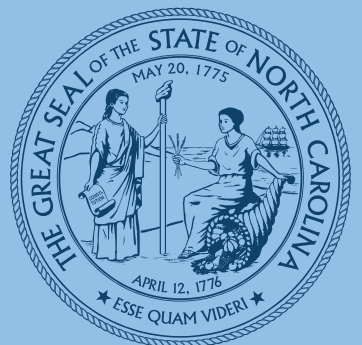
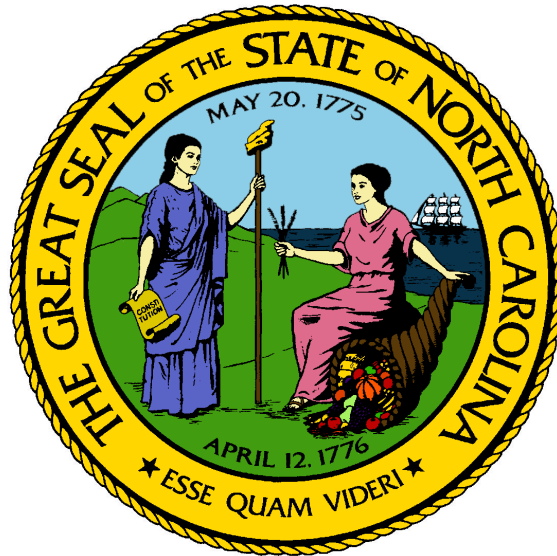


Common Ground Solutions *for* NORTH CAROLINA



GOVERNOR ROY COOPER'S RECOMMENDED BUDGET ADJUSTMENTS 2018-19



OFFICE OF STATE BUDGET AND MANAGEMENT
OFFICE OF THE GOVERNOR
RALEIGH, NORTH CAROLINA

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MAY 2018

Questions about Governor Cooper's Recommended Budget Adjustments 2018-19 or requests for further information may be directed to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, or telephone (919) 807-4700. The document may also be downloaded from the Office of State Budget and Management's website at osbm.nc.gov.

Introduction

Governor’s recommended budget for the state

The purpose of this document is to summarize the governor’s recommended state budget adjustments for fiscal year 2018-19. These recommended changes are based on the certified budget approved by the 2017 session of the General Assembly. This publication includes recommendations for expenditures from the General Fund, Highway Fund, and Highway Trust Fund. Recommended expenditures for capital improvements and for reserves, debt service, and other adjustments are also included.

Governor’s letter and highlights

Governor Cooper’s priorities are listed in his transmittal letter, followed by a brief description of key recommendations on a “Highlights” page.

Revenue and budget summary

A summary of General Fund recommended budget changes by department/budget code for the entire state budget appears in table 5: “Governor’s Recommended General Fund Appropriation, FY 2018-19.” Estimates of fund availability, an economic forecast, and demographic analysis are also included in this section.

Budget recommendations

Brief explanations of recommended adjustments to the budget are provided in sections that correspond to the following government functions: Education; General Government; Health and Hu-

man Services; Justice and Public Safety; Natural and Economic Resources; and Transportation.

Budget adjustments for a given department/agency appear in the appropriate section (for example, the North Carolina Community College System appears in the Education section, the Department of Administration appears in the General Government section, and so forth).

A department/agency presentation begins with a summary table, showing the 2016-17 actual expenditures, 2017-18 certified budget, 2018-19 certified base budget, and the total recommended adjustments to requirements, receipts, appropriation, and positions for the department/agency. Next is an explanation of each adjustment for a given department/agency, along with a listing of the recurring and non-recurring requirements, receipts, appropriation, and positions for the proposed change.

Adjustments are listed for each agency/department including adjustments that are required by statute, such as the Average Daily Membership (ADM) adjustment for public schools.

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

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

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**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR**

ROY COOPER
GOVERNOR

May 10, 2018

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

The North Carolina House of Representatives
The Honorable Tim Moore, Speaker

The People of North Carolina

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

I believe in a prosperous, forward thinking North Carolina, where people are better educated and healthier with more money in their pockets. Reaching this goal requires a commitment to education and teachers, strong workforce training, clean water and air and quality health care.

We must do this and more. North Carolina was ranked fourth nationally in population growth last year. Unemployment is lower than pre-recession levels, but middle class wages aren't rising fast enough. Too many people are still struggling to get ahead. Many areas of our state, particularly rural North Carolina, continue to have stagnant wages and job losses. In short, we have a lot of important work to do.

- We need more funding for early childhood education like pre-K, as well as public schools, community colleges, and universities to make North Carolina a Top 10 Educated State by 2025.
- We must expand access to good health care until every North Carolinian is covered.
- We must make bold steps in workforce development and rural infrastructure to create good paying jobs throughout the state.
- We must ensure all North Carolinians have clean water and air, and continue our efforts to make sure families and communities are safe and resilient.

I stand ready to work together to make this vision a reality.

Sincerely,

Roy Cooper
Governor



HIGHLIGHTS OF GOVERNOR COOPER'S 2018-19 BUDGET RECOMMENDATIONS

BETTER EDUCATED

Recognizing Teachers and School-based Administrators

Targets tax cuts to the middle class and directs more than \$110 million in revenue into teacher and principal pay to stay on the Governor's goal to reach the national average in teacher pay in four years.

Teacher pay: Invests in a 30-step teacher salary schedule, eliminating salary plateaus for experienced teachers. This plan provides an average increase of over 8% for teachers and instructional support personnel, with no educator receiving less than a 5% salary increase in FY 2018-19.

The added investment of \$99 million increases new spending on teacher salaries to nearly \$390 million more in FY 2018-19 than in FY 2017-18. The investment predominately helps veteran teachers who have at least 25 years of experience (12,127 or 13% of teachers statewide) who are not scheduled to receive a raise in 2018-19 under the legislative plan.

Principal pay: Dedicates \$13 million to fund a new principal salary schedule comprised of: (1) a base salary schedule granting annual experience-based step increases based on years of experience as a principal, and (2) a complementary schedule of annual salary supplement based on schools' average daily membership (ADM). The new schedule increases base pay for principals by over 8% and eliminates the salary volatility of the current schedule.

The \$110 million in revenues generated by freezing the corporate income tax rate at 3% and the personal income tax rate at 5.499% for incomes greater than \$200,000 support the additional compensation increases for teachers and principals outlined above.

Classroom supplies: Provides all state-funded classroom teachers an annual stipend of \$150 for out-of-pocket expenses for classroom school supplies.

School Safety and Youth Mental Health

Supports improvements in school safety and youth mental health through a three-pronged approach:

1. *Infrastructure:* Provides \$65 million for building updates, equipment, and communications systems to improve security at public schools, public universities, and community colleges.
2. *Supporting Youth Mental Health:* Adds \$55 million for mental health personnel and training, including \$40 million for local school districts to hire more nurses, counselors, psychologists, and social workers who directly support student mental health, and \$15 million for innovative, evidence-based programs including training to help teachers, school staff, and mental health professionals identify and respond to student mental health challenges.
3. *Mitigating and Improving Response:* Invests \$10 million to hire and train more School Resource Officers in elementary, middle and high schools and \$444,000 in the School Risk and Response Management System, which develops comprehensive planning and preparedness of schools in the event of emergency situations.

Make North Carolina a Top 10 Educated State by 2025

Continues Governor Cooper's commitment to becoming a Top 10 educated state. Full-time workers with some post-secondary education earn 82% more than less-educated peers and have significantly lower levels of unemployment. During the most recent economic recovery, 95% of all new jobs required some post-secondary education.

Overarching Goals:

1. Increase enrollment of 4-year-olds in pre-kindergarten from 22% to 55%.
2. Improve high school graduation rate from 85.6% to 91%.
3. Increase percentage of adults (over 25) with higher education degree from 38.7% to 55%.

Quality Pre-Kindergarten and Smart Start

Funds 2,000 additional pre-kindergarten slots and assists providers in building capacity to accommodate new slots.

Adds \$15 million to Smart Start Program (10% increase) to expand services that prepare children for success in elementary school.

Public Schools: Prioritizing the Classroom

Uses \$75 million in lottery funds and other education receipts to help school districts build more classrooms to meet the K-3 class size reductions mandated by the General Assembly.

Invests additional \$25 million for textbooks, digital resources and enhanced digital learning opportunities that support personalized instruction for all North Carolina students.

Provides over \$5 million for professional development for teachers and school leadership to improve student outcomes, including funds to increase the number of computer science teachers statewide.

Adds \$3 million to expand opportunities for academically gifted students from under-represented populations, including low-income students, minority students, and English Language Learners.

NC Job Ready: Preparing a Highly Skilled Workforce for the Jobs of Today and Tomorrow

Provides \$30 million to create the NC GROW (Getting Ready for Opportunities in the Workforce) Scholarship, which will cover tuition and selected fees (last dollar) for students enrolled in curriculum programs or non-credit short-term workforce training programs leading to industry credentials in high-demand fields (e.g., Health Sciences, Information Technology, Construction, and Advanced Manufacturing).

Includes \$20 million for Finish Line Grants to assist university (\$15 million) and community college (\$5 million) students on the cusp of graduating with a degree when their enrollment is threatened by an unforeseen financial emergency that arises through no fault of the student.

Recommends \$10 million to assist employers in addressing unique workforce training needs and employee skill gaps. The Department of Commerce will collaborate with employers, Workforce Development Boards, and the NC Community College System to fund apprenticeships, paid internships and other industry-specific training programs.

The estimated \$60 million in revenues generated from restructuring the unemployment tax (net impact lowers effective tax rate from 1.9% to 1.68%, an 11% reduction) supports the NC Job Ready workforce programs described above.

Invests \$16.5 million to fund short-term continuing workforce education programs at the same rate as curriculum programs.

Adds \$5 million for the UNC System to improve graduation rates and reduce time-to-degree through innovative solutions including financial support for summer courses; digital resources to identify and assist struggling students; and scaling best practices across the system.

Provides \$3 million to recruit and retain faculty at public universities.

Invests over \$5 million to support UNC campuses that have small enrollments and special missions.

Includes \$2.5 million to bolster student support services at Historically Black Colleges and Universities.

HEALTHIER FAMILIES AND COMMUNITIES

Healthier Families

Recommends closing the healthcare coverage gap in a cost-neutral manner to the State. Medicaid expansion would cover an additional 670,000 individuals and inject over \$4 billion into North Carolina's economy annually.

Adds more than \$9 million in community mental health funding to expand treatment and recovery services to help combat the opioid crisis.

Safer Communities

Invests \$28 million to improve the safety and security of prison facilities. Funds would be used to improve infrastructure, enhance training, and upgrade security and emergency response tools.

Builds capacity for implementation of "Raise the Age" legislation, which raises the age of juvenile jurisdiction for nonviolent crimes from 16 years of age to 18. Provides \$10 million for the Department of Public Safety and the Administrative Office of the Courts to expand staff to support an increasing caseload, develop specialized training, and enhance community programs. An additional \$7.2 million will supplement capital funds appropriated in FY 2017-18 for the design and construction of a new youth development center in Rockingham County.

Includes \$1.2 million to support successful community re-entry of individuals under probation, parole or post-release supervision by expanding service networks and treatment programs.

Preserving and Growing our Natural and Cultural Resources

Invests nearly \$19 million in deed stamp tax revenue to trust funds dedicated to protecting our recreational areas, surface waters, and working family farms: Parks and Recreation Trust Fund, Clean Water Management Trust Fund, and the Farmland Preservation Trust Fund. The Housing Trust Fund also receives additional recurring funding in recognition of the need for more affordable housing statewide.

Provides \$8 million to support the identification and regulation of perfluorinated and other emerging compounds through water supply sampling and analysis.

Includes almost \$3 million for state matching funds which will be used to leverage an additional \$14 million in federal funds for drinking water infrastructure projects.

Adds \$4.5 million to bring the permitting process into the 21st century to more effectively inform and support applicants and the public.

MORE MONEY IN PEOPLE'S POCKETS

Growing North Carolina's Economy – Better Jobs and Bigger Paychecks

Strengthening Rural Communities: \$43 million

Broadband Connectivity – Provides \$17.5 million to increase access and improve service to underserved households, businesses, and community anchor institutions through last mile projects in Tier 1 and 2 counties. Also includes \$2.5 million for mobile hotspots and other devices to students without home broadband access to help close the state's Homework Gap.

Rural Infrastructure – Invests over \$12 million (a 100% increase) to support the Building Reuse, Rural Infrastructure and local municipalities and communities through the Main Street Solutions programs.

Rural Innovation – Recommends almost \$4 million to assist rural areas in transitioning to a knowledge and innovation based economy.

Low-Income Housing – Includes \$7 million to assist with developing more safe and affordable housing units for low and moderate-income citizens.

Business Recruitment and Development: \$13 million

Small Business Technology Commercialization Program – Invests \$3 million to offer early-stage technology development grants for small businesses that receive federal awards.

Megasite Development – Recommends \$10 million to support site development costs associated with the Triangle Tyre Co, Ltd facility in Edgecombe County. The company will create 800 jobs and invest nearly \$580 million at a 1,449-acre advanced manufacturing megasite in Kingsboro.

Middle Class Tax Cuts: (\$320 million)

All 3.3 million North Carolinians who pay state income taxes will receive an income tax cut in 2019.

Reduces personal income tax rate from 5.499% to 5.25% on the first \$200,000 of taxable income (benefits over 3 million taxpayers), saving taxpayers an estimated \$206 million in FY 2018-19. The tax rate will remain at 5.499% for households with income greater than \$200,000.

Increases standard deduction to \$20,000 for married filing jointly, \$15,000 for head-of-household, and \$10,000 for single taxpayers, saving taxpayers an estimated \$114 million in FY 2018-19.

Supporting Our State Employees

Invests \$366 million in a state employee compensation and benefits package that includes:

1. \$246 million for a recurring cost of living adjustment (COLA) that is the greater of \$1,250 or 2%. This is the largest increase in over a decade.
2. \$32 million to provide an additional \$1,000 salary increase for law enforcement officers (LEOs) and institutional-based personnel. This additional \$1,000 covers approximately 3,130 LEOs statewide and 29,513 institutional employees in the Departments of Public Safety and Health and Human Services.
3. \$20 million for the Salary Adjustment Fund to implement the new market-based classification and compensation system; targeting hard-to-recruit and high-turnover positions as well as adjusting current salaries that are below market rates.
4. \$10 million to support NC 457 supplemental retirement contributions for certified State Correctional Officers.

5. \$46 million to provide retirees a recurring 1.0% COLA.
6. \$12 million to fully fund actuarial determined employer contributions for each of the retirement systems.

Also provides 5 days of non-expiring additional annual leave to all state employees.

Modernizing North Carolina through Investments in Information Technology and Infrastructure

Invests \$50 million to begin replacing both the state's 25-year old accounting system and modernizing the 58 North Carolina Community Colleges' Enterprise Resource Planning System.

Authorizes \$81 million in two-thirds bonds to ensure successful completion of previously approved capital improvement projects. \$74 million supports projects in the Connect NC Bond Act and \$7 million for a youth development center.

Disaster Recovery Assistance for Hurricane Matthew

Provides \$139.5 million in state funds to repair damaged homes and public infrastructure, provide additional assistance to small businesses, cover portion of agricultural losses, enhance affordable housing opportunities, and help mitigate damage in high-risk areas. The funding covers damage not covered by federal aid or provides state match monies for repairs that are federally-supported.

Exercising Fiscal Responsibility

North Carolina's Triple A bond rating remains solid with the following commitments:

- \$185 million is allocated to the Savings Reserve Account (Rainy Day Fund).
- \$125 million for Repairs and Renovations of university and state buildings.

FINANCE PROVISIONS IN THE GOVERNOR'S FY 2018-19 RECOMMENDED BUDGET

	FY 2019	FY 2020	FY 2021
Tax Cuts Remaining			
<i>Personal - Tax rate cut to 5.25% for married filing jointly < \$200K</i>	-206	-464	-508
<i>Personal - Standard deduction & child deduction</i>	-114	-256	-262
<i>Mill machinery tax repeal</i>	-48	-55	-57
<i>Franchise tax cut for S corporations</i>	-19	-20	-21
<i>Sales tax exemption for fulfillment centers</i>	-1	-1	-1
Tax Cuts Subtotal	-388	-795	-848
Recommended changes			
<i>Freeze personal income tax at 5.499% for married filing jointly >\$200K</i>	68	153	168
<i>Freeze corporate income tax at 3.0%</i>	42	129	134
<i>Redirect 25% of deed stamp tax revenue to other funds</i>	-19	-19	-20
<i>Film & entertainment grant and rebate program</i>	0	-33	-33
<i>Conformity with Federal Tax Cuts and Jobs Act</i>	54	66	89
Revenues Gained from Recommended Changes Subtotal	145	296	338
Impact of 2017 Enacted Tax Changes	-498	-1,077	-1,150
Net Impact Recommended Changes v. 2017 Law (Enacted Tax Changes Plus Recommended Changes)	-353	-781	-812

Notes: Estimates based OSBM individual income tax model, OSBM analysis of historical film and television projects, and estimates produced by the NCGA Fiscal Research Division.

Tax Cuts

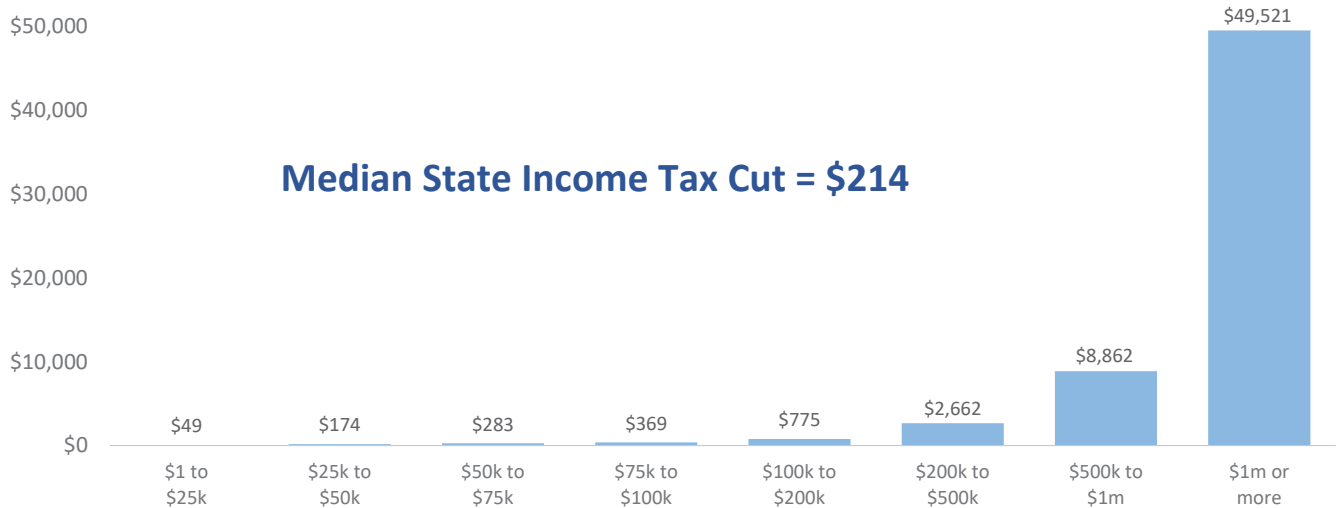
- Reduces tax rate to 5.25% on the first \$200,000 of taxable income (married filing jointly). The estimated impact of the tax cut is \$206 million less in state revenue in FY 2018-19 and \$464 million less in FY 2019-20. The reduction benefits 3.2 million North Carolina resident households who pay state income taxes (accounting for the increase in standard deduction).
- Increases standard deduction to \$20,000 for married filing jointly, \$15,000 for head-of-household, and \$10,000 for single taxpayers. This cuts taxes by \$114 million in FY 2018-19 and \$256 million in FY 2019-20, simplifies the NC tax return for most filers, and excludes more income from taxation.
- Maintains the repeal of the mill machinery tax, the franchise tax cut for S-corporations, and the sales tax exemption for order fulfillment centers, totaling \$68 million tax cuts in FY 2018-19 and \$75 million in FY 2019-20.

