25,000,000
	<b>State Aid to Municipalities Requirements</b>								
	Receipts	57,181,357	-	(4,269,534)	-	-	-	(4,269,534)	52,911,823
	Highway Trust Fund Appropriation	57,181,357	-	(4,269,534)	-	-	-	(4,269,534)	52,911,823
	<b>Transfer to General Fund Requirements</b>								
	Receipts	172,675,038	-	(25,143,793)	-	-	-	(25,143,793)	147,531,245
	Highway Trust Fund Appropriation	172,675,038	-	(25,143,793)	-	-	-	(25,143,793)	147,531,245
	<b>Total Requirement - Highway Trust Fund</b>	<b>1,138,780,000</b>	<b>-</b>	<b>(94,247,360)</b>	<b>-</b>	<b>28,627,360</b>	<b>-</b>	<b>(65,620,000)</b>	<b>1,073,160,000</b>
	Total Receipts	-	-	-	-	-	-	-	-
	<b>Total Highway Trust Fund Appropriation</b>	<b>1,138,780,000</b>	<b>-</b>	<b>(94,247,360)</b>	<b>-</b>	<b>28,627,360</b>	<b>-</b>	<b>(65,620,000)</b>	<b>1,073,160,000</b>
	Positions	-	-	-	-	-	-	-	-
<b>24261</b>	<b>DOT-Special Registration Plate Fund</b>								
	Receipts	4,443,408	-	-	-	-	-	-	4,443,408
	Change in Fund Balance	(4,443,408)	-	-	-	-	-	-	(4,443,408)
<b>24265</b>	<b>DOT-Collegiate &amp; Cultural Plate Fund</b>								
	Receipts	1,505,825	-	-	-	-	-	-	1,505,825
	Change in Fund Balance	(1,505,825)	-	-	-	-	-	-	(1,505,825)

Appendix Table 2

**Governor's Recommended Transportation Budget**  
**Governmental and Proprietary Funds and Component Units**  
**2008-09**

Budget Code	Function	2008-09 Certified Budget	Anticipated Recurring Adjustments	Reductions		Expansion		Net Change	2008-09 Recommended Budget
				Recurring	Nonrecurring	Recurring	Nonrecurring		
<b>Component Units</b>									
<b>NC Turnpike Authority</b>									
64208	DOT-Turnpike Authority Requirements	1,662,946	3,322,998	-	-	-	-	3,322,998	4,985,944
	Receipts	(1,662,946)	(3,322,998)	-	-	-	-	(3,322,998)	(4,985,944)
	Change in Fund Balance	-	-	-	-	-	-	-	-
	Positions	12	3	-	-	-	-	3	15
	<b>Total Requirements - Transportation Program</b>	<b>3,963,236,241</b>	<b>13,454,517</b>	<b>(106,432,360)</b>	-	<b>52,372,360</b>	<b>40,240,299</b>	<b>(365,184)</b>	<b>3,962,871,057</b>
	<b>Total Receipts</b>	<b>(1,013,466,241)</b>	<b>(13,454,517)</b>	-	-	-	<b>(5,240,299)</b>	<b>(18,694,816)</b>	<b>(1,032,161,057)</b>
	<b>Total Transportation Program Approp.</b>	<b>2,949,770,000</b>	-	<b>(106,432,360)</b>	-	<b>52,372,360</b>	<b>35,000,000</b>	<b>(19,060,000)</b>	<b>2,930,710,000</b>
	<b>Total Change in Fund Balance</b>	-	-	-	-	-	-	-	-
	<b>Positions</b>	<b>14,692</b>	<b>3</b>	-	-	-	-	<b>3</b>	<b>14,695</b>