

FY 2017-19

Presentation of Governor Roy Cooper's Recommended Budget

Charles Perusse
State Budget Director
Office of State Budget and Management
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Common Ground Solutions
for **NORTH CAROLINA**

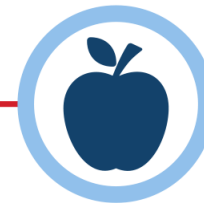




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- Growing Middle Class Paychecks
- Building Healthier and Safer Communities
- Protecting and Growing Our Natural and Cultural Resources
- Exercising Fiscal Responsibility

Focused on Identifying Common Ground Solutions



Guiding Budget Principles – Living Within Our Means

- No new taxes or fee increases
- No nonrecurring funds spent on recurring items
- No borrowing from special funds
- Substantial transfers to reserves
- Recurring availability on the bottom line in FY 2018-19



STATE HIGHLIGHTS

	FY 2017-18	FY 2018-19
1 <u>Budget Availability</u>		
2 Unappropriated Balance from Prior Fiscal Year	108,607,042	-
3 Over Collection of Revenues FY 2016-17 (as of 2/9/17 Consensus Forecast)	552,600,000	-
4 Reversions (estimated)	271,000,000	-
5 Carryforward Reserve Reversion (estimated)	50,000,000	-
6 Transfers to Reserves:		
7 Savings Reserve	(312,721,303)	-
8 Retiree Healthcare Reserve (OPEB Liability)	(150,000,000)	-
9 State Emergency Response & Disaster Relief Reserve	(100,000,000)	-
10 Repairs and Renovations Reserve	(100,000,000)	-
11 Beginning Unreserved Fund Balance	319,485,739	-
12		
13 Base Revenue (as of 2/9/17 Consensus Forecast)	23,166,700,000	24,155,400,000
14		
15 <u>Revenue Changes:</u>		
16 Child and Dependent Care Tax Credit	-	(52,500,000)
17 Film & Entertainment Tax Incentive (annualized cost of \$40 million)	-	(20,000,000)
18 Direct Additional Funds to Golden LEAF Foundation	(10,000,000)	(10,000,000)
19 Treasurer and Insurance Nontax Transfers	2,556,461	2,473,890
20		
21 Total Budget Availability	23,478,742,200	24,075,373,890
22		
23		
24 Recommended Appropriations		
25 Base Budget	22,174,602,923	22,201,057,767



STATE HIGHLIGHTS

	FY 2017-18	FY 2018-19
27 <u>Supporting NC's Human Capital</u>		
28 Teacher Pay Plan (best in Southeast in 3 years; national average in 5 years)	271,000,000	542,000,000
29 School Based Administrators (SBAs) - 6.5% average raise	20,000,000	20,000,000
30 Teacher Stipend for Supplies (\$150)	14,033,461	14,033,461
31 State Agency Teachers	1,414,136	2,828,273
32 State-funded Employees (excluding Teachers and SBAs) - greater of 2% or \$800	177,944,210	177,944,210
33 All Employees (excluding Teachers and SBAs) \$500 Bonus	78,593,785	-
34 Step Increases (Clerks, Magistrates, Highway Patrol)	6,400,377	6,400,377
35 Correctional Officer Pay Plan	18,382,021	18,382,021
36 SBI & ALE Salary Adjustments (5% average)	1,500,000	1,500,000
37 Labor - Occupational Safety & Health Inspectors Salary Adjustments	300,000	300,000
38 Community Colleges Salary Restoration	10,000,000	10,000,000
39 Market Adjustments (all to minimum; 5+ years additional)	16,017,467	16,017,467
40 Salary Adjustment Fund	5,000,000	5,000,000
41 State Health Plan Premiums	80,241,125	160,482,242
42 TSERS and Judicial Retirement System Actuarial Requirements	9,138,392	68,876,074
43 State LEO's Full Retirement at 25 Years of Service	6,800,000	7,300,000
44 Retiree Cost of Living Adjustment - one-time 1.5%	66,764,409	-
45 Subtotal	783,529,383	1,051,064,125