Tax Fairness that Supports Teacher Pay

- Maintains the top tax rate at 5.499% for the state's highest earners. This top tax rate is still the lowest among our neighbors that tax individual income. Only 185,000 taxpayers would be affected – less than 5% of taxpayers. Taxpayers in the higher income brackets have benefitted from disproportionately higher income tax cuts since 2012.
- Keeps corporate income tax rate at 3% for tax year 2019 and beyond. This is already the lowest top rate among states levying a corporate income tax. Approximately 75% of any rate cut would directly benefit out-of-state corporations.
- Uses funds from these tax changes directly toward a more robust teacher pay plan to get to at least the national average in four years.

Higher Income Households Have Benefited Disproportionately From Recently Enacted Tax Law Changes

Estimated Average Individual Income Tax Cut for Full-Year Resident Taxpayers, by Adjusted Gross Income
2018 Tax Policy vs. 2012 Tax Policy



Source and Notes: OSBM Individual Income Tax Microsimulation Model, 2018 Income Projections. Median excludes tax returns with non-positive AGI.

Film and Television Incentives

- Creates a rebate for large entertainment productions capped at \$15 million per television series and \$5 million per film. Focusing on high-end television series would support more stable employment for our state’s production workers and create a longer-term economic impact. Offering a rebate instead of a grant would provide studios with needed certainty to film television series in North Carolina. The estimated tax incentive from the rebate is \$33 million annually.
- Repurposes the film grant program for smaller, independent productions and commercials. The program would be capped at \$2.5 million per year (\$250,000 per project). Small and large productions would no longer compete for the same source of funding.

Deed Stamp Proceeds to Conservation and Housing

- Redirects 25% of the revenue from the real estate conveyance tax (about \$19 million), to the Clean Water Management Trust Fund (35%), the Parks and Recreation Trust Fund (35%), the North Carolina Agricultural Development and Farmland Preservation Trust Fund (15%), and the North Carolina Housing Trust Fund (15%).

Other Changes

- Conforms to certain federal tax changes resulting from the Tax Cuts and Jobs Act (TCJA).
- Changes the evaluation of the target for the Savings Reserve to cover two years for eight out of ten revenue downturns. This would set the target at 8.8% of the operating budget appropriations.

NC JOB READY FUND: DECREASING TAXES AND FUNDING WORKFORCE NEEDS

The Governor's recommended budget restructures unemployment insurance taxes to lower the taxes paid by businesses while realizing new revenue to invest directly into worker training - the top need shared by businesses in North Carolina and across the globe.

Unemployment System in North Carolina

Individuals who are unemployed through no fault of their own are eligible to receive a weekly benefit ranging from \$15 to \$350. Depending on the state unemployment rate, individuals can receive between 12 and 20 weeks of benefits. **Benefit payments from the Unemployment Trust Fund for FY 2016-17 were approximately \$200 million**; if there are no major changes to the state's economic condition, that level of benefit payout is likely to continue.

The unemployment system in North Carolina is funded through employer taxes. Employers, based on their prior contributions and the current balance in the Trust Fund, pay a state tax (SUTA) ranging from 0.06% to 5.76% on the first \$23,100 of wages. These taxes go into the Federal Unemployment Trust Fund where North Carolina has its own account, as do other states.

Unemployment Trust Fund Balance and Interest

The trust fund balance as of **April 30, 2018 is \$3.25 billion**, over \$800 million more than the US Department of Labor recommends to ensure that necessary funds are available. The federal government credits interest to each state's account at approximately 2%; thus, with a balance of approximately \$3 billion, North Carolina is anticipated to be credited with at least \$60 million in interest annually. Interest earned is credited to the Trust Fund held by the federal government and can only be used for paying unemployment benefits.

How much is needed in the Trust Fund?

The US Department of Labor encourages states to maintain a balance in its Trust Fund that is equivalent to 12 months of unemployment benefits based on the average of the three highest years of benefit payments over the last 20 years. For North Carolina, **this amount is \$2.4 billion**; however, this measure most likely overstates what North Carolina will need in the next recession as benefits have been significantly reduced since 2013.

Unemployment Tax

Base Tax

The base tax rate is adjusted based on the balance in the Unemployment Trust Fund as compared to total taxable wages in the state. Employers pay the base rate plus/minus an amount tied to their "experience rating" (i.e., how frequently and to what extent their former employees have collected UI benefits).

The base rate as of January 1, 2018 is set at the lowest level of 1.9%; that rate should generate approximately \$500 million in revenue annually beginning in 2018. With the current level of benefit payments, the Trust Fund has been growing by nearly \$300 million annually.

Surcharge

Per current North Carolina statute, employers pay a surcharge of 20% when the balance in the Trust Fund is less than \$1 billion. Governor Cooper's budget proposes applying the surcharge at all times and lowering the base tax; doing this means employers will pay less in unemployment taxes and more money will stay in North Carolina to fund the NC Job Ready Fund.

Tax Rate	With Surcharge - Effective Rate	Surcharge Revenue Generated
1.4%	1.68%	\$60-75 million annually

NC Job Ready Fund

The \$60 million from the surcharge will be 100% dedicated to workforce programs:

- \$30 million for NC GROW
- \$20 million for Finish Line Grants
- \$10 million for Employer Innovation and Workplace Training

NC GROW

Creates the NC GROW Scholarship to cover community college tuition and selected fees for students enrolled in high-demand curriculum programs or non-credit, short-term workforce training programs that lead to industry credentials.

Finish Line Grants

Assists university and community college students who are close to graduating with degree completion grants of up to \$1,000 to cover unforeseen financial emergencies that arise through no fault of the student. Funds can be used for purposes such as course materials, housing, medical needs, or dependent care.

Employer Innovation and Workplace Training

Provides \$10 million for a competitive grant program to assist employers in addressing industry-specific workforce training needs. The Department of Commerce will collaborate with Workforce Development Boards, the NC Community College System, and employers to fund apprenticeships, paid internships, and other industry-specific training programs.

Governor's Recommended Budget Adjustments for FY 2018-19

FY 2018-19

<u>Budget Availability</u>	
Unappropriated Balance from Prior Fiscal Year	490,975,581
Over Collection of Revenues FY 2017-18	356,700,000
Reversions (estimated)	275,000,000
Transfer to Reserves:	
Savings Reserve	(184,100,000)
Repairs and Renovations Reserve	(125,000,000)
Public Safety Improvements Reserve	(100,000,000)
Information Technology Infrastructure Reserve	(50,000,000)
State Emergency Response & Disaster Relief Reserve	(139,500,000)
Beginning Unreserved Fund Balance	524,075,581
Revenues Based on Existing Tax Structure	23,871,300,000
<u>Revenue Changes</u>	
Middle Class Tax Relief & Freeze Corporate Income Tax Rate at 3.0%	110,000,000
Conformity with Federal Tax Cuts and Jobs Act	54,000,000
25% of Deed Stamp Proceeds to Conservation and Housing	(18,700,000)
Additional Funds to Golden LEAF	(5,000,000)
Film and Entertainment Rebate and Grant (effective January 1, 2019)	-
Treasurer and Insurance Nontax Transfer	1,774,475
Total Budget Availability	24,537,450,056
Enacted Budget	23,713,531,176
<u>Supporting NC's Human Capital</u>	
Additional Teachers, Principals, and Assistant Principals Salary Increases	112,728,956
Teacher Stipend for Supplies	15,000,000
State-funded Employees (excluding Teachers, Principals) - greater of \$1250/2%	246,050,147
Additional \$1,000 Recurring for LEOs and Institution-based Employees	31,881,378
Public Safety Sign-On & Recruitment Bonuses	500,000
Salary Adjustment Fund	20,000,000
Additional 1% Bonus Pool for CC and UNC Faculty	23,250,000
457 Plan for Correctional Officers	10,000,000
Retirement System Actuarial Requirements	11,717,843
Retiree Cost of Living Adjustment - 1% Recurring	46,486,705
Subtotal	517,615,029
<u>Making NC a Top Ten Educated State by 2025</u>	
Public Schools	102,503,828
Community Colleges	36,227,113
UNC System	32,600,533
Public School Bond in November 2018	-
Subtotal	171,331,474
<u>Growing Our Economy</u>	
Strengthening Rural Communities	51,200,000
NC Job Ready Fund	(60,000,000)
NC GROW Community College Grants, Finish Line Grants, Employer Training	60,000,000
Subtotal	51,200,000
<u>Helping People Live Healthy, Productive Lives</u>	
Making NC a Welcoming State for its People, Businesses, and Environment	34,185,029
<u>Keeping Communities and Correctional Facilities Safe</u>	
Strengthening & Modernizing Core Government Services, including Capital	38,379,533
<u>Technical Adjustments</u>	
	(108,427,582)
Total Expansion Items	823,918,880
Total Recommended Budget	24,537,450,056
Balance	-

Revenue and Budget Summary

for 2018-19

Table 1
Total Recommended State Budget by Function, 2018-19
(Excluding Transfers and Internal Service Funds))

	2018-19 Recommended	%
Education	\$17,707,084,194	30.98%
General Government	\$2,786,481,169	4.88%
Health and Human Services	\$21,814,357,058	38.17%
Justice and Public Safety	\$3,145,358,718	5.50%
Natural and Economic Resources	\$5,272,027,943	9.22%
Transportation	\$5,050,307,709	8.84%
Capital Improvements	\$305,934,076	0.54%
Debt Service	\$881,795,895	1.54%
Reserves and Adjustments	\$194,584,518	0.34%
Total State Budget	\$57,157,931,280	100.00%

Figure 1
**Total Recommended State Budget by Function, excluding Transfers
2018-19**

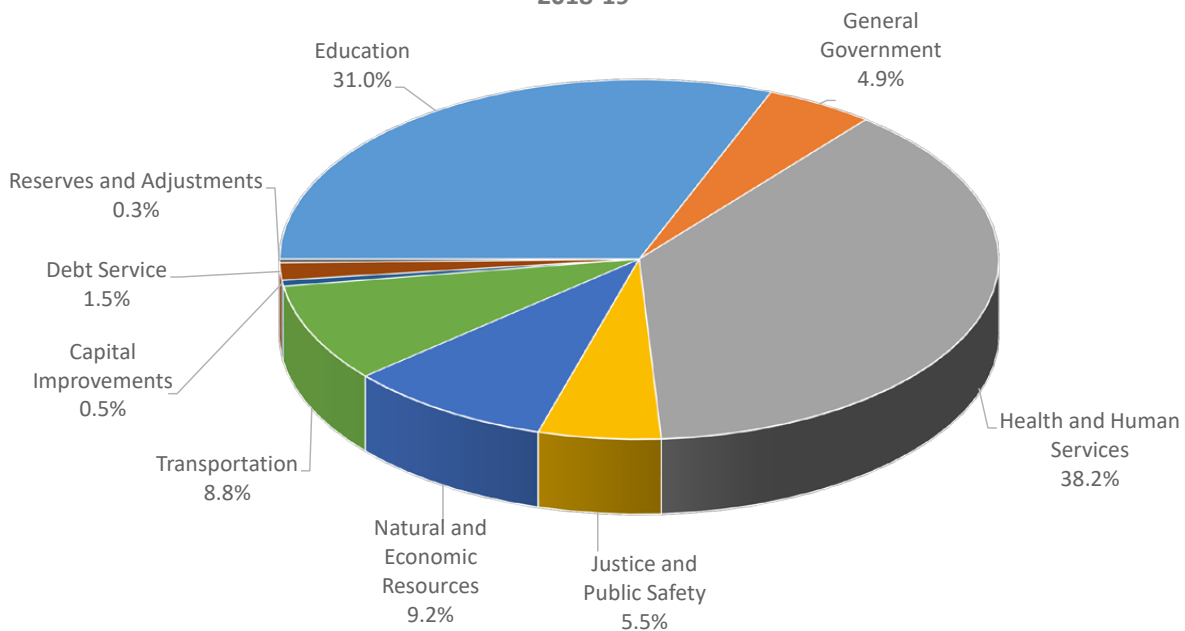


Table 2

Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
Education						
13510	Public Schools (DPI)	9,824,986,795	59,025,029	36,329,473	1,210,193,654	11,130,534,951
23510	DPI - Special	-	-	6,362,369	-	6,362,369
23511	DPI - School Technology Fund (GF)	-	-	1,088,518	-	1,088,518
29110	DPI - Public School Building Fund	-	-	1,972,473	-	1,972,473
63501	DPI - Trust	-	-	6,173,406	-	6,173,406
63503	DPI - Trust - GF	-	-	2,355,344	-	2,355,344
63510	DPI - Trust	-	-	10,250,000	-	10,250,000
63511	DPI - Trust	-	-	140,000	-	140,000
73510	DPI - Internal Service	-	-	21,945,021	-	21,945,021
16800	NC Community Colleges (NCCCS)	1,223,088,951	-	364,244,937	18,928,304	1,606,262,192
26800	NCCCS - Special Funds	-	-	8,523,665	-	8,523,665
26802	NCCCS - Information Technology	-	-	7,591,808	-	7,591,808
66800	NCCCS - Trust	-	-	927,895	-	927,895
66801	NCCCS - Special Funds Interest Earning	-	-	5,861,617	-	5,861,617
16010	UNC - GA	42,172,369	-	46,899	-	42,219,268
16011	UNC - Institutional Programs	274,388,192	-	-	-	274,388,192
16012	UNC - Related Education Programs	109,968,501	-	16,744,733	-	126,713,234
16015	UNC - Aid to Private Institutions	162,799,754	-	-	-	162,799,754
16020	UNC - Chapel Hill - Academic Affairs	254,309,119	-	351,679,725	246,671	606,235,515
16021	UNC - Chapel Hill - Health Affairs	195,305,973	-	116,296,211	-	311,602,184
16022	UNC - Chapel Hill - Area Health Education	48,783,693	-	-	-	48,783,693
16030	NCSU - Academic	409,898,050	-	378,036,965	-	787,935,015
16031	NCSU - Agriculture Research Services	52,636,905	-	14,657,938	-	67,294,843
16032	NCSU - Agriculture Extension Services	39,195,231	-	16,086,044	-	55,281,275
16040	UNC - Greensboro	150,156,774	-	96,504,453	136,798	246,798,025
16050	UNC - Charlotte	226,376,692	-	155,038,429	150,000	381,565,121
16055	UNC - Asheville	39,500,625	-	22,428,055	10,400	61,939,080
16060	UNC - Wilmington	120,327,946	-	95,002,242	75,075	215,405,263
16065	ECU - Academic	214,357,533	-	181,282,829	139,900	395,780,262
16066	ECU - Health Services	75,014,745	-	11,075,640	-	86,090,385
16070	NC A & T	96,169,482	-	66,207,432	58,714	162,435,628
16075	Western Carolina	89,730,641	-	48,902,551	-	138,633,192
16080	Appalachian State	134,672,993	-	101,494,740	113,445	236,281,178
16082	UNC - Pembroke	54,215,428	-	27,533,325	22,837	81,771,590
16084	Winston Salem State	65,470,321	-	23,915,982	23,000	89,409,303
16086	Elizabeth City State	32,278,712	-	6,717,801	48,400	39,044,913
16088	Fayetteville State	53,048,162	-	22,006,493	-	75,054,655
16090	NC Central	84,310,559	-	49,484,925	163,948	133,959,432
16092	UNC School of the Arts	31,424,499	-	15,627,088	4,550	47,056,137
16094	NC School of Science and Math	21,459,212	-	1,158,586	-	22,617,798
56096	UNC Hospitals - Operating Fund	-	-	-	-	-
Total Education		14,126,047,857	59,025,029	2,291,695,612	1,230,315,696	17,707,084,194
General Government						
23050	DMVA - Special Revenue	-	-	693,979	-	693,979
63050	DMVA - Veterans Homes Trust	-	-	47,584,404	-	47,584,404
63416	DST - Absentee Insurance	-	-	-	-	-

**Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)**

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
23401	DST - Clean Water Bond Loan Repayment	-	-	-	-	-
63417	DST - Swain County Settlement Trust	-	-	-	-	-
21000	General Assembly - Special Fund	-	-	-	-	-
13902	Industrial Commission	131,593	-	-	-	131,593
14660	Information Technology (DIT)	73,602,001	-	-	-	73,602,001
68106	NC Auctioneer Licensing Board - Recovery	-	-	-	-	-
28211	OAH - Special Projects	-	-	-	244,929	244,929
29006	OSBM - \$75 Million R&R COPs 2007B	-	-	-	-	-
63008	OSBM - Dix Land Proceeds	-	-	-	-	-
23014	OSBM - Special Revenue	-	-	-	-	-
14100	Administration (DOA)	66,927,397	56,816	6,879,099	-	73,863,312
24100	DOA - Special	-	-	17,125,264	401,466	17,526,730
24102	DOA - Special	-	-	539,152	-	539,152
24105	DOA - Special	-	-	1,500	4,355,568	4,357,068
54100	DOA - Enterprise Fund	-	-	-	-	-
64100	DOA - Trust	-	-	681	-	681
18210	Office of Administrative Hearings (OAH)	6,204,092	-	51,966	-	6,256,058
28210	OAH - It Projects	-	-	-	-	-
64190	OSC - Proceeds Higher Ed - CC2	-	-	-	-	-
64220	OSC - Proceeds 2007A GO Public Imp	-	-	-	-	-
13300	State Auditor (OSA)	14,273,005	-	405	-	14,273,410
18025	State Board of Elections (SBE)	7,069,164	-	102,000	-	7,171,164
28025	SBE - HAVA Federal Funds	-	-	30,000	10,000	40,000
68025	SBE - NC Candidate	-	-	30,000	-	30,000
14160	Office of State Controller (OSC)	23,895,168	505,399	34,335	-	24,434,902
24160	OSC - Special Revenue	-	-	180,000	-	180,000
24171	OSC - Central Account - Special Fund	-	-	76,392	-	76,392
24172	OSC - Recovery Fund	-	-	373,157	-	373,157
11000	General Assembly	67,557,147	-	861,000	-	68,418,147
13000	Governor's Office	5,082,136	-	276,871	-	5,359,007
23000	Governor's Office - Special	-	-	12,000	6,453,226	6,465,226
23001	Governor's Office - Interest Earning - Special	-	-	1,200	-	1,200
23007	Governor's Office - Special	-	-	54,952	-	54,952
13050	Military and Veterans Affairs (DMVA)	10,216,914	-	2,400,000	-	12,616,914
24667	DIT - Reserve Fund	-	-	-	-	-
24668	DIT - Federal Grants	-	-	-	1,132,678	1,132,678
24669	DIT - Wireless Fund	-	-	108,662,500	-	108,662,500
13005	State Budget and Management (OSBM)	8,565,049	-	14,500	-	8,579,549
13085	OSBM - Special Appropriation	3,000,000	-	-	-	3,000,000
23003	OSBM - NC Education Lottery Fund	-	-	200,000	-	200,000
23004	OSBM - NC Education Lottery Reserve	-	-	2,594,265	-	2,594,265
23005	OSBM - Fines and Penalties	-	-	6,500,000	-	6,500,000
23009	OSBM - Disaster Relief - GF	-	-	-	-	-
63006	OSBM - Shamrock Oil Trust - Commission	-	-	-	-	-
63007	OSBM - Mental Health/Dev Dis/Sub Abuse Trust	-	-	1,101	-	1,101
13010	NC Housing Finance Agency (NCHFA)	30,660,000	-	-	-	30,660,000
23010	NC Housing Finance Agency - Special	-	-	10,586,683	10,225,320	20,812,003

**Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)**

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
63011	NCHFA - Partnership	-	-	7,270,972	2,000,000	9,270,972
13900	Insurance (DOI)	50,054,954	-	2,244,533	4,381,019	56,680,506
23900	DOI - Special - Interest Earning	-	-	37,465,864	-	37,465,864
23901	DOI - Special - Non-Interest Earning	-	-	1,299,669	50,000	1,349,669
23902	DOI - Special - Interest Earning	-	-	15,000	-	15,000
63901	DOI - Trust	-	-	-	-	-
63902	DOI - Trust	-	-	6,095,000	-	6,095,000
63903	DOI - Trust - Internal Service	-	-	23,135,546	-	23,135,546
13100	Lieutenant Governor (OLG)	790,527	-	-	-	790,527
14700	Revenue (DOR)	87,255,000	5,288,563	17,892,976	-	110,436,539
24700	DOR - Special	-	-	7,607,812	-	7,607,812
24704	DOR - Project Collect Tax	-	-	-	-	-
24706	DOR - Lee Tax Credits	-	-	300,000	-	300,000
24707	DOR - Tax Transaction Fees	-	-	1,882,742	-	1,882,742
24708	DOR - IT Projects	-	-	-	-	-
13200	Secretary of State (SOS)	14,209,686	-	37,478	134,316	14,381,480
23200	SOS - Special	-	-	689,174	-	689,174
63201	SOS - Trust Special Revenue	-	-	19,280	-	19,280
13410	State Treasurer (DST)	4,866,274	-	15,591,313	-	20,457,587
13412	DST - Retirement / Benefits	28,211,861	-	-	-	28,211,861
23410	DST - Combined Motor Vehicle	-	-	3,000	-	3,000
23420	DST - Appropriated IT Project	-	-	429,066	-	429,066
23450	DST - State Health Plan, Special	-	-	500	-	500
23470	DST - Supplemental Retirement Plan	-	-	2,524,537	-	2,524,537
68190	DST - Interest Public Improvement Bond	-	-	11,336,982	-	11,336,982
68188	DST - Interest Higher Ed. CC 2001A	-	-	3,048,744	-	3,048,744
68174	DST - Interest CI 1997	-	-	290,715	-	290,715
68163	DST - Bond Refund	-	-	593,810,191	-	593,810,191
68158	DST - Interest Higher Ed 2006A	-	-	19,196,825	-	19,196,825
68154	DST - Interest Public Improvement 2005A	-	-	34,260,718	-	34,260,718
68150	DST - Interest Drinking Water 2004A	-	-	23,219	-	23,219
63410	DST - Health Benefits Reserve	-	-	600,000	-	600,000
63412	DST - Escheats	-	-	193,296,363	-	193,296,363
63414	DST - Fire Loan Trust	-	-	13,450	-	13,450
63415	DST - Assurance Land Titles	-	-	945	-	945
63420	DST - State Health Plan - PPO	-	-	-	-	-
63422	DST - Legislative Retirement	-	-	22,319	-	22,319
68126	DST - Drinking Water Repayment 1999C	-	-	12,751	-	12,751
68133	DST - Interest Wastewater Repayment 2003A	-	-	26,571	-	26,571
68137	DST - Interest Drinking Water Repayment 2003A	-	-	8,566	-	8,566
68141	DST - Interest Wastewater Repayment 2003B	-	-	22,670	-	22,670
68142	DST - Interest Drinking Water Repayment 2003B	-	-	11,217	-	11,217
68149	DST - Interest Wastewater Repayment 2004A	-	-	62,265	-	62,265
68198	DST - Interest Wastewater Repayment 2002	-	-	112,325	-	112,325
68220	DST - Interest GO Public Improvement 2007A	-	-	30,170,483	-	30,170,483
68221	DST - Interest CI Limited Obligation Bonds 2008A	-	-	235,290,113	-	235,290,113
68222	DST - Interest 2/3 GO Bonds	-	-	56,085,048	-	56,085,048

Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
69430	DST - Debt Service Clearing	-	-	400,429,913	-	400,429,913
69440	DST - Infrastructure Finance Corp.	-	-	-	-	-
69442	DST - Trust - CI	-	-	453,787	-	453,787
69444	DST - Trust - Special	-	-	329,124,084	-	329,124,084
69450	DST - Basis SWAP	-	-	5,836,628	-	5,836,628
28101	Board of Barber Examiners	-	-	674,217	-	674,217
28102	Board of Cosmetology	-	-	2,335,800	-	2,335,800
28103	Board of Opticians	-	-	195,097	-	195,097
28104	NC Psychology Board	-	-	1,089,118	-	1,089,118
28106	Auctioneer Licensing Board	-	-	437,699	-	437,699
28107	Board of Electrolysis Examiners	-	-	19,210	-	19,210
Total General Government		502,571,968	5,850,778	2,248,669,901	29,388,522	2,786,481,169
Health and Human Services						
14447	HHS - Health Benefits	22,724,194	-	21,438,171	156,680,021	200,842,386
14410	HHS - Central Administration	140,649,033	-	2,301,981	83,734,439	226,685,453
24410	HHS - Central Administration - Special	-	-	-	74,534,144	74,534,144
64410	HHS - Central Administration - Trust	-	-	292,952	-	292,952
14411	HHS - Aging	45,149,105	-	10,117,643	52,121,757	107,388,505
14420	HHS - Child Development and Early Education	281,757,315	-	12,301,353	507,372,370	801,431,038
14430	HHS - Public Health	158,112,724	569,753	119,512,245	549,748,389	827,943,111
24430	HHS - Public Health - Special	-	-	808,950	-	808,950
24432	HHS - Public Health - Special Revenue GF	-	-	482,189	-	482,189
14440	HHS - Social Services	205,204,844	-	731,565,671	961,001,345	1,897,771,860
24441	HHS - Social Services - Special	-	-	3,376,685	-	3,376,685
64442	HHS - Social Services - Trust - General Fund	-	-	2,672,099	-	2,672,099
14445	HHS - Medical Assistance	3,835,440,245	-	1,093,035,990	11,085,631,666	16,014,107,901
24445	HHS - Medical Assistance - Special	-	-	215,000,000	-	215,000,000
14446	HHS - NC Health Choice	398,169	-	(8,092)	208,653,066	209,043,143
14450	HHS - Services for the Blind, Deaf and Hard of Hearing	8,507,081	-	1,247,569	18,931,377	28,686,027
24450	HHS - Services for the Blind - Special	-	-	1,089,625	1,249,799	2,339,424
54450	HHS - Services for the Blind - Enterprise	-	-	66,363	-	66,363
64450	HHS - Services for the Blind - Trust	-	-	1,025	-	1,025
67425	HHS - Services for the Blind - Trust	-	-	5,533,315	-	5,533,315
14460	HHS - Mental Health/DD/SAS	730,738,756	-	87,705,320	83,137,243	901,581,319
24401	HHS - Mental Health - Julian Keith ADATC	-	-	18,919	-	18,919
24403	HHS - Mental Health - WB Jones ADATC	-	-	24,717	-	24,717
24404	HHS - Mental Health - NC Special Care Center	-	-	41,537	-	41,537
24406	HHS - Mental Health - Black Mountain Center	-	-	26,112	-	26,112
24460	HHS - Mental Health - Special	-	-	-	-	-
24463	HHS - Mental Health - Broughton Hospital	-	-	100,945	-	100,945
24464	HHS - Mental Health - Cherry Hospital	-	-	194,530	-	194,530
24465	HHS - Mental Health - Umstead Hospital	-	-	303,751	-	303,751
24466	HHS - Mental Health - J. Iverson Riddle Development Cente	-	-	84,308	251,516	335,824
24467	HHS - Mental Health - O'Berry Center	-	-	334,579	-	334,579
24468	HHS - Mental Health - Murdoch Center	-	-	89,575	-	89,575
24469	HHS - Mental Health - Caswell Center	-	-	216,178	309,536	525,714
64404	HHS - Mental Health - Longleaf Neuro-Medical	-	-	7,548	-	7,548

**Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)**

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
64405	HHS - Mental Health - Trust - Interest Bearing	-	-	75,245	-	75,245
64406	HHS - Mental Health - Black Mt. Center	-	-	8,500	-	8,500
64463	HHS - Mental Health - Broughton Hospital	-	-	43,182	-	43,182
64464	HHS - Mental Health - Cherry Hospital - Trust	-	-	21,100	-	21,100
67465	HHS - Mental Health - Umstead Hospital - Trust - Interest	-	-	16,721	-	16,721
64465	HHS - Mental Health - Umstead Hospital - Trust	-	-	12,035	-	12,035
64466	HHS - Mental Health - J. Iverson Riddle Development Cente	-	-	115,251	-	115,251
64467	HHS - Mental Health - O'Berry Center	-	-	126,610	-	126,610
64468	HHS - Mental Health - Murdoch Center	-	-	72,624	-	72,624
64469	HHS - Mental Health - Caswell Center	-	-	630	-	630
67406	HHS - Mental Health - Black Mountain Center	-	-	3,951	-	3,951
67463	HHS - Mental Health - Broughton Hospital	-	-	33,415	-	33,415
67464	HHS - Mental Health - Cherry Hospital	-	-	8,600	-	8,600
67466	HHS - Mental Health - J. Iverson Riddle Development Cente	-	-	77,109	-	77,109
67467	HHS - Mental Health - O'Berry Center	-	-	62,443	-	62,443
67468	HHS - Mental Health - Murdoch Center	-	-	184,503	-	184,503
67469	HHS - Mental Health - Caswell Center	-	-	474,067	-	474,067
54465	HHS - MH/DD/SAS - Butner Enterprises	-	-	-	-	-
14470	HHS - Health Service Regulation	19,482,107	-	14,947,297	35,425,096	69,854,500
24470	HHS - Health Service Regulation - Special	-	-	515,684	-	515,684
14480	HHS - Vocational Rehabilitation	39,055,491	-	7,487,272	98,745,721	145,288,484
24481	HHS - Disability Determination - Special	-	-	-	74,770,764	74,770,764
Total Health and Human Services		5,487,219,064	569,753	2,334,269,992	13,992,298,249	21,814,357,058
Justice and Public Safety						
14550	Public Safety (DPS)	2,114,281,816	2,123,200	37,919,168	141,250,993	2,295,575,177
24550	DPS - Other Special Grants	-	-	3,586,516	-	3,586,516
24552	DPS - Disaster After 07/01/2006	-	-	-	448,831	448,831
24553	DPS - Welfare Funds	-	-	6,293,954	-	6,293,954
24554	DPS - IT Fund	-	-	-	-	-
24555	DPS - Special Interest Bearing	-	-	357,368	4,957,815	5,315,183
54550	DPS - Licensing Boards - Interest Bearing	-	-	1,972,960	-	1,972,960
54551	DPS - ABC Commission	-	-	17,086,440	-	17,086,440
64550	DPS - Trust Funds	-	-	107,149	-	107,149
12000	Judicial - AOC	560,491,424	-	671,301	-	561,162,725
12001	Judicial - Indigent Defense	126,206,797	-	10,355,797	-	136,562,594
22001	AOC - Special Revenue Funds	-	-	23,087,938	1,428,725	24,516,663
22004	AOC - Reserve for Safe Roads	-	-	1,965,554	-	1,965,554
22005	AOC - Worthless Check Fund	-	-	153,772	-	153,772
22006	AOC - IT Fund	-	-	14,782,882	-	14,782,882
22007	AOC - Appellate Courts Printing/Comp.	-	-	672,388	-	672,388
22008	AOC - Special Revenue - GF	-	-	-	-	-
13600	Justice (DOJ)	53,790,252	-	1,160,029	4,496,037	59,446,318
23600	DOJ - Special	-	-	13,953,318	1,756,294	15,709,612
Total Justice and Public Safety		2,854,770,289	2,123,200	134,126,534	154,338,695	3,145,358,718
Natural and Economic Resources						
24340	DEQ - Coal Ash Management Fund	-	-	635,000	-	635,000
24327	DEQ - WIF Local Supplmnt Grants	-	-	-	-	-

**Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)**

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
24816	DNCR - AQM - Admissions	-	-	-	-	-
24818	DNCR - CWMTF	-	-	6,550,000	-	6,550,000
24817	DNCR - DPR - Land/Water Fund	-	-	-	-	-
24820	DNCR - DPR - Parks and Recreation Trust Fund	-	-	6,550,000	-	6,550,000
24814	DNCR - Zoo	-	-	-	-	-
14602	DOC - Economic Development	30,679,142	-	-	-	30,679,142
13700	Agriculture and Consumer Services (DACS)	137,142,546	5,351,999	30,014,015	18,066,320	190,574,880
23700	DACS - Livestock Special	-	-	5,671,871	-	5,671,871
23702	DACS - Disaster Recovery	-	-	-	-	-
23703	DACS - Tobacco Trust - Special	-	-	36,000	-	36,000
23704	DACS - Soil and Water Conservation	-	-	181,505	-	181,505
23705	DACS - Forest Development	-	-	1,138,240	-	1,138,240
53700	DACS - Raleigh Farmers Market	-	-	2,539,374	-	2,539,374
53725	DACS - Western NC Agricultural Center/Mountain Fair	-	-	2,929,679	-	2,929,679
53750	DACS - State Fair	-	-	15,501,192	-	15,501,192
63700	DACS - Trust Special	-	-	56,200	-	56,200
63701	DACS - Land Preservation and Trust Investment	-	-	-	-	-
63702	DACS - Rural Rehab Loans	-	-	771,963	-	771,963
63703	DACS - Finance Authority	-	-	550,328	-	550,328
63704	DACS - Cooperative Grading Program	-	-	7,088,125	-	7,088,125
14600	Commerce (DOC)	130,496,507	-	12,705,154	47,201,248	190,402,909
14601	DOC - State Aid	18,655,810	-	-	-	18,655,810
24600	DOC - Special Revenue	-	-	90,456	746,892	837,348
24602	DOC - Special - Disaster Relief	-	-	1,500,000	-	1,500,000
24604	DOC - Special - Morehead	-	-	11,000	-	11,000
24605	DOC - Special - Cape Fear	-	-	6,000	-	6,000
24606	DOC - Special - Clean Water Bonds	-	-	-	-	-
24609	DOC - Special Revenue - Grants	-	-	244,622	-	244,622
24610	DOC - Second Injury Fund	-	-	66,100	-	66,100
24611	DOC - IT Projects	-	-	-	-	-
24613	DOC - Special - Interest Earning Fund	-	-	2,958	-	2,958
24650	DOC - Employment Security	-	-	2,000,000	115,959,877	117,959,877
24651	DOC - Special - Workforce	-	-	5,180,115	116,648,499	121,828,614
54600	DOC - Enterprise Fund	-	-	17,180,414	352,231	17,532,645
64605	DOC - Utilities Commission	-	-	15,801,379	-	15,801,379
64612	DOC - NC Rural Electrification Authority	-	-	209,161	-	209,161
64650	DOC - ESC - Trust	-	-	7,435,000	-	7,435,000
64651	DOC - ESC - Claims/Benefits	-	-	5,000	40,000,000	40,005,000
64652	DOC - ESC - Trust Clearing	-	-	1,263,135,580	-	1,263,135,580
64653	DOC - ESC - Trust Reserve	-	-	227,500,000	-	227,500,000
64656	DOC - ESC - Trust - Unemployment	-	-	-	-	-
54641	NC Education Lottery Proceeds	-	-	2,197,508,388	-	2,197,508,388
14300	Environmental Quality (DEQ)	94,179,408	-	11,426,995	33,893,326	139,499,729
24300	DEQ - Special	-	-	45,654,850	5,451,102	51,105,952
24301	DEQ - Air Quality - Fuel Tax Special	-	-	8,278,275	-	8,278,275
24303	DEQ - Marine Fish Conservation	-	-	-	-	-
24304	DEQ - Wetlands Trust - Special	-	-	62,756,547	-	62,756,547

**Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)**

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
24306	DEQ - Special Dry Cleaning Solvent Tax	-	-	8,160,906	-	8,160,906
24310	DEQ - Disaster Relief Programs	-	-	-	-	-
24317	DEQ - Special - GF	-	-	1,067,590	-	1,067,590
24318	DEQ - Special - Interest	-	-	1,373,700	-	1,373,700
24323	DEQ - Marine Resources Fund	-	-	5,716,047	-	5,716,047
24325	DEQ - DWR - FERC Interest	-	-	150,000	-	150,000
64301	DEQ - Waste Water Operations Training - Special	-	-	661,905	-	661,905
64303	DEQ - Solid Waste Management Trust - Special	-	-	-	-	-
64304	DEQ - Clean Water Revolving Loan	-	-	410,413	-	410,413
64305	DEQ - Commercial LUST Cleanup - Special	-	-	33,980,454	-	33,980,454
64307	DEQ - Conservation Grant Endowment	-	-	44,591	-	44,591
64311	DEQ - Water Pollution Revolving Loan	-	-	64,634,494	581,508	65,216,002
64312	DEQ - Federal Bond Revolving Loan	-	-	1,645,790	-	1,645,790
64318	DEQ - High Unit Cost Wastewater Grants 1998	-	-	-	-	-
64319	DEQ - CWSRF Federal Program	-	-	7,450,600	-	7,450,600
64320	DEQ - Drinking Water SRF	-	-	7,693,941	35,530,507	43,224,448
64323	DEQ - Drinking Water SRF Bond Match	-	-	1,034,879	-	1,034,879
14350	Wildlife Resources Commission (WRC)	11,191,997	-	-	23,821,591	35,013,588
24350	WRC - Special	-	-	2,359,169	-	2,359,169
24351	WRC - Special - Interest	-	-	22,028,521	-	22,028,521
24352	WRC - Special - Non-Interest	-	-	12,370,255	2,468,305	14,838,560
64350	WRC - Endowment	-	-	5,254,146	-	5,254,146
13800	Labor (DOL)	19,317,917	-	3,578,345	7,438,129	30,334,391
14800	Natural and Cultural Resources (DNCR)	181,036,646	-	46,279,583	6,297,764	233,613,993
14802	DNCR - Roanoke Island	555,571	-	-	-	555,571
24800	DNCR - Special	-	-	469,174	-	469,174
24801	DNCR - Art Museum	-	-	655,528	-	655,528
24803	DNCR - Special Revenue	-	-	100,000	-	100,000
24804	DNCR - Special - Tryon Palace	-	-	668,956	-	668,956
24805	DNCR - Special	-	-	101,287	-	101,287
24806	DNCR - Special Revenue - Interest	-	-	70,053	-	70,053
24807	DNCR - Historic Sites - Interest	-	-	317,035	-	317,035
24811	DNCR - Interest - Special Revenue	-	-	6,267	-	6,267
24812	DNCR - NCAC A+ Schools	-	-	520,039	-	520,039
54800	DNCR - Enterprise	-	-	53,605	-	53,605
54801	DNCR - USSNC Battleship Commission	-	-	-	-	-
54803	DNCR - Enterprise	-	-	504,300	-	504,300
54804	DNCR - Enterprise	-	-	690,042	-	690,042
Total Natural and Economic Resources		623,255,544	5,351,999	4,188,963,101	454,457,299	5,272,027,943
Transportation						
84210	DOT - Highway Fund	-	2,101,542,789	132,789,917	191,073,028	2,425,405,734
84290	DOT - Highway Trust Fund	-	1,540,500,000	-	1,084,401,975	2,624,901,975
Total Transportation		-	3,642,042,789	132,789,917	1,275,475,003	5,050,307,709
Debt Service						
19420	General Debt Service	715,891,443	50,036,452	18,653,595	95,598,025	880,179,515
19425	Federal Reimbursement	1,616,380	-	-	-	1,616,380
Total Debt Service		717,507,823	50,036,452	18,653,595	95,598,025	881,795,895