STATE HIGHLIGHTS

	FY 2017-18	FY 2018-19
47 <u>Growing North Carolina's Economy</u>		
48 Local Government Infrastructure & Assistance	86,340,000	2,340,000
49 University Research & Innovation	21,345,000	9,145,000
50 Business Recruitment & Development	48,250,000	4,000,000
51 State Infrastructure	48,322,770	71,290,832
52 Subtotal	204,257,770	86,775,832
53		
54 <u>Making NC a Top Ten Educated State by 2025</u>		
55 Public Schools	55,974,635	98,798,489
56 Community Colleges	38,396,083	39,037,583
57 UNC System	29,105,181	84,399,797
58 Subtotal	123,475,899	222,235,869
59		
60 <u>Helping People Live Healthy, Productive Lives</u>	58,501,051	198,080,148
61		
62 <u>Keeping Communities Safe</u>	37,722,221	51,999,446
63		
64 <u>Making NC a Welcoming State for its People and Businesses</u>	37,667,436	23,391,758
65		
66 <u>Strengthening & Modernizing Core Government Services</u>	58,985,517	14,723,769
67		
68 Total Expansion Items	1,304,139,277	1,648,270,947
69		
70 Total Recommended Budget	23,478,742,200	23,849,328,714
71		
72 Balance	-	226,045,176
73		
74 Percent Growth from Prior Year	5.1%	1.6%
75 Percent Growth in Recurring Expenditures from Prior Year	3.2%	1.5%



General Fund Revenue Outlook

Current-year overcollections estimated at **\$552.6 million** (February revised consensus forecast)

- **Better-than-expected growth in wages and business income**

The consensus forecast, adjusted for two proposed revenue changes, projects growth of:

- **2.2% for FY 2017-18**
- **4.0% for FY 2018-19**

Baseline revenue growth projected to exceed 5.0% each year of the biennium

- **Above the long-term average**
- **Below levels experienced during prior economic expansions**



Revenue Proposal 1: NC Child & Dependent Care Credit

Provide a credit equal to:

- 50% of federal child and dependent care credit for children under age 6
- 35% for other eligible dependents

Phase out credit for households with AGI between \$150k and \$200k

Proposed credit:

- ✓ Is simpler to administer than previous NC child and dependent care credit
- ✓ Provides a larger credit to families with younger children, who typically have higher child care expenses and lower family incomes
- ✓ Uses credit phase-out for higher-income households to reduce the revenue cost and target benefits to moderate and middle-income families

Estimated revenue impact of -\$52.5M/year



Revenue Proposal 1: NC Child & Dependent Care Credit Hypothetical Taxpayer Examples

Family Description	North Carolina Tax Liability (Tax Change in Parentheses)		
	Current Law	Restore Pre-2014 NC CDCTC	Proposed NC CDCTC
Single parent with two children, ages 4 and 8, with \$35,000 in earnings and \$8,000 in daycare expenses for younger child	\$955	\$655 (-\$300)	\$580 (-\$375)
Single parent with one child, age 2, with \$40,000 in earnings and \$8,000 in daycare expenses	\$1,330	\$1,030 (-\$300)	\$1,000 (-\$330)
Married couple with two children, ages 4 and 8, with \$110,000 in earnings and \$10,000 in daycare expenses for younger child and \$2,000 in after-school care expenses for older child	\$5,087	\$4,647 (-\$440)	\$4,647 (-\$440)
Married couple with two children, ages 7 and 9, with \$80,000 in earnings and \$5,000 in after-school care expenses for their children	\$3,237	\$2,887 (-\$350)	\$2,887 (-\$350)



Revenue Proposal 2: Film & Entertainment Tax Incentive Rebate

Provision	Production Tax Credit (2011-2014 version)	Film & Entertainment Grant Program	Proposed Film & Entertainment Tax Incentive
Effective	January 1, 2011	January 1, 2015	January 1, 2018
Per Project Cap	\$20 million (no cap for television series)	\$9 million for television series \$5 million for feature films \$250,000 for commercials	\$9 million for television series \$12 million for feature films \$250,000 for commercials
Incentive	25% of qualified spending	25% of qualified spending	25% of qualified spending
Qualified Labor	First \$1 million per individual qualify	First \$1 million per individual qualify	First \$1 million per individual qualify
Qualified Expenses	Goods/ Services/ Compensation & Wages/ Insurance/ Fringes/ Per Diems/ Living Expenses & Stipends	Goods/ Services/ Compensation & Wages/ Fringes/ Per Diems/ Living Expenses & Stipends	Goods/ Services/ Compensation & Wages/ Fringes/ Per Diems/ Living Expenses & Stipends
Minimum Spend	\$250,000	\$1 million (average) per TV episode \$5 million for feature films \$250,000 for commercials	\$1 million (avg.) per TV episode \$5 million for feature films \$250,000 for commercials
Annual Cap	No cap	\$30 million in FY 2016-17	No cap
Fiscal Impact	FY 2011-12: -\$24.3 million FY 2012-13: -\$60.1 million FY 2013-14: -\$43.0 million FY 2014-15: -\$59.5 million	FY 2014-15: -\$10 million FY 2015-16: -\$30 million FY 2016-17: -\$30 million FY 2017-18: -\$15 million (proposed)	<i>Projected Impacts:</i> FY 2018-19: -\$20 million FY 2019-20 & later: -\$40 million



Rebuilding North Carolina After Disasters

- Timing is critical in developing a comprehensive estimate of unmet needs and total state dollars needed
- A state request for additional federal disaster assistance is being developed and will be submitted within the next month
- Final estimates of the state's unmet needs are contingent on identification of FEMA-approved projects and Congressional action on a second federal assistance package
- Recommends \$100 million to the Disaster Reserve and also adds over \$300 million to the Savings Reserve to ensure adequate funds are available for critical disaster recovery projects



Rebuilding North Carolina After Disasters

Utilizes \$15 million in unspent funds from FY 2016-17 and the \$100 million allocated to the Disaster Reserve to meet immediate cash flow needs for FY 2017-18:

- \$65 million in state match funds for federal emergency assistance programs
- \$10 million to continue transitioning individuals from temporary to more stable housing solutions
- \$10 million for 50 counties that received major disaster declarations to accelerate recovery planning and implementation efforts
- \$30 million for critical unmet needs that are not eligible for federal funding for public assistance, soil and water, and damaged dam projects



Education Budget Overview

	FY 2017-18			FY 2018-19		
	Base Budget	Change	Recommended	Base Budget	Change	Recommended
Public Instruction						
Net Appropriation	\$ 8,739,220,986	\$ 527,860,902	\$ 9,267,081,888	\$ 8,723,720,986	\$ 863,280,117	\$ 9,587,001,103
FTEs	1,138.4	2.0	1,140.4	1,138.4	2.0	1,140.4
Community Colleges						
Net Appropriation	\$ 1,068,233,344	\$ 94,754,132	\$ 1,162,987,476	\$ 1,068,233,344	\$ 91,211,831	\$ 1,159,445,175
FTEs	198.5	-	198.5	198.5	-	198.5
Universities						
Net Appropriation	\$ 2,781,596,348	\$ 132,172,394	\$ 2,913,768,742	\$ 2,821,602,607	\$ 175,103,488	\$ 2,996,706,095
FTEs	35,141.1	45.1	35,186.2	35,141.1	45.1	35,186.2

Investments in education training will benefit the next generation, keep North Carolina's economy competitive, and make NC a Top Ten Educated State by 2025.



Make NC a Top 10 Educated State by 2025

Why it's Important

- Critical to North Carolina's economic competitiveness.
- 95% of all jobs created during economic recovery required some post-secondary education.