**Total North Carolina State Budget by Function, Department, and Source of Funds
Governor Recommended Adjustments 2018-19 (Excluding Transfers and Internal Service Funds)**

Budget Code	Function	General Fund Net Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
Reserves and Adjustments						
19001	Contingency and Emergency Reserve	2,000,000	-	-	-	2,000,000
19004	Salary Adjustment Reserve	5,000,000	-	-	-	5,000,000
19005	OSHR - Minimum of Market Adjustment	27,800,000	-	-	-	27,800,000
19048	Reserve for Workers' Compensation	1,500,000	-	-	-	1,500,000
19068	GF Reserve - Pending Legislation	-	-	-	-	-
19080	UNC Enrollment Growth	94,734,518	-	-	-	94,734,518
19081	Public Schools - Average Daily Membership (ADM)	-	-	-	-	-
19082	Film and Entertainment Grant	31,000,000	-	-	-	31,000,000
19083	NC Promise Tuition Plan	11,000,000	-	-	-	11,000,000
19084	Enterprise Resource Planning	10,000,000	-	-	-	10,000,000
19XX1	Bond Disclosure, Close Out, and Tax Exempt Analysis	50,000	-	-	-	50,000
19XX2	2020 Census Preparation	1,500,000	-	-	-	1,500,000
19XX3	Public Safety Reserve	-	-	-	-	-
19XX4	NC 457 Contributions for Certified State Correctional Office	10,000,000	-	-	-	10,000,000
19XX5	School Bond	-	-	-	-	-
Total Reserves and Adjustments		194,584,518	-	-	-	194,584,518
Direct Capital Appropriation						
19600	Capital Improvements	31,492,993	-	197,878,632	76,562,451	305,934,076
Total Direct Capital Appropriation		31,492,993	-	197,878,632	76,562,451	305,934,076
Total		24,537,450,056	3,765,000,000	11,547,047,284	17,308,433,940	57,157,931,280

Table 3
Recommended General Fund Budget by Function
2018-19

	2018-19 Recommended	%
Education	\$14,126,047,857	57.57%
General Government	\$502,571,968	2.05%
Health and Human Services	\$5,487,219,064	22.36%
Justice and Public Safety	\$2,854,770,289	11.63%
Natural and Economic Resources	\$623,255,544	2.54%
Transportation		0.00%
Capital Improvements	\$31,492,993	0.13%
Debt Service	\$717,507,823	2.92%
Reserves and Adjustments	\$194,584,518	0.79%
Total General Fund Budget	\$24,537,450,056	100.00%

Figure 2

General Fund Recommended Budget by Function, 2018-19

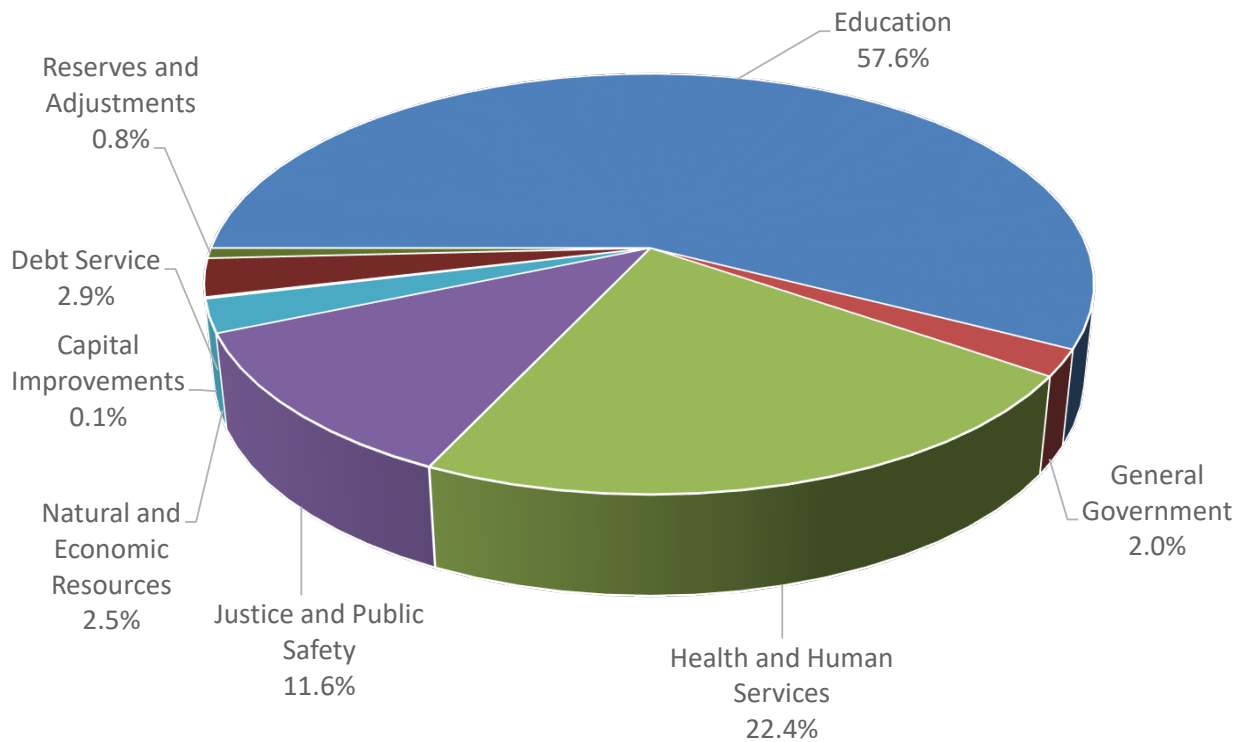


Table 4

**Governor's Recommended General Fund Budget
2018-19 Adjustments**

Budget Code	Function	2018-19 Enacted Budget	Decreases			Increases			Net Change	2018-19 Recommended Net Appropriation	Net Position Change
			Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions	Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions			
Education											
13510	Public Education	9,486,468,651	-	(13,299,394)	-	351,817,538	-	6.000	338,518,144	9,824,986,795	6.000
16800	Community Colleges	1,141,757,845	-	-	-	56,761,106	24,570,000	-	81,331,106	1,223,088,951	-
160xx	University System	2,967,775,032	-	-	-	95,797,079	14,400,000	-	110,197,079	3,077,972,111	-
	Total Education	13,596,001,528	-	(13,299,394)	-	504,375,723	38,970,000	6.000	530,046,329	14,126,047,857	6.000
General Government											
11000	General Assembly	65,973,007	-	-	-	1,584,140	-	-	1,584,140	67,557,147	-
13000	Governor's Office	4,976,409	-	-	-	105,727	-	-	105,727	5,082,136	-
13005	State Budget and Management	8,255,244	-	-	-	309,805	-	1.000	309,805	8,565,049	1.000
13010	NC Housing Finance Agency	30,660,000	-	-	-	-	-	-	-	30,660,000	-
13050	Military and Veterans Affairs	8,960,743	-	-	-	1,129,171	127,000	16.250	1,256,171	10,216,914	16.250
13085	OSBM - Special Appropriation	2,000,000	-	-	-	-	1,000,000	-	1,000,000	3,000,000	-
13100	Lieutenant Governor	771,497	-	-	-	19,030	-	-	19,030	790,527	-
13200	Secretary of State	13,314,943	-	-	-	888,493	6,250	5.000	894,743	14,209,686	5.000
13300	State Auditor	13,780,531	-	-	-	492,474	-	-	492,474	14,273,005	-
13410	State Treasurer	4,832,053	-	-	-	34,221	-	-	34,221	4,866,274	-
13412	State Treasurer - Retirement/Benefits	28,211,861	-	-	-	-	-	-	-	28,211,861	-
13900	Insurance	48,314,700	-	-	-	1,340,254	400,000	0.500	1,740,254	50,054,954	0.500
13902	Industrial Commission	-	-	-	-	131,593	-	-	131,593	131,593	-
14100	Administration	63,396,752	-	-	-	2,030,645	1,500,000	15.110	3,530,645	66,927,397	15.110
14160	State Controller	23,243,476	-	-	-	651,692	-	-	651,692	23,895,168	-
14660	Information Technology	51,646,845	-	-	-	1,955,156	20,000,000	4.000	21,955,156	73,602,001	4.000
14700	Revenue	85,483,970	-	-	-	1,771,030	-	-	1,771,030	87,255,000	-
18025	State Board of Elections	6,686,614	-	-	-	123,219	259,331	-	382,550	7,069,164	-
18210	Office of Administrative Hearings	6,010,687	-	-	-	190,905	2,500	1.000	193,405	6,204,092	1.000
	Total General Government	466,519,332	-	-	-	12,757,555	23,295,081	42.860	36,052,636	502,571,968	42.860
Health and Human Services											
14440	Social Services	205,204,844	-	-	-	-	-	1.000	-	205,204,844	1.000
14450	Services for the Blind, Deaf, and Hard of Hearing	8,507,081	-	-	-	-	-	-	-	8,507,081	-
14411	Aging and Adult Services	45,149,105	-	-	-	-	-	-	-	45,149,105	-
14480	Vocational Rehabilitation	39,055,491	-	-	-	-	-	-	-	39,055,491	-
14410	Central Administration	122,769,405	-	-	-	17,879,628	-	-	17,879,628	140,649,033	-
14420	Child Development and Early Education	278,332,315	-	-	-	3,425,000	-	-	3,425,000	281,757,315	-
14430	Public Health	154,985,218	-	-	-	3,117,546	9,960	4.000	3,127,506	158,112,724	4.000
14445	Medical Assistance	3,801,681,212	-	(2,245,884)	-	36,004,917	-	2.000	33,759,033	3,835,440,245	2.000
14446	Health Choice	396,409	(311,875)	-	-	-	313,635	-	1,760	398,169	-
14447	Health Benefits	9,779,090	-	-	-	12,945,104	-	30.000	12,945,104	22,724,194	30.000
14460	Mental Health/Disabilities/Substance Abuse	705,030,589	-	-	-	22,427,975	3,280,192	176.000	25,708,167	730,738,756	176.000
14470	Health Services Regulation	19,396,718	-	-	-	82,499	2,890	2.000	85,389	19,482,107	2.000
	Total Health and Human Services	5,390,287,477	(311,875)	(2,245,884)	-	95,882,669	3,606,677	215.000	96,931,587	5,487,219,064	215.000

**Governor's Recommended General Fund Budget
2018-19 Adjustments**

Budget Code	Function	2018-19 Enacted Budget	Decreases			Increases			Net Change	2018-19 Recommended Net Appropriation	Net Position Change
			Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions	Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions			
Justice and Public Safety											
12000	Judicial	539,023,422	-	-	-	20,221,155	1,246,847	79.750	21,468,002	560,491,424	79.750
12001	Judicial - Indigent Defense	122,280,359	-	-	-	3,920,348	6,090	2.000	3,926,438	126,206,797	2.000
13600	Justice	46,511,531	-	-	-	5,227,621	2,051,100	7.000	7,278,721	53,790,252	7.000
14550	Public Safety	2,020,592,037	-	-	-	92,273,975	1,415,804	383.050	93,689,779	2,114,281,816	383.050
	Total Justice and Public Safety	2,728,407,349	-	-	-	121,643,099	4,719,841	471.800	126,362,940	2,854,770,289	471.800
Natural and Economic Resources											
13700	Agriculture and Consumer Services	122,853,685	-	-	-	3,588,861	10,700,000	1.000	14,288,861	137,142,546	1.000
13800	Labor	17,819,951	-	-	-	1,497,966	-	-	1,497,966	19,317,917	-
14300	Environmental Quality	77,012,714	-	-	-	11,357,886	5,808,808	58.000	17,166,694	94,179,408	58.000
14350	Wildlife Resources Commission	10,843,541	-	-	-	348,456	-	-	348,456	11,191,997	-
14600	Commerce	130,158,878	-	-	-	337,629	-	1.000	337,629	130,496,507	1.000
14601	Commerce - State Aid	16,155,810	-	-	-	-	2,500,000	-	2,500,000	18,655,810	-
14602	Commerce - Economic Development	-	-	-	-	14,200,000	16,479,142	-	30,679,142	30,679,142	-
14800	Natural and Cultural Resources	174,477,424	-	-	-	5,389,242	1,169,980	12.000	6,559,222	181,036,646	12.000
14802	Natural and Cultural Resources - Roanoke Island	555,571	-	-	-	-	-	-	-	555,571	-
	Total Natural and Economic Resources	549,877,574	-	-	-	36,720,040	36,657,930	72.000	73,377,970	623,255,544	72.000
Debt Service											
19420	General Debt Service	770,458,736	(54,567,293)	-	-	-	-	-	(54,567,293)	715,891,443	-
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-
	Total Debt Service	772,075,116	(54,567,293)	-	-	-	-	-	(54,567,293)	717,507,823	-
Reserves and Adjustments											
19001	Contingency and Emergency Reserve	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-
19004	Salary Adjustments	5,000,000	-	-	-	-	-	-	-	5,000,000	-
19005	OSHR - Market Adjustment	7,800,000	-	-	-	20,000,000	-	-	20,000,000	27,800,000	-
19048	Reserve for Workers' Compensation	-	-	-	-	-	1,500,000	-	1,500,000	1,500,000	-
19068	Pending Legislation	500,000	(500,000)	-	-	-	-	-	(500,000)	-	-
19080	UNC Enrollment Growth	94,734,518	-	-	-	-	-	-	-	94,734,518	-
19081	Public Schools Average Daily Membership (ADM)	48,410,289	(48,410,289)	-	-	-	-	-	(48,410,289)	-	-
19082	Film and Entertainment	31,000,000	-	-	-	-	-	-	-	31,000,000	-
19083	NC Promise Tuition Plan	11,000,000	-	-	-	-	-	-	-	11,000,000	-
19084	Enterprise Resource Planning	10,000,000	-	-	-	-	-	-	-	10,000,000	-
19XX1	Bond Disclosure, Close Out, and Tax Exempt Analysis	-	-	-	-	50,000	-	-	50,000	50,000	-
19XX2	2020 Census Preparation	-	-	-	-	-	1,500,000	-	1,500,000	1,500,000	-
19XX3	Public Safety Reserve	-	-	-	-	-	-	-	-	-	-
19XX4	NC 457 Contributions for Certified State Correctional Offic	-	-	-	-	10,000,000	-	-	10,000,000	10,000,000	-
19XX5	School Bond	-	-	-	-	-	-	-	-	-	-
	Total Reserves and Adjustments	208,444,807	(48,910,289)	-	-	32,050,000	3,000,000	-	(13,860,289)	194,584,518	-
Direct Capital Appropriation											
19600	Capital Improvements	1,917,993	-	-	-	-	29,575,000	-	29,575,000	31,492,993	-
	Total Direct Capital Appropriation	1,917,993	-	-	-	-	29,575,000	-	29,575,000	31,492,993	-
	Total	23,713,531,176	(103,789,457)	(15,545,278)	-	803,429,086	139,824,529	807.660	823,918,880	24,537,450,056	807.660

Table 5

**Highway Fund and Highway Trust Fund Budget
2018-19**

Function	FY 2018-19 Base Appropriation	Reductions			Other Continuation/Expansion			Net Change	2018-19 Approved Appropriation	Net Position Change
		Recurring	Nonrecurring	Appropriation Supported Positions	Recurring	Nonrecurring	Appropriation Supported Positions			
DOT Administration	94,370,410	-	-	-	-	-	-	-	94,370,410	-
<i>Division of Highways</i>										
Administration	34,782,224	-	-	-	-	-	-	-	34,782,224	-
Construction	88,250,000	-	-	-	-	-	-	-	88,250,000	-
Maintenance	1,393,296,676	(38,994,179)	-	-	-	-	(38,994,179)	-	1,354,302,497	-
Planning and Research	-	-	-	-	-	-	-	-	-	-
OSHA Program	358,030	-	-	-	-	-	-	-	358,030	-
State Aid to Municipalities	147,500,000	-	-	-	-	-	-	-	147,500,000	-
<i>Multi-Modal</i>										
Airports	129,012,773	-	-	-	1,600,000	-	1,600,000	-	130,612,773	-
Bicycle	724,032	-	-	-	-	-	-	-	724,032	-
Ferry	44,983,375	-	-	-	-	-	-	-	44,983,375	-
Public Transportation	94,277,592	-	-	-	-	-	-	-	94,277,592	-
Railroads	43,850,362	(300,000)	-	-	-	-	(300,000)	-	43,550,362	-
Governor's Highway Safety Program	255,367	-	-	-	-	-	-	-	255,367	-
Division of Motor Vehicles	127,946,774	-	-	-	-	-	-	-	127,946,774	-
Other State Agencies	13,895,730	-	-	-	-	-	-	-	13,895,730	-
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-
Other Reserves	27,777,636	(6,830,000)	-	-	17,526,491	-	10,696,491	-	38,474,127	-
Capital Improvements	10,216,707	-	-	-	-	-	-	-	10,216,707	-
Total Highway Fund	2,251,497,688	(46,124,179)	-	-	19,126,491	-	(26,997,688)	-	2,224,500,000	-
Administration	34,342,499	-	-	-	664,054	-	664,054	-	35,006,553	-
<i>Construction</i>										
Strategic Prioritization Program	1,406,230,340	(45,988,216)	-	-	-	-	(45,988,216)	-	1,360,242,124	-
<i>Bonds</i>										
Bond Redemption	40,810,187	-	-	-	-	-	-	-	40,810,187	-
Bond Interest	9,226,265	-	-	-	-	-	-	-	9,226,265	-
NC Turnpike Authority	49,814,871	-	-	-	-	-	-	-	49,814,871	-
Ports Authority	45,000,000	-	-	-	-	-	-	-	45,000,000	-
Reserve for Visitor's Centers	400,000	-	-	-	-	-	-	-	400,000	-
Total Highway Trust Fund	1,585,824,162	(45,988,216)	-	-	664,054	-	(45,324,162)	-	1,540,500,000	-

Table 6

Schedule of Savings Reserve Account Balance, 1990-91 to 2017-18, Recommended 2018-19

Fiscal Year	Beginning Balance July 1	Authorized Transfer	Authorized Reserve for Current Year	Ending Balance June 30
1990-91	\$ 141,000,000	\$ (141,000,000) ^{a)}	\$ -	\$ -
1991-92	400,000	-	41,193,253	41,593,253
1992-93	41,593,253	-	134,332,565	175,925,818
1993-94	175,925,818	(121,000,000) ^{b)}	155,678,246	210,604,064
1994-95	210,604,064	146,305,569	66,700,000 ^{c)}	423,609,633
1995-96	423,609,633	-	77,342,026	500,951,659
1996-97	500,951,659	-	-	500,951,659
1997-98	500,951,659	-	21,568,903	522,520,562
1998-99	522,520,562	-	- ^{d)}	522,520,562
1999-00	522,520,562	(485,965,824) ^{e)}	967,311	37,522,049
2000-01	37,522,049	-	120,000,000 ^{f)}	157,522,048
2001-02	157,522,048	(247,522,048) ^{g)}	90,000,000	-
2002-03	-	-	150,000,000	150,000,000
2003-04	150,000,000	391,343	116,666,064	267,057,407
2004-05	267,057,407	(153,541,447) ^{h)}	199,125,000	312,640,960
2005-06	312,640,960	-	316,151,631	628,792,591
2006-07	628,792,591	(22,933,000) ⁱ⁾	180,790,087	786,649,678
2007-08	786,649,678	-	-	786,649,678
2008-09	786,649,678	636,649,678	-	150,000,000
2009-10	150,000,000	-	-	150,000,000
2010-11	150,000,000	(37,958,589)	183,600,000	295,641,411
2011-12	295,641,411	-	123,170,924	418,812,335
2012-13	418,812,335	-	-	418,812,335
2013-14	418,812,335	-	232,537,942	651,350,277
2014-15	651,350,277	-	450,245,194	1,101,595,471
2015-16	1,101,595,471	-	473,616,801	1,575,212,272
2016-17	1,575,212,272	(100,928,370) ^{j)}	-	1,474,283,902
2017-18	1,474,283,902	-	363,928,370	1,838,212,272
2018-19	1,838,212,272	-	184,100,000	2,022,312,272

a) The General Assembly appropriated \$141.0 million; the reserve was used to balance a shortfall in revenue in 1999-91

b) The 1993 Session of the General Assembly authorized the transfer of reserves to support appropriation for the June 30 payroll restoration.

c) The 1993 Session of the General Assembly (1994 Regular Session) appropriated \$66.7 million to the reserve.

d) The 1999 Session of the General Assembly fixed the balance of the reserve for 1998-99 only at the previous year level.

e) The 1999 Session of the General Assembly authorized the use of the Savings Reserve Account to pay the first installment of the Intangibles Tax liability. The December 1999 Special Session of the General Assembly authorized the transfer of \$285,965,824 to provide funds to the Hurricane Floyd Reserve.

f) The 2000 Short Session of the General Assembly appropriated \$120 million to the reserve.

g) The 2001 Session of the General Assembly directed the State Controller to "credit" the Savings Reserve Account \$181.8 million from the General Fund but only \$90,000,000 was credited.

h) Amount transferred to Disaster Relief Reserve for 2004 Hurricane Season Recovery, per SB 7.

i) Reflects \$23.3 million transferred to the Highway Fund and the Highway Trust Fund to Replace motor fuel tax revenues reduced by the cap on the gas tax rate per Senate Bill 1741.

j) Reflects \$100,928,370 transferred due to the Disaster Recovery Act of 2016-S.L. 2016-124, HB 2 Hurricane Matthew and Western Wildfires

Table 7

Total Budget for Debt Services, 1980-81 to 2016-17; Recommended 2017-18

Fiscal Year	Authorized Budget			Per Capita*
	General Fund	Highway Fund	Total	
1980-81	62,173,700	30,329,757	92,503,457	15.73
1981-82	65,062,550	30,062,040	95,124,590	15.97
1982-83	75,020,500	38,772,567	113,793,067	18.91
1983-84	79,525,500	38,288,000	117,813,500	19.39
1984-85	76,077,250	38,401,500	114,478,750	18.57
1985-86	75,781,250	38,445,500	114,226,750	18.26
1986-87	64,506,250	38,445,500	102,951,750	16.28
1987-88	73,929,627	32,453,812	106,383,439	16.61
1988-89	71,636,370	37,295,105	108,931,475	16.80
1989-90	69,083,445	38,491,163	107,574,608	16.38
1990-91	71,259,383	37,392,600	108,651,983	16.10
1991-92	79,683,770	38,227,230	117,911,000	17.47
1992-93	89,020,478	38,018,250	127,038,728	18.59
1993-94	92,263,558	37,359,875	129,623,433	18.66
1994-95	114,837,478	27,631,295	142,468,773	20.17
1995-96	131,836,603	25,133,780	156,970,383	21.84
1996-97	129,326,640	4,978,215	134,304,855	18.38
1997-98	165,973,573	-	165,973,573	22.34
1998-99	199,286,633	28,357,925	227,644,558	30.16
1999-00	242,910,930	27,607,550	270,518,480	41.66
2000-01	268,834,550	26,857,175	295,691,725	36.12
2001-02	301,428,690	26,106,800	327,535,490	40.01
2002-03	300,016,860	25,356,425	325,373,285	39.11
2003-04	403,285,920	33,706,050	436,991,970	52.52
2004-05	489,914,203	69,589,925	559,504,128	66.16
2005-06	581,837,505	93,449,000	675,286,505	79.85
2006-07	615,382,280	91,198,625	706,580,905	77.73
2007-08	658,128,668	88,128,250	746,256,918	80.43
2008-09	685,745,499	85,460,500	771,205,999	81.74
2009-10	721,999,019	82,731,000	804,730,019	84.05
2010-11	785,563,689	79,992,750	865,556,439	89.54
2011-12	697,953,568	58,104,938	756,058,506	77.44
2012-13	784,375,261	58,161,288	842,536,549	85.45
2013-14	709,197,014	79,170,090	788,367,104	79.20
2014-15	725,337,659	60,307,448	785,645,107	78.14
2015-16	714,776,023	48,619,701	763,395,724	75.15
2016-17	704,718,618 ^{a)}	61,012,229	765,730,847	74.62
2017-18	728,782,719 ^{b)}	51,160,868	779,943,587	76.00
2018-19	717,507,823 ^{c)}	50,036,452	767,544,275	74.52

* Based on July 1 population estimates.

a) Does not include \$38 million appropriation to pay off Wilmington Harbor Navigation 96 Act Project

b) Does not include \$22 million appropriation to pay off Wilmington Harbor Navigation 96 Act Project

c) Does not include \$22 million appropriation to pay off Wilmington Harbor Navigation 96 Act Project

***Budget and Economic Outlook,
Revenue Forecasts, and
Demographic Analysis***

Economic Outlook

Strong Economic Fundamentals in a Slow Recovery

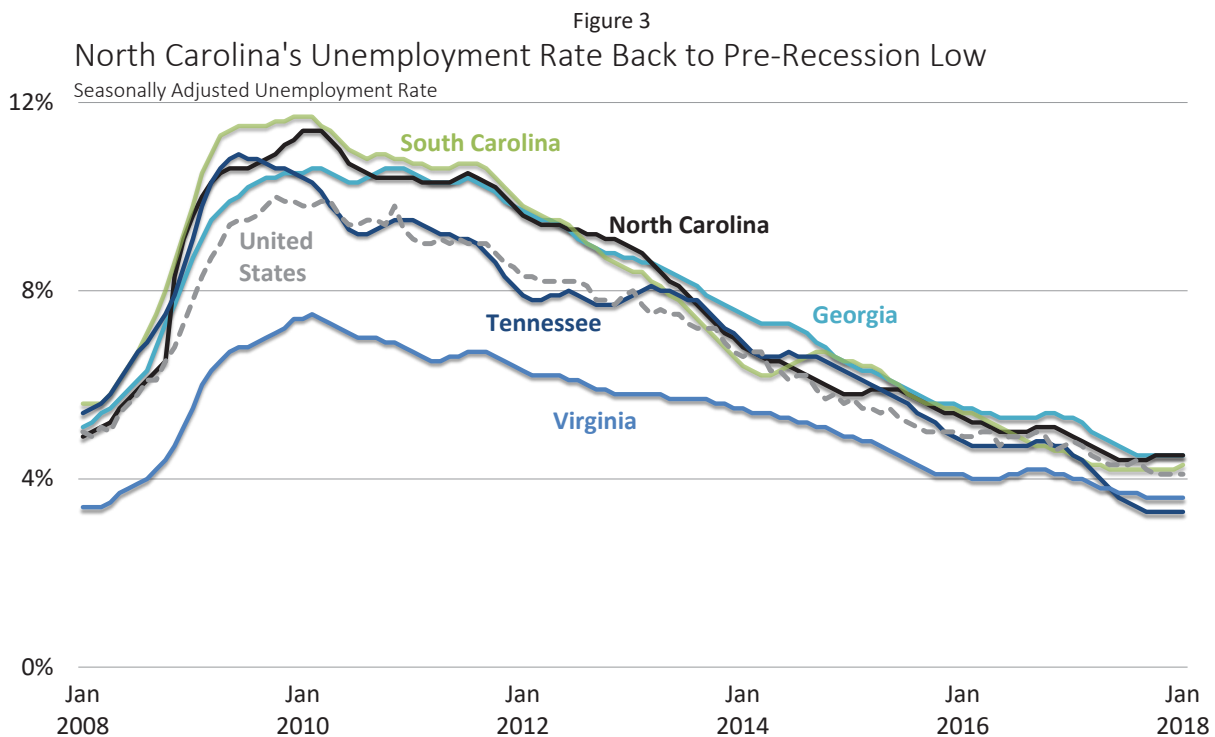
The current economic recovery is slower compared to previous recoveries on several metrics. Annual state real GDP growth has increased by 1.6% in the current expansion compared to 3.0% in the 2001-2007 expansion and 4.6% in the 1991-2001 expansion. Annual real per capita wage growth has lagged the 1991-2001 expansion. Population continues to grow, but at a slower rate compared to the previous two recoveries. However, in this slowly expanding economy, North Carolina is demonstrating strong economic fundamentals.

NC's Labor Market Keeps Tightening

The labor market in North Carolina continues to inch toward full employment and show signs of labor market tightening. The unemployment rate stayed consistent in the last half of 2017, falling to 4.4% in the third quarter of 2017 and rising slightly to 4.5% in the fourth quarter.¹ Although North Carolina's unemployment rate continues to be higher than most of its neighbors (South Carolina, Tennessee, and

Virginia), unemployment rates across the entire nation are low and, in most cases, below pre-recession levels. Broader measures of unemployment, which include so-called "marginally attached" workers and part-time workers who would rather work full time, have also reached pre-recession lows. As North Carolina joins most of its neighbors in surpassing the nation on employment gains from pre-recession levels, workers are becoming more confident in the strength of the economy. Data from the Job Openings and Labor Turnover Survey (JOLTS) shows further evidence of confidence in the labor market as hire and quit rates have increased for the Southern region.

Labor force participation in North Carolina has been gradually increasing since 2014 (from 61.1% to 61.4% in December 2017) driven by a higher rate of labor force growth compared to the civilian population. This is a deviation from trend as labor force participation has been decreasing since 2000, and is forecast to continue to do so nationwide. Factors contribut-

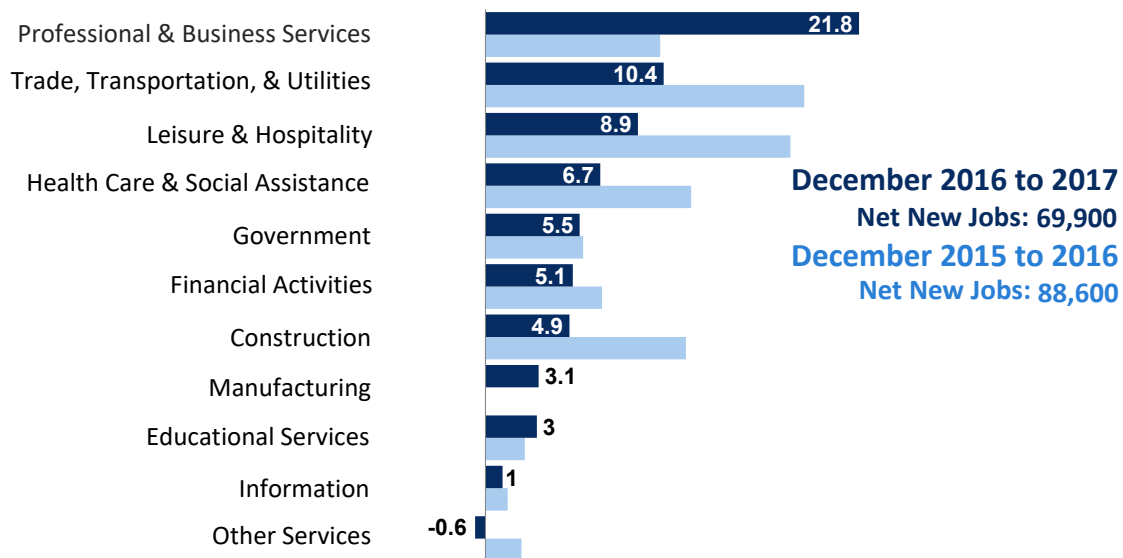


¹All figures mentioned in this section, unless otherwise noted, refer to statistics from the federal-state Local Area Unemployment Statistics program of the Bureau of Labor Statistics. Note that all figures are subject to revision.

Figure 4

Job Growth Continues to be Strongest in Professional & Business Services

Year-Over-Year Change in Payroll Employment by Industry, Thousands



Source: U.S. Department of Commerce, Bureau of Labor Statistics

ing to the downward trend include an aging population and increasing school enrollment. The labor force growing faster than the population points to brighter employment prospects encouraging many of the state’s potential workers who dropped out of the labor force, or delayed (re-) entry, in the aftermath of the Great Recession to rejoin the labor force.

Job Growth Driven by Professional and Business Services Affects State Unevenly

North Carolina’s economy continued to generate jobs for the eighth straight year.² Total nonfarm payroll increased by 1.6% in 2017 – slightly lower than the average percentage increase over the past eight years. Job creation was lower compared to 2016, but remained concentrated in service-providing industries. Professional and Business Services remained the strongest creator of job growth, accounting for 31% of new jobs. Construction and Manufacturing were the two sectors hardest hit by the Great Recession;

employment in these sectors remains well below pre-recession levels, as well as below the national recovery trend, despite an uptick in manufacturing employment during 2017.

While labor market conditions remain quite strong for North Carolina as a whole, recovery from the recession has been unevenly felt across the state (Figure 5). Because service-providing industries have driven job growth since the Great Recession, areas that had larger concentrations of harder hit goods-producing industries have not fared as well in terms of job creation. Rocky Mount had a larger concentration of manufacturing jobs that have not recovered, while Goldsboro experienced a brief resurgence in goods-producing industries in 2012 before those jobs also went away. While the Triad was also hit particularly hard by the Great Recession and job growth remains slightly below pre-recession levels, employment has been slowly recovering.

² All figures mentioned in this section, unless otherwise noted, refer to statistics from the federal-state Current Employment Statistics program of the Bureau of Labor Statistics. Note that all figures are subject to revision.

Figure 5

Job Growth Strongest in Triangle & Charlotte, Many Areas Still Struggling

Change in Nonfarm Payroll Employment by Metro Area



Data Source: U.S. Department of Commerce, Bureau of Labor Statistics. Rest-of-state includes Hickory, Jacksonville, Burlington, and Fayetteville as well as non-metro areas.

Fostering job growth and economic opportunities in areas that have yet to recover from the Great Recession remains a challenge facing the state's economy. However, there are still signs of progress across most of North Carolina as the year-over-year unemployment rate fell for nearly every county in North Carolina by an average of 0.5%. The number of counties with unemployment rates at or above 7.0% fell by half compared to December 2016, but 53 counties still have rates above the state's 2017 annual average of 4.6%.³

Tighter Labor Market Spurs Wage Growth

North Carolina and most of its neighboring states reached pre-recession per capita wage and salary levels in 2016 and growth has continued throughout 2017. Adjusted for inflation, median wage growth in

North Carolina since 2009 has increased 2.6%.⁴ But, just as job recovery has been felt unevenly across the state, workers in different income categories have experienced varying wage growth. Most of the wage gains in this recovery have been concentrated among higher earners, more so than in neighboring states (Figure 6).

Despite the distributional impacts of wage gains, the overall income picture is positive. Personal income grew by 3.8% in 2017, compared to a national average of 3.1%.⁵ Real median household income (including all sources of income, not just wages) exceeded pre-recession levels for the first time in 2015.⁶ Growth continued in 2016 reaching the highest level in the past 20 years (\$53,764), 6.7% above the 2007 level.

³ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

⁴ U.S. Bureau of Labor Statistics, Occupational Employment Statistics

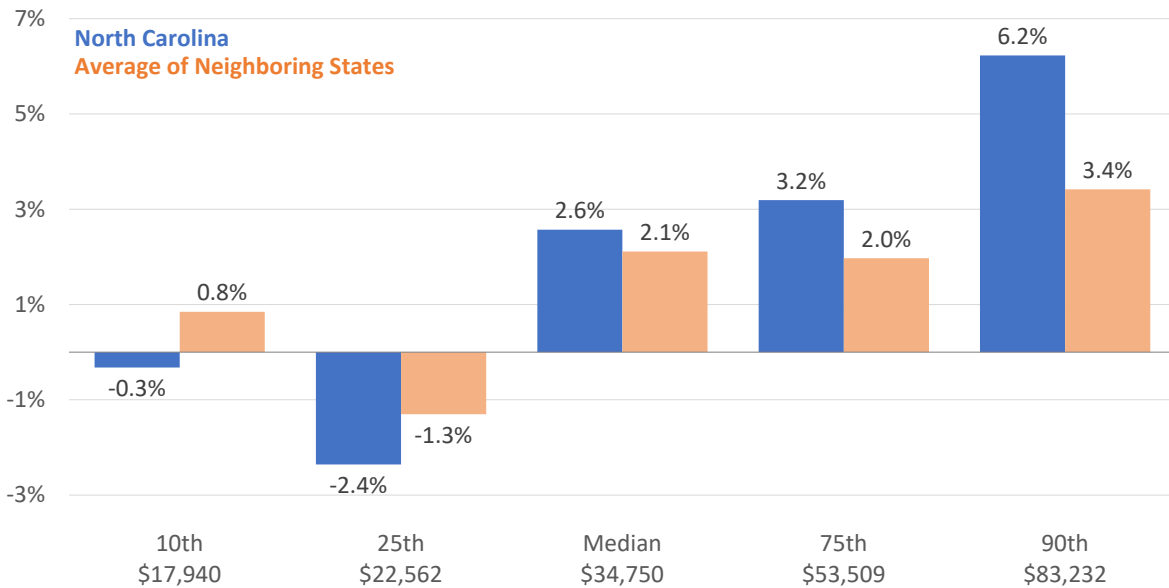
⁵ U.S. Bureau of Economic Analysis, March 2018 release of 2017 data.

⁶ U.S. Census Bureau, Small Area Income and Poverty Estimates.

Figure 6

North Carolina Wage Gains in this Recovery Concentrated Among Top Earners

Percent Change in Inflation-Adjusted Wages from 2009 to 2017 by State Annual Wage Percentile



Source: U.S. Department of Commerce, Bureau of Labor Statistics (Occupational Employment Statistics), Bureau of Economic Analysis (chain-type price index for personal consumption expenditures). Note: Dollar amounts below percentiles are for 2017 OES North Carolina annual wage percentiles. Neighboring states are Georgia, South Carolina, Tennessee, and Virginia.

Risks in the Economy

As of May 2018, the current economic expansion is the 2nd longest in Post-WWII history. If the current expansion continues beyond June 2019 it will be the longest in modern history. Economic fundamentals remain strong, and many economists continue to place a low probability (around 15%) on an imminent recession, remaining more optimistic compared to 2016.⁷ Still, there are potential concerns that point

to headwinds: home prices in North Carolina are well above the pre-recession peak (9.8% higher),⁸ and have risen faster than incomes; total household debt has been growing since mid-2013 and reached a new peak in the last quarter of 2017, increasing to \$13.15 trillion nationally; defaults on car loans have increased;⁹ and personal savings rates fell to a 12-year low in December.¹⁰

⁷ Wall Street Journal Economic Forecasting Survey.

⁸ Federal Housing Finance Agency House Price Index, All-Transactions Index.

⁹ Federal Reserve Bank of New York Consumer Credit Panel.

¹⁰ U.S. Bureau of Economic Analysis.