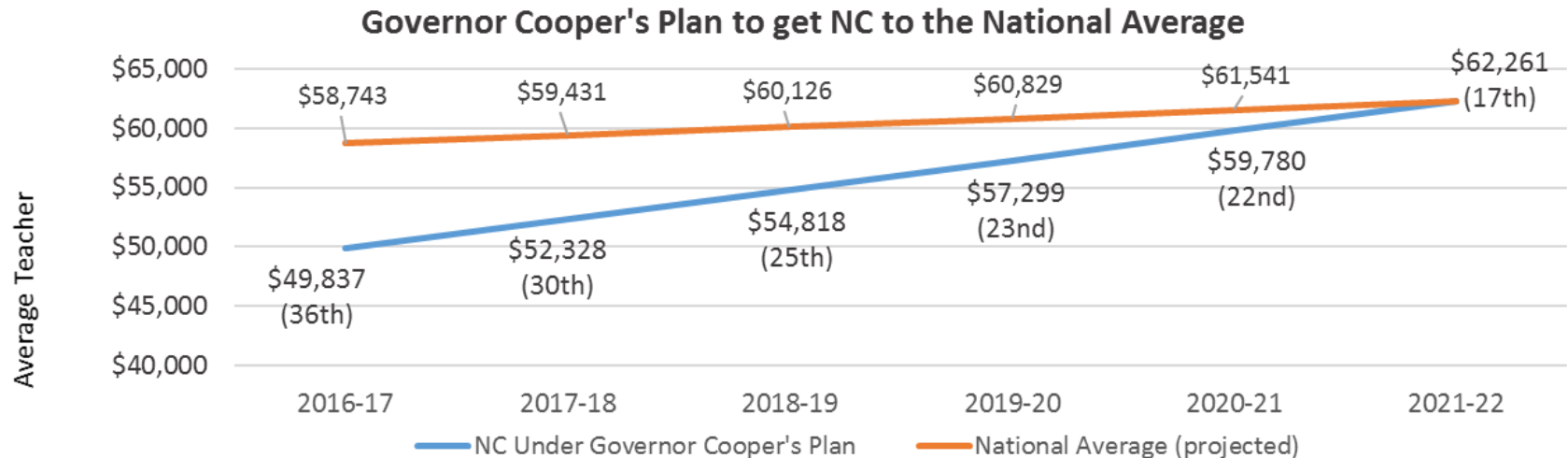
Overarching Goals

- Increase enrollment of 4 year-olds in pre-kindergarten programs from 22% to 55%.
- Improve high school graduation rate from 85.6% to 91%.
- Increase the percentage of adults (over 25) with an associates degree or higher from 39% to 55%.



Raising Teacher Pay

- Multi-year plan to invest \$271M each year in teacher salaries
- More than a 5% average salary increase each year
- NC projected to **lead Southeast in 3 years** and reach national average in 5
- Provides \$150 annual supply stipend to classroom teachers



- Assumes 1.17% annual growth in NEA National Average Teacher Salary.
- Assumes 1.17% annual growth for each state's average teacher salary, based on 2015-16 estimated state salaries reported to NEA. All states were re-ranked each year using projected figures.
- NC Average Teacher Salary assumes 2.68% annual growth in local supplement and accounts for attrition.



K-12 Education

- Provides \$20M to raise principal and assistant principal salaries an average of 6.5%
- **Improves student outcomes** by investing \$20M in flexible funding for additional school staff (e.g. behavioral staff, nurses, teacher assistants)
- Invests \$13M for new textbooks and digital resources
- Provides an additional \$10M to transform low-performing schools and improve student achievement



NC Community Colleges

- Creates **NC GROW** (Getting Ready for Opportunities in the Workforce) Scholarship in 2018-19
- Provides financial assistance to students pursuing short-term training that leads to an industry credential
- Invests \$15M for workforce training programs and \$3M to seed new, high-cost industry requested programs
- Includes \$7.5M for advising, mentoring, streamlined curriculum, and other proven student supports



University of North Carolina

- Creates **NC Invents**, a \$10M program to help universities identify technologies with commercial potential and attract investors
- Provides additional \$2M for the UNC Research Opportunities Initiative which funds innovative research projects in science and technology
- Provides funding for NCSU to participate in two, innovative manufacturing partnerships in the fields of food processing and biopharmaceutical manufacturing



University of North Carolina - Continued

- Establishes a \$3M competitive grant to fund strategies that raise UNC graduation rates
- Fully-Funds NC Promise Tuition Plan offering \$500 tuition per semester for residents attending ECSU, UNCP, and WCU
- Creates **NC Best & Brightest** Program in 2018-19
 - Draws talented North Carolinians into teaching profession
 - Offers \$10k per year forgivable loans to pursue education degree
 - Loan forgiven after 4 years of teaching in NC public school or 3 years teaching in a low-performing or low-wealth school



NC Education Lottery

Increase of 0.5% in advertising generates additional \$29M

Total additional availability:

- 2017-18 \$62.5M
- 2018-19 \$90.7M

Governor recommends investing additional lottery revenues to fund:

- NC Promise Tuition Plan (\$11M Increase)
- NC GROW
- NC Best & Brightest
- Financial Assistance for Short-Term Industry Credentials
- Increased Textbooks and Digital Learning Funding
- Additional School-Based Personnel to Improve Student Outcomes
- Advanced Teaching Roles and Student Outcomes Pilot



HHS Budget Overview

	FY 2017-18			FY 2018-19		
	Base Budget	Change	Recommended	Base Budget	Change	Recommended
Health and Human Services						
Net Appropriation	\$ 5,273,912,402	\$ 73,095,546	\$ 5,347,007,948	\$ 5,273,936,338	\$ 211,389,824	\$ 5,485,326,162
FTEs	17,095.7	146.0	17,241.7	17,095.7	224.0	17,319.7

Protecting the most vulnerable and helping people live healthy, productive lives.



Net Total Recommended Appropriations by DHHS Division

Division	FY 2017-18		FY 2018-19	
	Recommended	FTE	Recommended	FTE
Central Administration	\$ 133,055,474	884.75	\$ 147,700,477	906.75
Aging Services	\$ 50,085,295	76	\$ 50,085,295	76
Child Development	\$ 286,443,810	327	\$ 292,643,810	327
Public Health	\$ 153,598,499	1,955.26	\$ 157,681,288	1,997.26
Social Services	\$ 197,195,172	428	\$ 199,836,617	428
Medicaid	\$ 3,735,442,930	416.51	\$ 3,860,291,362	416.51
Health Choice	\$ 458,280	2	\$ 394,925	2
Health Benefits	\$ 9,671,582	28	\$ 9,671,582	28
Deaf/Blind Services	\$ 8,333,453	332.09	\$ 8,333,453	332.09
Mental Health	\$ 714,714,598	11,218.30	\$ 696,291,911	11,218.30
Health Services Regulation	\$ 18,606,701	583.5	\$ 22,975,875	597.5
Vocational Rehabilitation	\$ 39,402,154	990.25	\$ 39,419,567	990.25
TOTAL DHHS	\$ 5,347,007,948	17,241.66	\$ 5,485,326,162	17,319.66



Medicaid Rebase

	Net Appropriations		
	FY2016-17	FY 2017-18	FY2018-19
2016-17 Authorized Budget	\$3,600,949,467	\$3,600,949,467	\$3,600,949,467
Budget Need (Based on Forecast)	\$3,504,450,095	\$3,688,557,389	\$3,797,388,141
Increment of Change	(\$96,499,372)	\$87,607,922	\$196,438,674
<hr/>			
<i>Appropriations in Base Budget</i>		\$83,846,588	\$83,846,673
<i>Appropriations in Change Budget</i>		\$3,761,334	\$112,592,001

- Provides funds for changes to enrollment, utilization, costs, rates and services associated with Medicaid program
- Assumes 5.6% and 5.0% enrollment growth for FY 2017-18 and FY 2018-19 respectively
- Federal Matching Funds increase from 66.88% in FY 2016-17 to 67.61% in FY 2017-18



Investments in Early Learning

- Expands funding and **eliminates the waitlist** for NC Pre-K to serve an estimated additional **4,668** at-risk four-year olds
- Invests \$15 million in **Smart Start** to support early childhood educational outcomes and better prepare children for school
- Adds **2,000** subsidized child care slots for children from low-income working families



Mental Health

Base budget increases state-funded community mental health services by \$152.8M, a portion of which is reinvested to targeted mental health needs

Priorities Supported from Reinvestment of Community Mental Health Funds		
	FY 2017-18	FY 2018-19
Invest in Key Rental Assistance	\$2,000,000	\$2,000,000
Extend Innovations Waiver Program: Lower-Acuity Individuals with Developmental Disabilities	\$5,000,000	\$10,000,000
Expand Innovations Waiver Program: Additional slots to serve individuals with Developmental Disabilities	\$10,333,440	\$20,666,880
Disability Rights of North Carolina Settlements: Specialty Treatment and Assessments	\$6,247,128	\$6,283,492
Local, In-Patient Three-Way Crisis Beds	\$2,500,000	\$2,500,000
US DOJ Settlement/Transition to Community Living	\$8,889,875	\$17,036,022
Opioid Package: Mental Health Services	\$12,090,498	\$10,869,498
Total Reinvestments	\$47,060,941	\$69,355,892