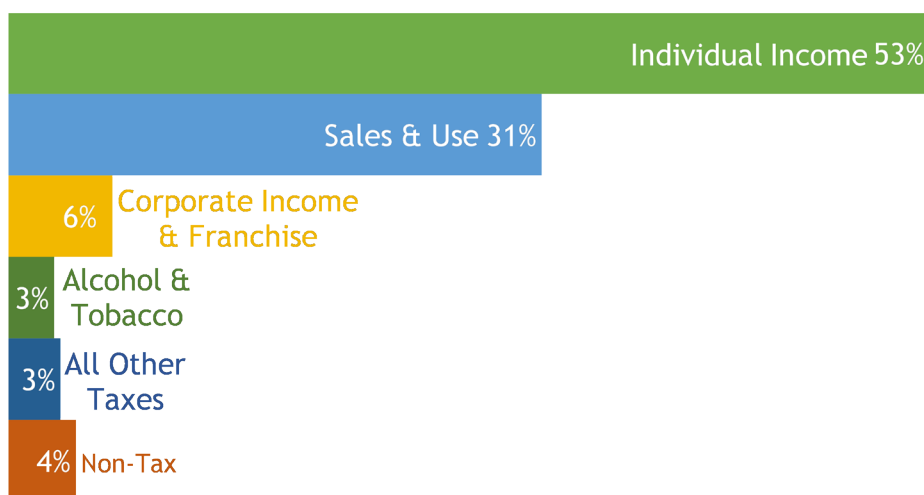
General Fund Revenue Forecast

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 own-source revenues are primarily derived from two sources:

the individual income tax and the sales and use tax. Other important sources of tax revenue include corporate income and franchise taxes, taxes on insurance premiums, and excise taxes on alcohol and tobacco products. In addition, nontax revenue, such as judicial fees and earnings from investing state funds, supports the General Fund.

Figure 7

Individual Income & Sales Taxes Comprise Vast Majority of Own-Source General Fund Revenue



FY 2017-18 General Fund Revenues - May 2018 Revised Consensus

The consensus revenue forecast anticipates steady economic and revenue growth over the remainder of the 2017-19 biennium. Specific highlights of the forecast include:

Current Year Revenue

The revised consensus forecast projects net General Fund revenue of \$23.48 billion in FY 2017-18. This amount is 3.8% over the \$22.61 billion collected in FY 2016-17 (see table 8). The revised consensus projection is \$356.7 million (1.5%) higher than the budgeted amount of \$23.13 billion, which is below the median forecast error since 1987.

- Personal income tax collections are expected to total \$12.54 billion in FY 2017-18, an increase of \$568 million (4.7%) over FY 2016-17 levels. The revised consensus forecast for current-year personal

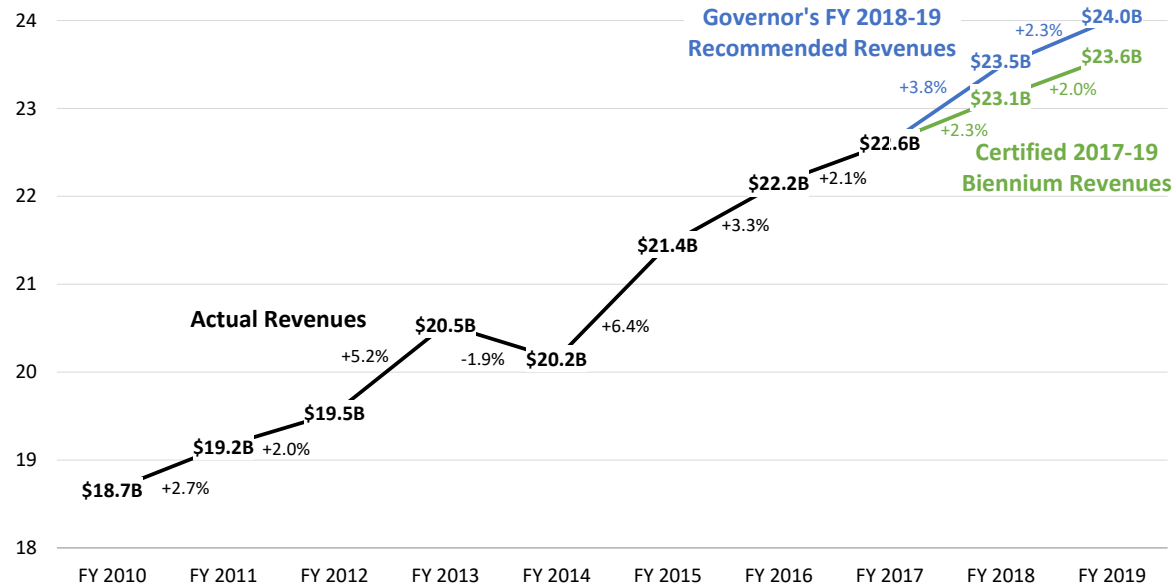
income tax collections represents an increase in expected revenue of \$196 million (1.6%) due primarily to higher-than-expected quarterly payments, particularly in December and January, as taxpayers responded to new limits on deductions in the Tax Cuts and Jobs Act by shifting state income tax payments into tax year 2017. The significant rise in stock market valuations during second half of the 2017 calendar year also contributed to the upward revision.

- Sales and use tax collections, which comprise nearly one-third of General Fund revenue, are forecast to increase 3.7% or \$258 million compared to FY 2016-17. This represents a downward revision of 1.0%, or \$72 million, compared to budget, driven primarily by lower-than-expected growth in taxable retail sales.

Figure 8

General Fund Revenue: Recent History & Forecast

Billions of Current-Year Dollars



Source: OSBM data and May 2018 revised consensus forecast

While the forecast for the remainder of FY 2017-18 only includes two additional months of revenue collections, revenue volatility remains a risk. An increase or decrease in late income tax filings and/or unexpected large income or sales tax refunds could cause deviations from anticipated year-end revenues. The likelihood of unexpected payments or refunds in May and June may be higher than normal due to taxpayer responses to recent federal tax changes.

Revenue Outlook for 2018-19 Fiscal Year

Reflecting a cautious outlook, the forecast for FY 2018-19, adjusted for recommended revenue changes, will increase a modest 2.3%, which is below long-term average growth during economic expansions. Table 8 details this forecast adjusted for recommended revenue changes.

- Personal income tax collections, which account for more than half of General Fund revenues, are expected to equal \$12.80 billion in FY 2018-19, an increase of 2.1% compared to revised consensus FY 2017-18 revenues. Personal income tax collections for FY 2018-19 are revised upward by \$287 million compared to the budgeted amount, after accounting for recommended revenue changes. Projected year-over-year growth in baseline personal income tax revenues during FY 2018-19, resulting from rising wages, a substantial increase in shareholder dividends and stock buybacks in early 2018, and an

economy that continues to expand, will be offset by tax reductions, including a tax rate decrease and an increase in the standard deduction.

- Sales and use tax collections are expected to be \$7.62 billion in FY 2018-19. Growth in consumer spending is expected to remain moderate over the rest of the biennium due to flat energy prices and stable consumer confidence. This economic outlook combined with growth from recently enacted revenue changes translates into 5.0% growth in sales and use tax collections, despite the \$75 million downward revision from the budgeted level.
- Corporate income tax collections are expected to be \$721 million in FY 2018-19, a decrease of \$13 million (-1.7%) compared to FY 2017-18. Anticipated revenues are \$24 million (3.4%) above the budgeted amount for FY 2018-19, after accounting for recommended revenue changes.
- Franchise tax collections are expected to be \$684 million in FY 2018-19, a small year-over-year decrease of \$3 million (-0.4%) compared to FY 2017-18. The small decrease reflects the impact of previously enacted tax changes.

While the General Fund forecast cautiously assumes below-trend baseline growth, there are still risks to the forecast. Recent spikes in stock market volatility, potential economic imbalances associated with

a nearly decade-long economic expansion, federal policy uncertainty, and growing household debt are among sources of risk to the consensus forecast. In addition, recent tax changes at both state and federal levels heighten revenue volatility risks.

Recommended Revenue Changes

- Create two individual income tax brackets – The Governor recommends creating an additional rate bracket for income over \$200,000 for married filing jointly taxpayers (\$100,000 for singles, \$150,000 for head of household). This bracket would affect fewer than one in 20 resident filers in North Carolina and raise an estimated \$68 million in FY 2018-19 and \$153 million in FY 2019-20.
- Freeze the corporate income tax rate at 3.0% – The Governor recommends freezing the corporate income tax rate at 3.0% for tax years beginning on or after January 1, 2019. This rate is lower than the top rate of all other states that levy a corporate income tax. This provision would raise an estimated \$42 million in FY 2018-19 and \$129 million in FY 2019-20.
- Refocus the current film grant program and add a film & entertainment tax incentive rebate program – The Governor recommends refocusing the current film grant program toward small, independent productions and commercials, and capping the whole program at \$2.5 million per year (\$250,000 per project). The rebate program would target larger productions and provide an incentive of 25% of qualified spending up to caps of \$15 million for television series, \$5 million for films, and \$250,000 for grants for commercials. The rebate is estimated to decrease revenue by approximately \$33 million starting in FY 2019-20.
- Earmark 25% of real estate conveyance tax for trust funds – The Governor recommends earmarking 25% of net real estate conveyance tax revenue and allocating that amount to the following funds: the Clean Water Management Trust Fund (35%), the Parks and Recreation Trust Fund (35%), the Farmland Preservation Trust Fund (15%), and the North Carolina Housing Trust Fund (15%). This has an estimated general fund revenue impact of -\$19 million starting in FY 2018-19.

Table 8

General Fund Revenue by Fiscal Year: Recent History and Forecast (In Millions)

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Budget	2017-18 Revised	YoY % Change	2018-19 Budget	2018-19 Revised	YoY % Change
Tax Revenue									
Individual Income	11,078.5	11,905.2	11,969.7	12,341.4	12,537.6	4.7%	12,512.6	12,799.6	2.1%
Sales and Use	6,252.0	6,559.5	7,004.0	7,334.0	7,261.8	3.7%	7,700.3	7,624.9	5.0%
Corporate Income	1,327.7	1,058.2	752.2	732.3	733.7	-2.5%	697.4	720.9	-1.7%
Franchise	544.1	524.4	748.1	605.8	687.0	-8.2%	607.9	684.1	-0.4%
Insurance	510.7	485.1	492.1	482.4	539.0	9.5%	510.1	542.6	0.7%
Alcoholic Beverage	318.7	340.1	353.6	368.5	367.2	3.8%	376.8	373.7	1.8%
Estate	3.0	4.4	0.7	0.0	10.7	n.a	0.0	0.0	n.a.
Privilege License	41.1	39.9	29.4	26.3	31.0	5.6%	27.5	29.8	-3.9%
Tobacco Products	248.5	257.4	261.8	257.1	260.3	-0.6%	252.2	258.2	-0.8%
Real Estate	55.5	61.0	67.5	68.3	72.8	7.9%	70.4	56.1	-22.9%
White Goods Disposal	2.0	2.1	2.5	2.2	4.0	60.1%	2.2	2.6	-34.9%
Scrap Tire Disposal	5.3	5.6	5.8	5.8	5.9	2.4%	5.9	5.9	0.0%
Mill Machinery	41.1	46.4	47.3	50.2	46.9	-0.9%	0.0	4.2	-91.0%
Solid Waste Disposal	2.3	2.3	2.5	2.4	2.5	1.5%	2.5	2.5	0.0%
Other Tax Revenue	0.6	0.3	0.3	1.6	0.3	15.0%	1.6	0.3	0.0%
Total Tax Revenue	20,431.1	21,291.9	21,737.2	22,278.3	22,560.7	3.8%	22,767.4	23,105.4	2.4%
Nontax Revenue									
Investment Income	18.3	37.1	61.9	60.1	90.4	46.0%	60.6	99.4	10.0%
Judicial Fees	234.5	244.8	242.1	240.9	237.3	-2.0%	240.5	232.7	-1.9%
Insurance Department	76.3	78.5	82.8	164.7	164.7	98.9%	149.6	163.3	-0.9%
Disproportionate Share Receipts	109.0	147.5	164.1	119.7	143.2	-12.7%	119.7	139.4	-2.7%
Master Settlement Agreement	138.6	127.2	131.1	185.8	202.7	54.7%	181.5	193.7	-4.4%
Miscellaneous	440.2	223.7	195.0	75.5	82.7	-57.6%	75.5	82.7	0.0%
Total Nontax Revenue	1017.0	858.8	876.9	846.7	921.0	5.0%	827.4	911.2	-1.1%
Total General Fund Revenue	21,448.0	22,150.7	22,614.1	23,125.0	23,481.7	3.8%	23,594.8	24,016.6	2.3%

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

Highway Fund Revenue Forecast

Revised Estimates for the 2017-19 Biennium

The Highway Fund receives support from three revenue sources. The primary source is the excise tax on motor fuels, of which the Highway Fund receives 71%. The second source is licenses and fees collected by the Division of Motor Vehicles. The third source is interest earned on investments of Highway Fund cash balances held by the State Treasurer and dividend payments from the NC Railroad Company. Table 9 shows revised forecast estimates for the Highway Fund revenue collections projected for fiscal years 2017-18 and 2018-19.

Current Fiscal Year Update

Fiscal year 2017-18 revenue is projected to grow by 0.9% above fiscal year 2016-17 level, but finish the year more than \$20 million below forecast. The underperformance relative to budget is due to licenses and fees revenue, which is projected to end the year 3.1% below budget. Driver licenses fees and International Registration Plan collections have been below expectations. The decline in driver licenses may be due to a decrease in population ages 16-17. However, excise tax revenues are set to finish on budget for the

year as fuel consumption has been tracking close to expectations. Consumption, which is projected to grow 1.2% over fiscal year 2016-17, has been boosted by an increase in real disposable income despite a sharp increase in gas prices.

Fiscal Year 2018-19 Revenue Projections

Total Highway Fund revenue collections in fiscal year 2018-19 are expected to increase above the revised estimates for this fiscal year by 2.5%, but come in 1.0% under budget. The estimates for the excise tax revenues have not been revised as this year's collections have been performing close to expectations. The 3.8% increase year-over-year in the motor fuel tax is expected to hold due to projected stable economic growth and a slight drop in gasoline prices (fuel consumption is expected to grow by 1.1% above current fiscal year). However, the \$22.3 million downward revision next fiscal year to the Highway Fund is driven by a decrease in projected licenses and fees revenues, as expectations of lower performance continue. Licenses and fees revenues are anticipated to drop 3.4% under the budgeted level.

Table 9

Highway Fund Revenue by Fiscal Year: Recent History and Forecast* (In Millions)

Source	2016-17 Actual	2017-18 Budget	2017-18 Revised	YoY % Change	2018-19 Budget	2018-19 Revised	YoY % Change
Motor Fuels Tax							
Motor Fuels	1,357.2	1,366.3	1,366.3	0.7%	1,417.6	1,417.6	3.8%
Gasoline Inspection	15.4	14.9	14.9	-3.5%	15.0	15.0	1.1%
Highway Use Reg.	0.3	0.4	0.4	1.2%	0.4	0.4	2.9%
Aviation Fuel Tax	2.2	5.7	6.9	214.4%	5.4	7.0	1.3%
Highway Use Short Term Lease	0.0	10.0	10.0		10.0	10.0	0.0%
Total Motor Fuel Taxes	1,375.1	1,397.2	1,398.4	1.7%	1,448.4	1,450.0	3.7%
Licenses and Fees							
Staggered Registration	282.5	287.2	287.0	1.6%	288.1	288.8	0.6%
Driver Licenses	128.4	132.5	121.0	-5.8%	134.2	117.1	-3.2%
Truck Licenses	197.7	204.2	201.2	1.8%	206.9	202.3	0.6%
International Registration Plan	103.9	109.6	101.3	-2.5%	111.0	104.0	2.6%
Other Licenses and Fees	55.9	54.8	52.9	-5.2%	52.4	53.4	0.8%
Total Licenses and Fees	768.3	788.2	763.5	-0.6%	792.6	765.5	0.3%
Investment Income	4.4	1.5	5.0	13.1%	1.5	5.0	0.0%
NC Railroad Co. Dividend Payment	3.8	4.1	3.9	1.2%	4.3	4.0	2.7%
Total Highway Fund Availability	2,151.7	2,191.0	2,170.7	0.9%	2,246.9	2,224.5	2.5%

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

Highway Trust Fund Revenue

Revised Estimates for the 2017-19 Biennium

The Highway Trust Fund, established in 1989, receives support from four sources. The primary source is the highway use tax, or sales tax, on vehicle sales. The Highway Trust Fund also receives 29% of the excise tax on motor fuels. The other sources of revenue are fees on various title registrations and interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer. Table 10 shows revised projections for the Highway Trust Fund revenue collections for fiscal years 2017-18 and 2018-19.

Current Fiscal Year Update

Fiscal year 2017-18 revenue is expected to exceed last year's level by 1.0%, but come in close to \$34 million below the budgeted forecast. High vehicles sales have been declining and the growth in light trucks has subsided as all signs point to ebbing pent-up demand from the recession. Highway use tax revenue is expected to end the year 3.5% under budget, despite a 1.0% increase over fiscal year 2016-17 levels. This

loss is unlikely to be offset by motor fuel tax revenues as they are expected to finish the year on budget. Fee revenues are trending in the same direction as highway use tax collections, and are expected to finish the year \$8 million under budget.

Fiscal Year 2018-19 Revenue Projections

Total Highway Trust Fund revenue is expected to increase by 1.9% year-over-year in FY 2018-19, but to drop \$45.3 million under initial projections. This reduction from budget is in large part due to a downward revision in the highway use tax estimate (\$36.3 million below budget levels). Still, highway use tax revenue is anticipated to grow by 1.4% over the current year and fee revenue by 1.3% as the economy continues to expand. Excise tax revenue projections have not been revised and are still expected to grow 3.8% above this year as the economy continues to perform and fuel consumption continues to increase while gas prices drop slightly in fiscal year 2018-19.

Table 10
Highway Trust Fund Revenue by Fiscal Year: Recent History and Forecast*
(In Millions)

Source	2016-17 Actual	2017-18 Budget	2017-18 Revised	YoY % Change	2018-19 Budget	2018-19 Revised	YoY % Change
Fuel Taxes and Fees							
Motor Fuel Tax	554.8	564.6	564.6	1.8%	585.9	585.9	3.8%
Highway Use	784.0	820.8	791.9	1.0%	839.3	803.0	1.4%
Certificate of Title Fees	123.7	131.1	125.7	1.6%	134.6	127.3	1.3%
Miscellaneous Title Fees	15.4	16.3	16.1	4.0%	16.7	16.2	0.7%
Lien Recording	4.0	4.2	4.0	-1.4%	4.3	4.2	5.8%
Subtotal	1,481.9	1,537.1	1,502.2	1.4%	1,580.8	1,536.5	2.3%
Interest on Investments	15.2	10.0	10.0	-34.2%	5.0	4.0	-60.0%
Total Highway Trust Fund Availability	1,497.1	1,547.1	1,512.2	1.0%	1,585.8	1,540.5	1.9%

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

Population Dynamics

State Population Is Growing, But Unevenly

At 10.3 million people, North Carolina is the ninth most populous state in the nation. Population growth has remained strong, with the state growing by roughly 738,000 people between 2010 and 2017. During this period, North Carolina experienced the fifth largest numeric growth and added more people than New York, Pennsylvania, and Ohio, combined. North Carolina's growth was surpassed by only Texas, California, Florida, and Georgia.

Between July 1, 2018 and July 1, 2019, OSBM projects that the state will grow by an additional 115,000 people, from 10.4 million to 10.5 million people. This is equivalent to adding an entire city slightly smaller than Wilmington to North Carolina. In other words, the state will be adding a net 316 people every day or about 2,220 people every week.

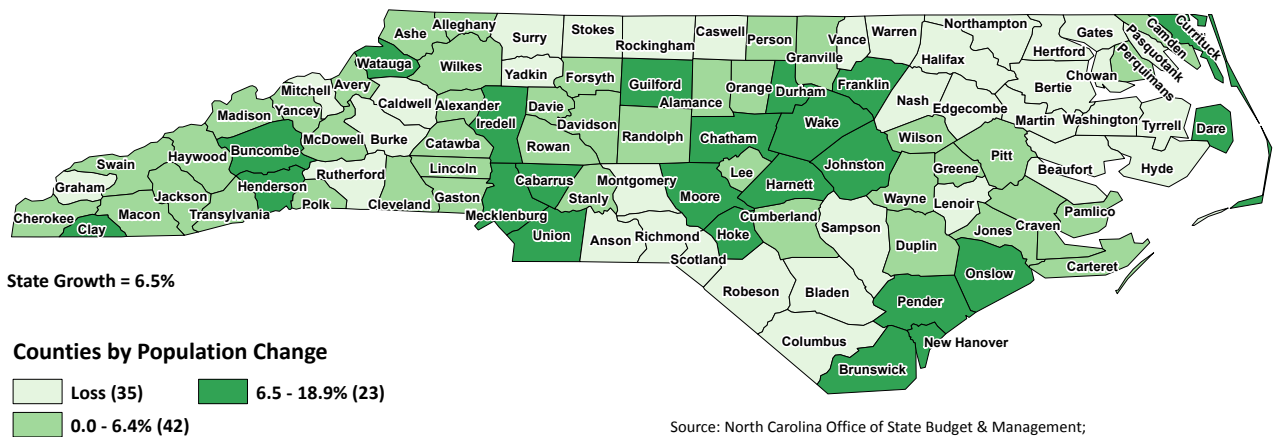
If these trends continue, North Carolina's population will reach 10.6 million people by 2020 – the year in which the next decennial Census is conducted. Given population trends in other states, North Carolina is expected to gain at least one Congressional seat after the 2020 Census enumeration.

But growth has not been distributed equally throughout the state. Between 2010 and 2016, 23 counties grew faster than the state's population growth of 6.5% (Figure 9). These faster growing counties were primarily metropolitan in nature, with much of that growth occurring in the major metropolitan areas of Charlotte and Raleigh-Durham. At the same time, 35 counties lost population – well above the seven counties that lost population in the previous decade. These counties are primarily nonmetropolitan in nature, with the largest concentration located in the northeastern and southern portions of the Coastal Plain.

In the coming years, due to a variety of factors, including an aging population, North Carolina will experience population growth slower than that experienced over the previous two decades. During the 1990s and 2000s, the state grew by 21.3% and 18.5%, respectively. OSBM projections show an expected percentage growth of 11.4% over the current decade – about the rate of growth experienced in the 1960s (and slower than any rate of decadal population growth since the 1860s). North Carolina is pro-

Figure 9

Population Change in North Carolina Counties, April 1, 2010 - July 1, 2016



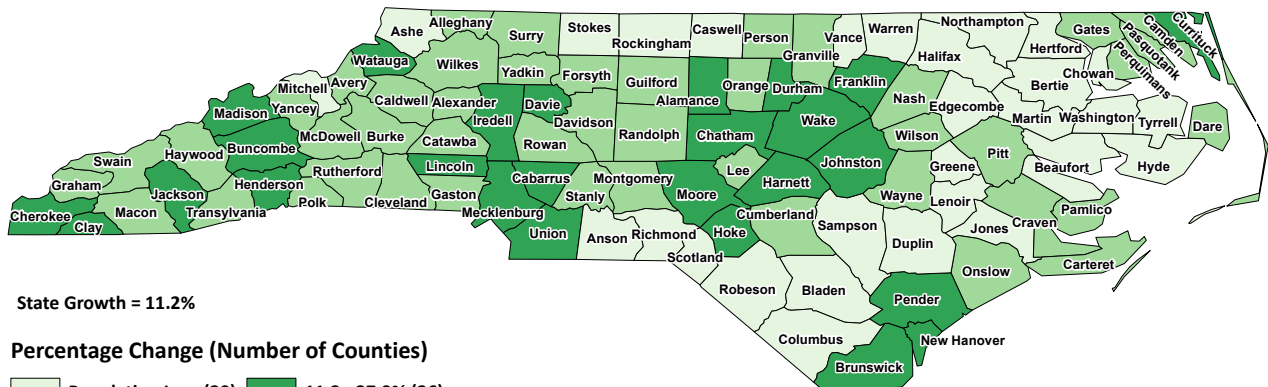
jected to add just over 1 million people during this decade – about 500,000 people less than what was added over the previous decade.

In the next ten years (2017-27), OSBM projects that the population of 29 counties will decline while 26 will experience growth faster than the State of North

Carolina (Figure 10). With few exceptions, the faster growing counties are located within the major metropolitan areas of the state. Those losing population during this period are mostly non-metropolitan (or rural).

Figure 10

Projected Population Change in North Carolina Counties, 2017 - 2027



State Growth = 11.2%

Percentage Change (Number of Counties)

- Population Loss (29)
- 11.2 - 27.9% (26)
- 0.0 - 11.1% (45)

Source: North Carolina Office of State Budget & Management; Demographic & Economic Analysis Branch, 2017-2037 Population Projections.

Migration Continues to Influence Growth

Beginning in the 1970s, North Carolina’s population grew as a result of both natural increase (more births than deaths) and net in-migration (more people moving into the state than leaving). Starting in the 1980s, the majority of North Carolina’s population growth has been attributed to net in-migration (Figure 11). Between April 1, 2010 and July 1, 2017, 474,000 net migrants contributed to North Carolina’s population growth (accounting for 64.3% of the growth), while an additional 258,000 people were added through natural increase. Of the 474,000 net migrants the Census Bureau estimated, the majority came from other states (69.1%), but at least 147,000 people migrated from abroad. The number of new migrants was surpassed by only Florida, Texas, and California.

North Carolina has added more net migrants than any of its neighbors. Two of every three of these net migrants moved from another state (domestic migrants). North Carolina was one of only 23 states

(including D.C.) with a net gain in state-to-state migrants between April 1, 2010 and July 1, 2017, behind only Florida and Texas.

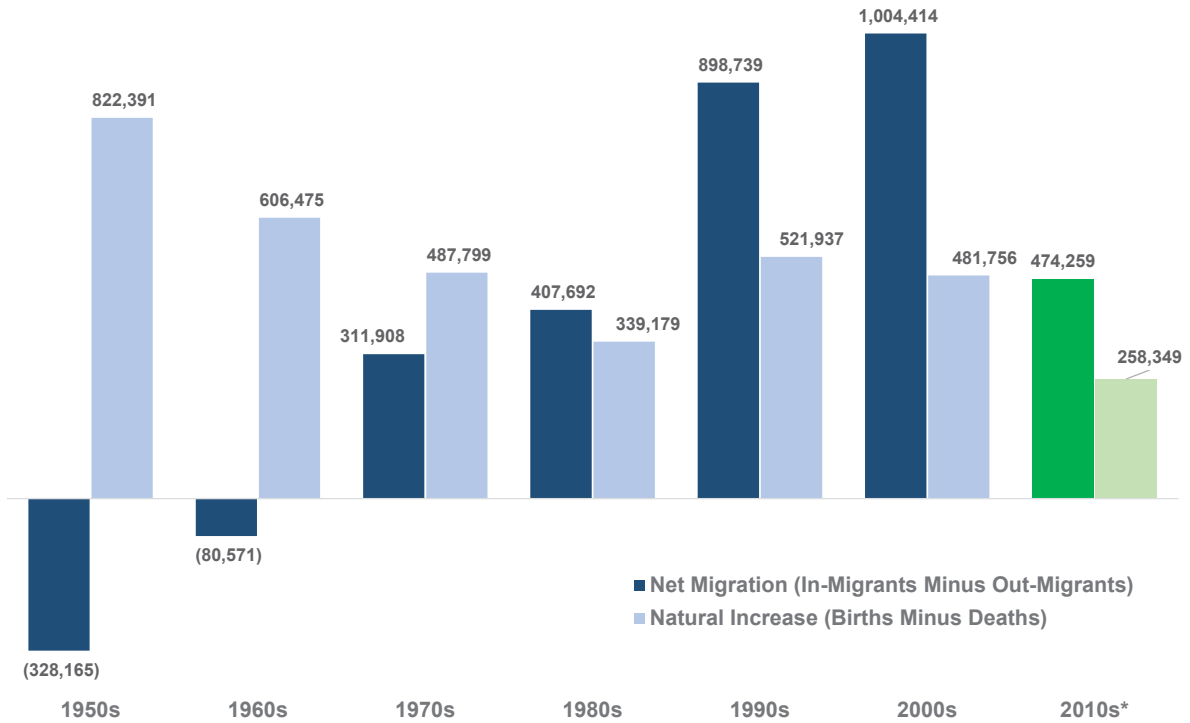
Over time, the historical migration patterns have helped shape the character of North Carolina and will continue to do so. Only 56.8% of the state’s population was born in North Carolina while another 15.0% were born elsewhere in the South (Figure 12). In 2016, 7.8% of the North Carolina population was foreign born (790,000 people). The foreign born have grown from about 5.3% of the North Carolina population in 2000 (430,000 people) to 7.8% (790,000 people) in 2016.

The importance of net migration for population growth is projected to continue due to population aging and long-term declines in fertility rates. Between 2020 and 2030, close to 81% of the state’s growth is projected to be derived from net migration.

Figure 11

Net Migration Influences Growth More than Natural Population Increase

Components of Population Change by Period, 1950 - 2017

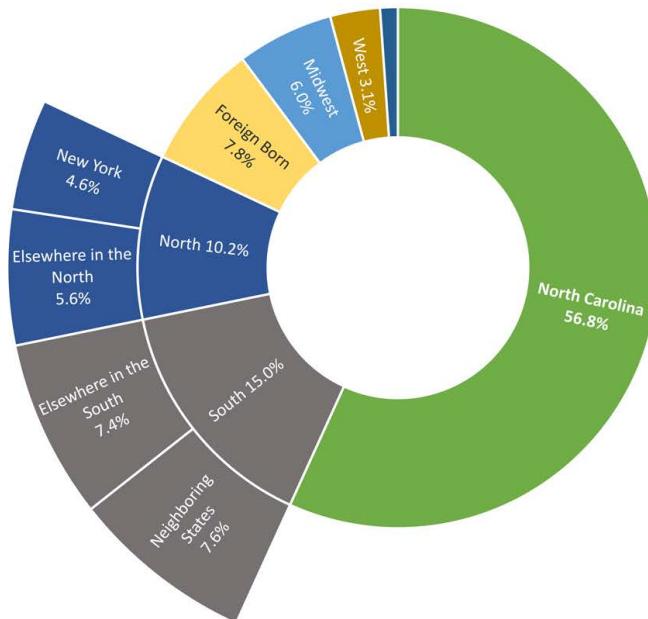


Source: US Census Bureau, State Population Estimates, Vintage 2017; Age-Specific Net Migration Estimates for US Counties, 1950-2010. Applied Population Laboratory, UW-Madison.

Figure 12

Many North Carolinians Were Born Elsewhere

Percent of the North Carolina Population by Place of Birth



Source: U.S. Census Bureau, 2016 1-Year American Community Survey

North Carolina's Population Is Aging

By 2030, OSBM projects that one in five North Carolinians will be at least 65 years old, and by 2035 there will be more older adults (ages 65+) than children (ages less than 18). The Baby Boom generation began entering the older adult ages at the beginning of this decade, and for the next several years this age group will increase by about 58,000 people a year (Figure 13). OSBM projects that between 2017 and 2037, the older adult population will increase by just over 1 million people (63.3%) to 2.6 million in 2037, and the oldest adults (ages 85+) will more than double from 181,000 in 2017 to 381,000 by 2037.

In the previous decade the working age population (ages 18-64) increased by an average of 91,000 people a year, while in this decade it has so far increased

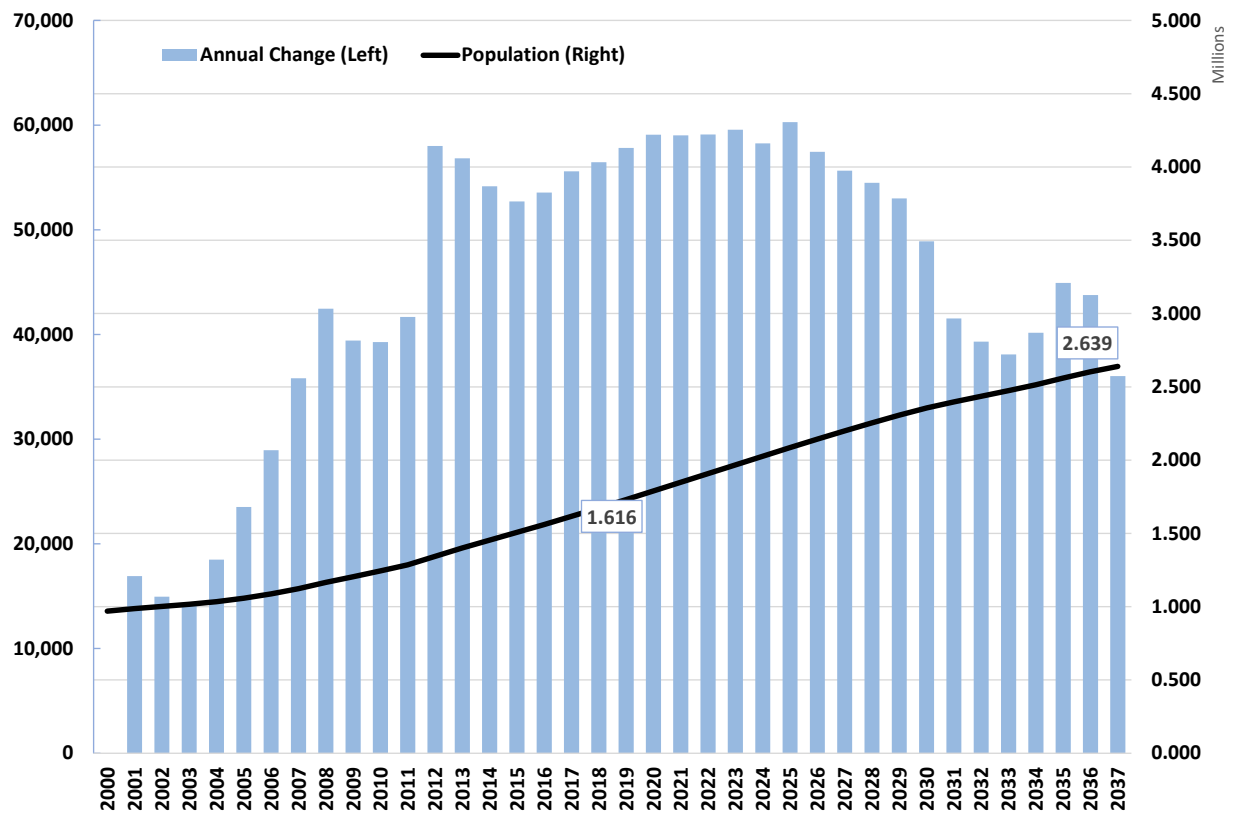
an average of 43,000 people per year (Figure 14). This is due partly to the Baby Boom generation aging into the older age group. OSBM projects that this age group will grow from 6.3 million in 2017 to 7.3 million by 2037, an increase of 982,000 people (15.5%).

The Great Recession impacted births in North Carolina above and beyond long term downward trends in fertility. As a result, the childhood population in North Carolina has grown much slower than it did prior to the Great Recession. Between 2010 and 2017, this population grew an average of 4,000 people per year (Figure 15). OSBM projects that between 2017 and 2037 this population will grow by 276,000 people (12%).

Figure 13

Older Adult Population Growing Faster Than Other Age Groups

Annual Population Change in and Population Age 65 and Older by Year, 2000-37



Source: NC OSBM, 2000-2016 Population Estimates and 2017-2037 Population Projections. Population as of July 1.

Figure 14

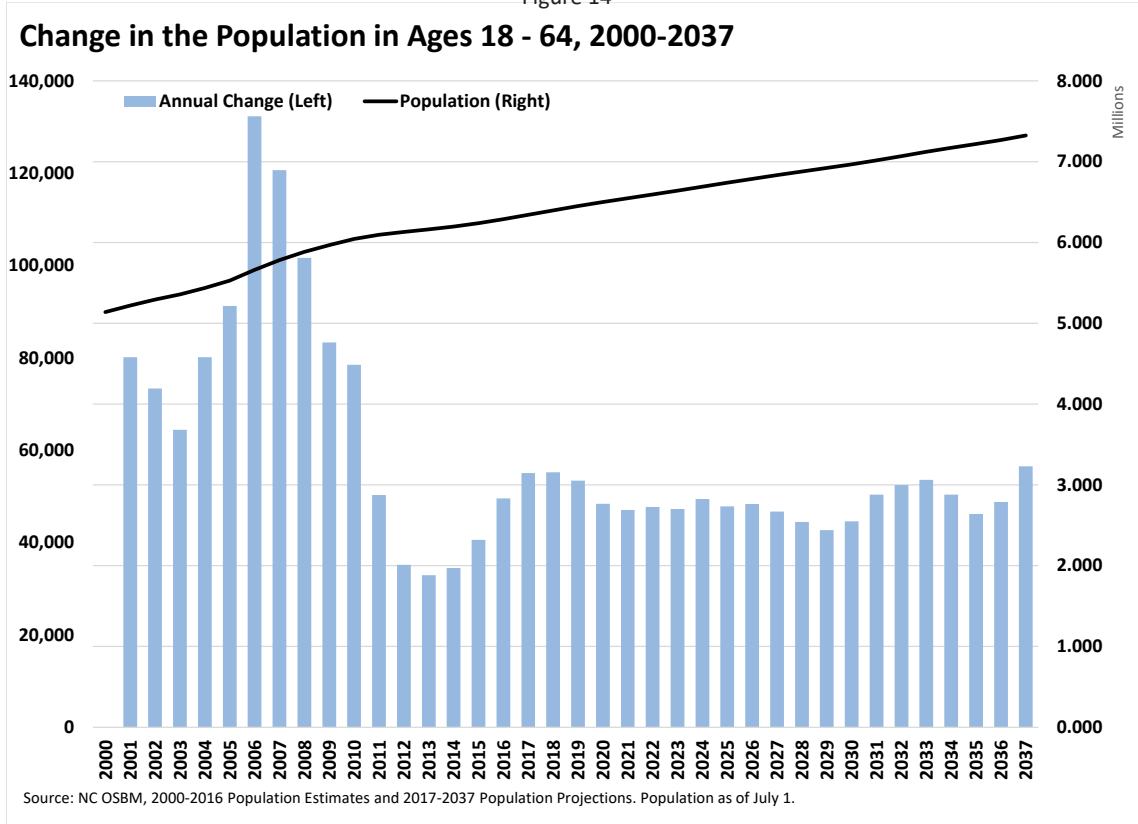
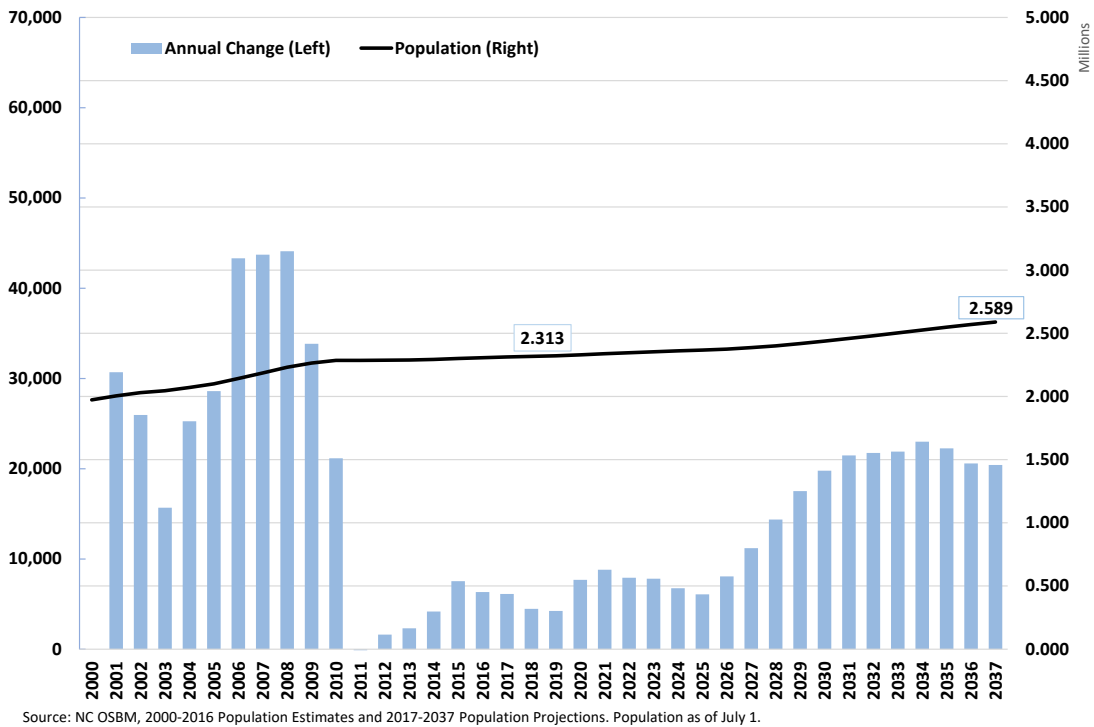