Other Major Recommendations

- Funds Graduate Medical Education payments paid to teaching hospitals in support of medical residents
- Supports low-income, elderly citizens by investing in the Home and Community Care Block Grant to help an estimated **1,500 citizens in all 100 counties** receive in-home aide, transportation and meals
- Makes a robust supply of state of the art adaptive equipment and assistive technologies available to disabled citizens to enable them to live, work, and be educated in their communities



Other Major Recommendations - Continued

- Provides permanent funds to implement the child welfare program improvement plan to improve outcomes for children and families
- Develops and implements the child welfare case management system in NC FAST to better track and serve children in the child welfare system
- Provides foster care payments to support growth in the number of children placed in a licensed foster home



JPS Budget Overview

	FY 2017-18			FY 2018-19		
	Base Budget	Change	Recommended	Base Budget	Change	Recommended
Justice and Public Safety						
Net Appropriation	\$2,623,873,739	\$139,391,709	\$2,763,265,448	\$2,625,721,976	\$145,394,190	\$2,771,116,166
FTEs	32,097.3	249.0	32,346.3	32,097.3	326.0	32,423.3

Keeping communities safe by responding to disasters, training and deploying law enforcement, and operating effective prisons.



Investing in Safer Communities

- Adds \$13 million to reduce recidivism, continue Justice Reinvestment implementation, and promote successful re-entry
- Provides funding to support proposed Raise the Age legislation
- Provides \$2 million to local, evidence-based intervention initiatives to reduce juvenile crime through the Juvenile Crime Prevention Councils
- Assists local law enforcement in its fight against opioid abuse through \$2 million in grants awarded through the Governor's Crime Commission



Ensuring Equitable Justice

- Invests \$1.8 million in core operations of the State Crime Lab
- Adds instructors to train local law enforcement on de-escalating confrontations and interacting with individuals with mental illness
- Provides a \$5 per hour increase for private counsel representing persons declared indigent by the courts



NER Budget Overview

	FY 2017-18			FY 2018-19		
	Base Budget	Change	Recommended	Base Budget	Change	Recommended
Natural and Economic Resources						
Net Appropriation	\$ 541,874,593	\$ 168,296,722	\$ 710,171,315	\$ 541,888,192	\$ 36,792,551	\$ 578,680,743
FTEs	6,090.8	41.0	6,131.8	6,090.8	74.0	6,164.8

Making North Carolina a welcoming state for its people and businesses.



Economic Development

Invests \$85M for local government infrastructure and assistance

- **NC Ready Sites - \$30 million NR**
Invests in developing publicly owned or controlled sites of 50-200 acres ready to attract significant economic development projects
- **Enhance Statewide Broadband Access - \$20 million NR**
Provides for broadband infrastructure enhancement including grants to local governments and telephone and electrical cooperatives for last mile and middle mile broadband projects
- **Building Reuse Program - \$5 million NR**
Finances grants to rural communities for the renovation of vacant and underutilized buildings to encourage business development
- **Main Street Solutions - \$5 million NR**
Provides reimbursable matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas



Economic Development - Continued

Promotes NC's favorable business climate with \$48M for job retention and development

- **Manufacturing Site Development Fund - \$20 million NR**
Supports site acquisition and onsite preparation that is essential to attract major manufacturing employers
- **One NC Fund - \$4 million NR - both years**
Requires companies meet certain job creation and wage requirements, depending upon county tier classification
- **One NC Small Business Fund - \$3 million NR**
Provides early-stage technology development grants for small businesses that receive federal awards
- **Film & Entertainment Grant Program - \$15 million NR**
Provides funds to encourage the production of movies, TV shows, and commercials. Extends grant through 12/31/17 with new tax credit to start 1/1/18
- **F35 Lift Fan Facility Project - \$3 million NR**
Supports military presence in NC to assist with the capital construction costs of the proposed Lift Fan Facility at Marine Corps Air Station Cherry Point



Economic Development - Continued

Capitalizes on University innovation with \$21M to promote commercialization of academic research and technology

- **NC Invents Program - \$10 million NR**
Establishes program to assist universities with identifying technologies with commercial potential and developing plan to make the technologies attractive to investors
- **UNC Cancer Research Fund - \$4 million R**
Restores total funding for the University Cancer Research Fund to \$50 million annually
- **Food Processing Innovation Center - \$700,000 R & \$2.2 million NR**
Provides funds for the Food Processing Innovation Center, to be housed at the NC Research Campus
- **NCSU Innovation in Manufacturing Biopharmaceuticals- \$2 million R**
Provides state matching funds for NCSU's participation in initiative designed to advance NC's leadership in the biopharmaceutical manufacturing sector
- **Innovation Fellowship Program - \$445,000 R**
Creates a statewide, competitive fellowship program to provide incentives to recent college graduates who are startup company founders



Protecting our Cultural and Natural Landscape

- **Protects NC's land and water resources** through investments in the Clean Water Management, Parks and Recreation, and Farmland Preservation trust funds
- **Safeguards our state for future generations** with \$2 million to build capacity in the areas of sediment and erosion control, dam safety, water quality, and coal ash management
- **Enriches communities and classrooms** through \$4 million for museum, school, and local arts programs
- **Enhances recreational opportunities** by supporting operating costs of NC Connect bond projects in state parks



General Government/IT Budget Overview

	FY 2017-18			FY 2018-19		
	Base Budget	Change	Recommended	Base Budget	Change	Recommended
General Government/IT						
Net Appropriation	\$ 435,672,893	\$ 46,927,635	\$ 482,600,528	\$ 435,735,706	\$ 21,990,647	\$ 457,726,353
FTEs	4,124.3	103.6	4,227.9	4,124.3	103.6	4,227.9

Investments in North Carolina’s military, small businesses, affordable housing, and cyber security will keep the state competitive and open for business.



General Government and IT Highlights

- Provides \$40 million to replace the state's financial backbone, the North Carolina Accounting System, and to provide a scalable platform for other business and human resource functions
- Protects taxpayers' personal information with nearly \$30 million to develop a more efficient tax collection platform and to combat identity theft and tax fraud
- Invests \$4 million to retain and enhance military bases in NC through the Base Realignment and Closure (BRAC) process and to assist construction of the F-35 Lift Fan Facility at Marine Corps Air Station Cherry Point
- Restores \$1.5 million for scholarships for children of war veterans
- Supports efforts to increase affordable housing availability with more than \$25 million for the Housing Trust Fund and the Workforce Housing Loan program, and \$4.2 million to improve access to housing for individuals with disabilities



Capital Budget Overview

Source of Funds	FY 2017-18	FY 2018-19	% of Total
General Fund	\$23,141,000	\$0	5.1%
Receipts	\$54,289,900	\$21,937,000	16.9%
Limited Obligation Bonds (State Agency)	\$175,749,000	\$0	39.0%
Limited Obligation Bonds (University)	\$175,000,000	\$0	38.9%

Location of Expenditure

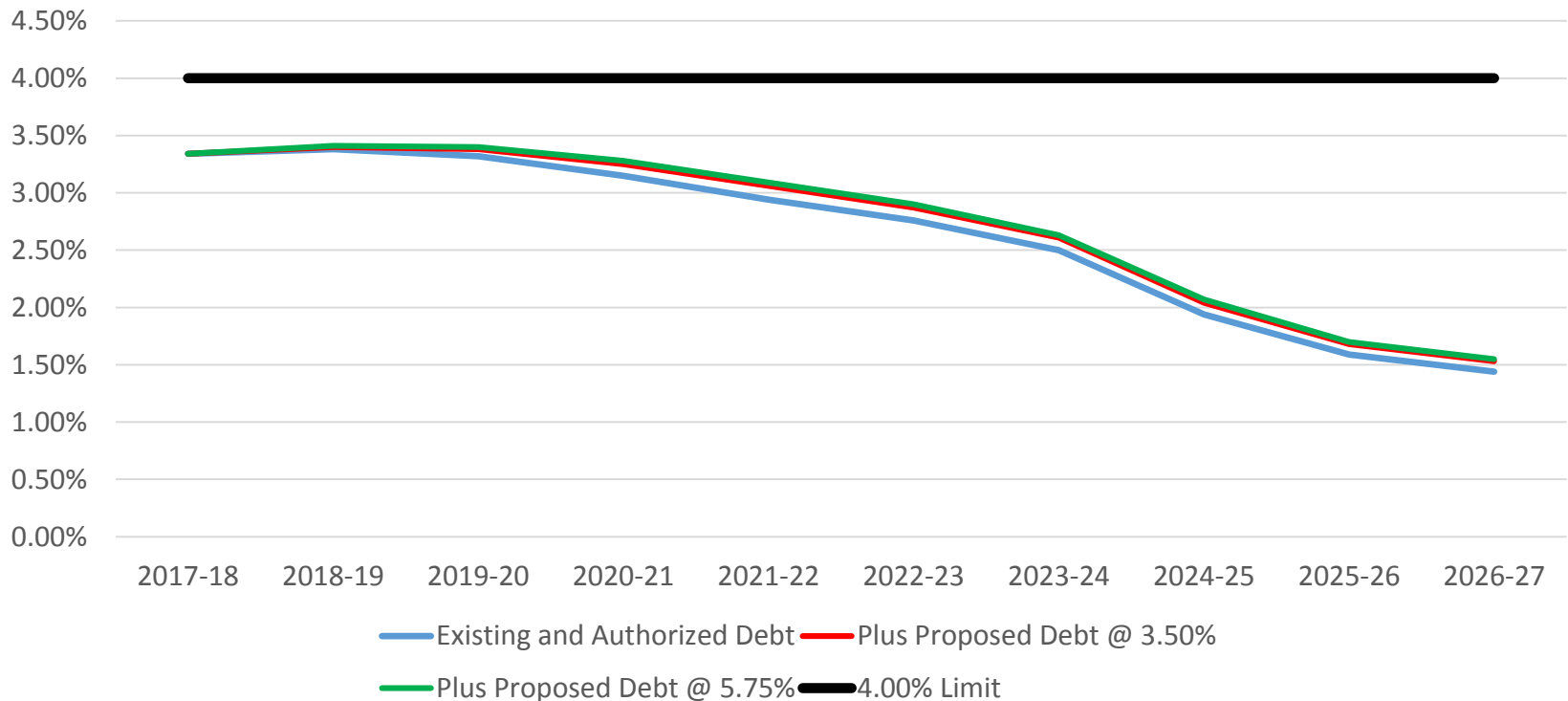
Location	Amount	Percent
Wake County	\$87,823,300	19.5%
Outside of Wake County*	\$362,291,600	80.5%

* Includes "Statewide" items



Impact on Debt Affordability

- Impacts on Debt Affordability from this budget is negligible
- Remains \$201.3 million below statutory limit for non-General Obligation Debt
- Leaves adequate Debt Affordability to address state emergencies





Transportation Budget Overview

	FY 2017-18			FY 2018-19		
	Base Budget	Change	Recommended	Base Budget	Change	Recommended
Highway Fund						
Net Appropriation	\$ 2,048,690,000	\$ 106,409,657	\$ 2,155,099,657	\$ 2,048,690,000	\$ 135,609,657	\$ 2,184,299,657
FTEs	12,316.0	27.0	12,343.0	12,316.0	35.0	12,351.0
Highway Trust Fund						
Net Appropriation	\$ 1,371,280,000	\$ 146,120,000	\$ 1,517,400,000	\$ 1,371,280,000	\$ 171,520,000	\$ 1,542,800,000
FTEs	-	-	-	-	-	-

Reliable roads, bridges, and transit infrastructure are critical to North Carolina's economic success.



Transportation Highlights

- Provides additional Highway Funds of over \$76 million in in FY 2017-18 and over \$114 million FY 2018-19 for highway maintenance, system preservation, and contract resurfacing
- Provides additional Highway Trust Funds of over \$153 million in FY 2017-18 and over \$181 million in FY 2018-19 to enhance transportation infrastructure supporting economic growth and job creation
- Provides an additional \$3 million to DMV to meet customer needs through enhance online services, a new license office, and additional support staff
- Invests over \$11 million in funds for upgrades and equipment at ferry facilities and to maintain rail services

Common Ground Solutions
for **NORTH CAROLINA**