Figure 15

Childhood Population Growing Slowly

Annual Change in and Childhood Population (Ages < 18) by Year, 2000-37



Household Change

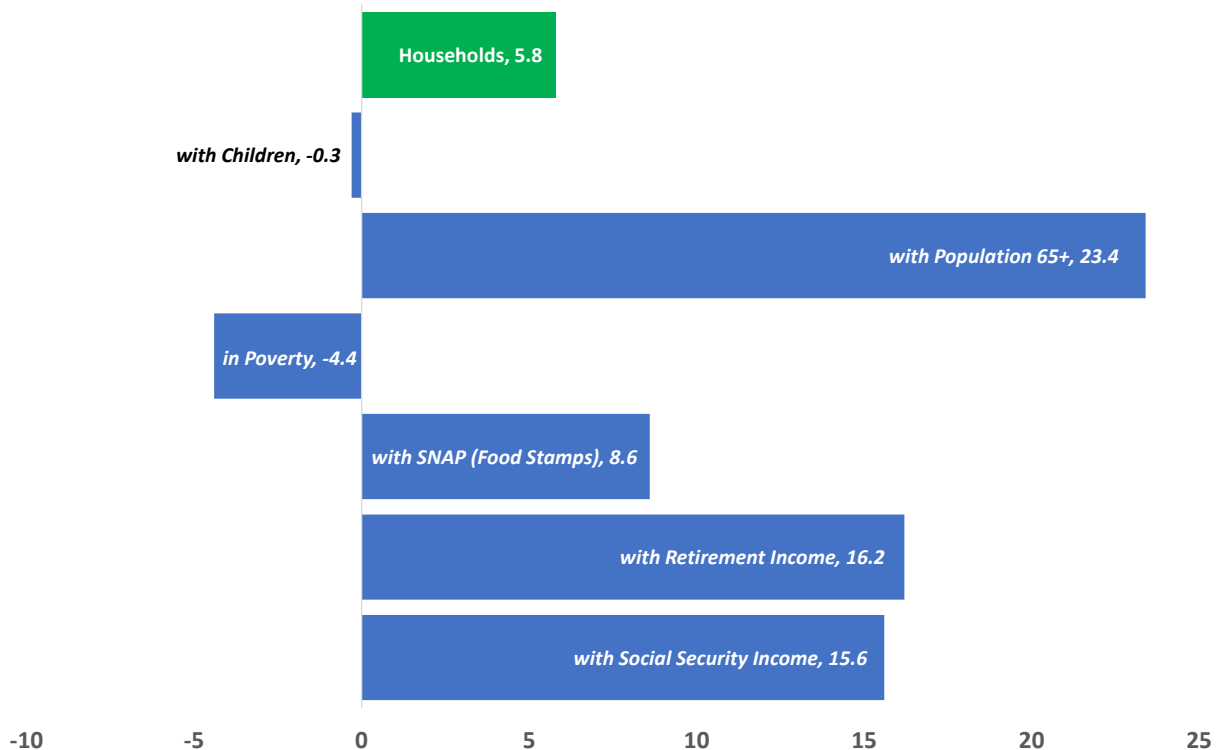
Between 2010 and 2016, household growth in North Carolina has been steady (+212,000 households or +5.8%) but slower than the growth that occurred in the previous decade (about 1.0% annually versus 2.0% annually from 2000-10). There were an estimated 3.9 million households in North Carolina in 2016. At the same time, the number of households with children has declined by an estimated 3,000 house-

holds (-0.3%), while the number of households with older adults have increased by 183,000 households (23.4%). These changes are reflected in the change in the number of households with retirement and social security income. In addition, as the economy has improved, there are fewer households in poverty (a decrease of 26,000 or -4.4%).

Figure 16

Households with Retirement Related Income Growing

Percentage Change in Households and Households by Select Characteristics, 2010-16



Source: U.S. Census Bureau, 1-Year American Community Survey, 2010 and 2016.

Census 2020

Preparations for Census 2020 have already started. State, tribal, and local governments are participating in programs to establish accurate residential address and boundary information necessary for conducting the 2020 Census. Leading up to April 1, 2020 (Census Day), communities are also encouraged to develop Complete Count Committees that will partner with the US Census Bureau to promote participation in the 2020 Census. These local investments of time and resources for 2020 Census preparation and promotion will play an important role in making sure

every North Carolinian is counted in 2020. In addition to the importance of the Census for determining political representation in Congress and providing complete data for local government services and economic development, an estimated \$16.3 billion in federal funds are distributed annually to North Carolina based directly or indirectly on numbers derived from the decennial census. Another \$1.5 billion in state funds are distributed annually to local municipalities and counties based indirectly on the decennial census.



Raising Teacher Pay to Reach the National Average

Invests an additional \$112 million in teacher and school-based administrator (SBA) compensation to reach the national average within four years and to move principal pay salary to a schedule based on experience and size of a school. These funds are in addition to the \$276 million already appropriated for teacher and SBA salary schedule adjustments in FY 2018-19 for total spending of over \$388 million on compensation increases for teachers and SBAs.

Safer Schools, Healthier Kids

Provides \$40 million in flexible funding to districts to hire more nurses, counselors, psychologists, and social workers to support student mental health. Improves student safety by investing \$10 million in additional funds to hire and train more School Resource Officers in elementary, middle and high schools. This is part of a \$130 million plan to address school safety and youth mental health.

Helping Teachers with School Supplies

Gives every state-funded teacher a stipend of \$150 to offset what teachers pay out of pocket on classroom and instructional supplies.

Prioritizing Classroom Instruction

Helps school districts build more classrooms to meet the K-3 class size reductions mandated by the General Assembly using \$75 million of lottery funds and other education receipts. Provides \$25 million to increase the funding for textbooks, digital resources and enhanced digital learning opportunities that support personalized instruction for all North Carolina public school students. Invests over \$5 million for professional development for teachers and school leadership to improve student outcomes, including funds to increase the number of computer science teachers statewide.

Opportunities for Our Brightest Students

Expands opportunities for academically gifted students from under-represented populations, including low-income students, minority students, and English Language Learners.

Training North Carolinians for the Jobs of Today and Tomorrow

Creates the NC GROW Scholarship to cover community college tuition and selected fees for students enrolled in high-demand curriculum programs or non-credit, short-term workforce training programs that lead to industry credentials. Increases opportunities for high school students to receive career and technical education and earn college credit by providing new funds to North Carolina's Cooperative Innovative High Schools.

Creates Finish Line Grants

Assists university and community college students who are close to graduating with degree completion grants of up to \$1,000 to cover unforeseen financial emergencies that arise through no fault of the student. Funds can be used for purposes such as course materials, housing, medical needs, or dependent care.

Improving Student Performance

Invests \$7.5 million for the UNC system to improve graduation rates and reduce time-to-degree through innovative solutions including financial support for summer courses; digital resources to identify and assist struggling students; and scaling best practices across the system.

Department of Public Instruction (13510)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	10,888,669,294	10,865,988,554	11,306,319,974	362,333,600	21,700,606	384,034,206	11,690,354,180	7.59%	3.40%
Receipts	2,265,385,992	1,819,584,932	1,819,851,323	10,516,062	35,000,000	45,516,062	1,865,367,385	2.52%	2.50%
Net Appropriation	8,623,283,302	9,046,403,622	9,486,468,651	351,817,538	(13,299,394)	338,518,144	9,824,986,795	8.61%	3.57%
Positions (FTE)	1,143.500	1,130.847	1,130.847			6.000	1,136.847	0.53%	0.53%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Compensation Reserve - Teacher Schedule Changes

Restores a 30-year annual step salary schedule for teachers, eliminating salary plateaus for experienced teachers, and provides funds for a salary increase for individuals paid in accordance with the statewide teacher salary schedule as well as an experience-based step increase for educators earning a year of creditable service. Together, these increases provide an average increase of over 8.0% for educators, and no educator receives less than a 5.0% salary increase in FY 2018-19. The \$98.7 million provided here is in addition to \$270.9 million already appropriated for teacher salary increases in FY 2018-19, resulting in total spending on teacher salary increases of nearly \$370 million in FY 2018-19. This increase is part of the plan to increase North Carolina's average teacher salary to the national average within four years, by FY 2021-22. A corresponding special provision provides additional details on the changes to the teacher salary schedule. The revised net appropriation for state-funded teacher salaries exceeds \$4.57 billion in FY 2018-19.

Requirements	\$ 98,739,543	\$ -	\$ 98,739,543
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 98,739,543	\$ -	\$ 98,739,543
Positions			0.000

2 - Compensation Reserve - Principal Schedule Changes

Implements a new principal salary schedule comprised of two components: (1) a base salary schedule, which provides annual experience-based step increases based on years of experience as a principal, and (2) a complementary schedule, which provides an annual supplement based on school size as measured by average daily membership (ADM). Nonrecurring funds are provided to extend the hold harmless. A corresponding special provision provides additional details on the changes to the principal salary schedule.

Requirements	\$ 11,326,584	\$ 1,700,606	\$ 13,027,190
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 11,326,584	\$ 1,700,606	\$ 13,027,190
Positions			0.000

3 - Compensation Reserve - Assistant Principal Schedule Changes

Provides funds for assistant principal salaries to reflect increases to the teacher salary schedule. Starting in FY 2018-19, assistant principal salaries are based on the salary schedule for teachers who are classified as "A" teachers plus 19%. A corresponding special provision provides additional details on the changes to the assistant principal salary schedule.

Requirements	\$ 962,223	\$ -	\$ 962,223
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 962,223	\$ -	\$ 962,223
Positions			0.000

4 - Cost of Living Adjustment Reserve - Other LEA Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state-funded central office and non-certified personnel within North Carolina's public schools. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 72,568,468	\$ -	\$ 72,568,468
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 72,568,468	\$ -	\$ 72,568,468
Positions			0.000

5 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Funds are also provided for salary increases for state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 1,288,687	\$ -	\$ 1,288,687
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,288,687	\$ -	\$ 1,288,687
Positions			0.000

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
6 - TSERS Retirement Contribution - LEA					
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19		Requirements	\$ 34,185,160	\$ -	\$ 34,185,160
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 34,185,160	\$ -	\$ 34,185,160
		Positions			0.000
7 - TSERS Retirement Contribution - DPI					
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19		Requirements	\$ 243,045	\$ -	\$ 243,045
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 243,045	\$ -	\$ 243,045
		Positions			0.000
8 - School Safety and Youth Mental Health - Additional Student Support Services					
Provides an additional \$40 million to the Certified Instructional Support Personnel allotment for school districts to hire more school-based personnel for student support services including: nurses, counselors, psychologists, and social workers. Each district will receive at least one FTE from these new funds.		Requirements	\$ 40,000,000	\$ -	\$ 40,000,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 40,000,000	\$ -	\$ 40,000,000
		Positions			0.000
9 - School Safety and Youth Mental Health - Additional Funding for School Resource Officers (At Risk Allotment)					
Provides additional state funding to school districts and charter schools to hire School Resource Officers (SROs) or to implement other evidence-based school safety protocols. Increases funding provided through the At-Risk Student Services allotment for high school safety officers to \$50,000 per high school.		Requirements	\$ 7,000,000	\$ -	\$ 7,000,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 7,000,000	\$ -	\$ 7,000,000
		Positions			0.000
10 - School Safety and Youth Mental Health - Additional Funding for School Resource Officers (Grant)					
Increases funding for School Resource Officers in the elementary and middle school grant program. This grant provides funds to school districts, charter schools, and regional schools to hire and train SROs in elementary and middle schools. The revised net appropriation for this program is \$10 million.		Requirements	\$ 3,000,000	\$ -	\$ 3,000,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 3,000,000	\$ -	\$ 3,000,000
		Positions			0.000
11 - Instructional Supplies Stipend					
Establishes an annual \$150 stipend payable at the start of the school year directly to state-funded teachers to purchase classroom and instructional supplies to offset the amount teachers pay out of pocket for supplies. This item includes funding for all state agency teachers. DPI shall transfer to other state agencies the amount required for payment of the stipend to eligible state agency teachers.		Requirements	\$ 15,000,000	\$ -	\$ 15,000,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 15,000,000	\$ -	\$ 15,000,000
		Positions			0.000
12 - Textbooks and Digital Materials					
Provides \$15 million in funds school districts and charter schools may use for textbooks and digital instructional resources.		Requirements	\$ -	\$ 15,000,000	\$ 15,000,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ -	\$ 15,000,000	\$ 15,000,000
		Positions			0.000
13 - Cooperative Innovative High Schools					
Provides additional funding for Cooperative Innovative High Schools and funds for five new Cooperative Innovative High Schools: 1) Marine Science & Technologies (MaST) Early College in Carteret, 2) Center for Industry, Technology, and Innovation (CITI) High School in Nash-Rocky Mount, 3) Southeast Area Technical (SEA-TECH) High School in New Hanover, 4) Innovation Early College High School in Pitt, and 5) Roanoke Early College High School in Roanoke Rapids Graded Schools.		Requirements	\$ 3,315,000	\$ -	\$ 3,315,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 3,315,000	\$ -	\$ 3,315,000
		Positions			0.000
14 - Opportunities for Academically Gifted Students					
Provides \$3 million to DPI to establish a grant program to expand identification of and opportunities for academically/intellectually gifted (AIG) students. Funds shall be for grants to up to 10 districts to expand opportunities for identifying high-achieving students from under-represented populations, such as low-income students, minority students, and English Language Learners, to be placed in AIG/advanced classes.		Requirements	\$ 3,000,000	\$ -	\$ 3,000,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 3,000,000	\$ -	\$ 3,000,000
		Positions			0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
15 - Governor's School of North Carolina				
Provides \$200,000 to increase access for students to attend the Governor's School and \$100,000 to increase the overall number of students attending the program as a way to increase participation by under-represented students.				
Requirements	\$	300,000	\$ -	\$ 300,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	300,000	\$ -	\$ 300,000
Positions				0.000
16 - Whole School, Whole Child, Whole Community				
Provides funds to support two positions for the Whole School, Whole Child, Whole Community (WSCC) pilot program. These positions will provide training and technical assistance to the current 11 WSCC NC pilot districts and School Health Advisory Councils across the state. The WSCC model focuses on integrating education and health by bringing schools, health agencies, parents and communities together to improve each child's cognitive, physical, social and emotional development, and support health and academic achievement outcomes.				
Requirements	\$	200,000	\$ -	\$ 200,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	200,000	\$ -	\$ 200,000
Positions				2.000
17 - Digital Learning Plan				
Provides additional flexible funds for the Digital Learning Plan (DLP). School districts and charter schools may use funds to pay for Home Base instructional content and learning management system to ensure all students have access to high quality resources and tools for personalized learning. Funds may also be used for technical support, devices, and professional development. Funding includes up to \$500,000 for cybersecurity training.				
Requirements	\$	10,000,000	\$ -	\$ 10,000,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	10,000,000	\$ -	\$ 10,000,000
Positions				0.000
18 - Professional Development for Teachers				
Creates a new allotment to provide LEAs and charter schools with professional development funds to help teachers continuously increase their instructional skills and knowledge in areas such as digital literacy and personalized learning. Funds will enable districts and schools to provide targeted training for their educators to improve student achievement.				
Requirements	\$	-	\$ 5,000,000	\$ 5,000,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	-	\$ 5,000,000	\$ 5,000,000
Positions				0.000
19 - School Leadership Professional Development				
Provides funds to DPI to contract with the North Carolina Principals and Assistant Principals Association (NCPAPA) to support the Distinguished Leadership in Practice (DLP) principal professional development program and the Future-Ready Leadership (FRL) program for assistant principals.				
Requirements	\$	325,000	\$ -	\$ 325,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	325,000	\$ -	\$ 325,000
Positions				0.000
20 - Professional Development in Computer Science				
Provides funds to the Friday Institute to prepare at least 120 middle and high school teachers to teach computer science. Funding will allow at least one teacher from each school district to attend.				
Requirements	\$	300,000	\$ -	\$ 300,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	300,000	\$ -	\$ 300,000
Positions				0.000
21 - North Carolina Center for the Advancement of Teaching				
Provides additional funds to DPI to expand professional development offerings through the North Carolina Center for the Advancement of Teaching (NCCAT), serving up to 1,200 additional teachers throughout the state.				
Requirements	\$	475,029	\$ -	\$ 475,029
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	475,029	\$ -	\$ 475,029
Positions				4.000
22 - DPI Flexibility Reduction				
Reverses the management flexibility reduction scheduled to go into effect for FY 2018-19.				
Requirements	\$	4,100,000	\$ -	\$ 4,100,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	4,100,000	\$ -	\$ 4,100,000
Positions				0.000
23 - Licensure Support				
Provides funds to DPI to improve processes and efficiencies in the Licensure Section, consistent with the recommendations of an external review.				
Requirements	\$	140,000	\$ -	\$ 140,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	140,000	\$ -	\$ 140,000
Positions				0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
24 - Residential Schools				
Provides funds for equipment, maintenance, utilities, position reclassification, and hard-to-staff positions at the three state Residential Schools: the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. Funds and positions shall be allocated by the State Board of Education.	Requirements	\$ 2,000,000	\$ -	\$ 2,000,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 2,000,000	\$ -	\$ 2,000,000
	Positions			0.000
25 - State Public School Fund				
Adjusts the budget to reflect additional receipts from the Civil Penalties and Forfeiture Fund to the State Public School Fund (SPSF) and reduces the net General Fund appropriation by the same amount. Total requirements for the SPSF are not affected by this shift.	Requirements	\$ -	\$ -	-
	Less Receipts	\$ -	\$ 35,000,000	\$ 35,000,000
	Net Appropriation	\$ -	\$ (35,000,000)	\$ (35,000,000)
	Positions			0.000
26 - Transportation Adjustment				
Budgets additional recurring lottery receipts for the transportation allotment to address unanticipated increases in fuel and other transportation-related costs.	Requirements	\$ 10,516,062	\$ -	\$ 10,516,062
	Less Receipts	\$ 10,516,062	\$ -	\$ 10,516,062
	Net Appropriation	\$ -	\$ -	-
	Positions			0.000
27 - Average Daily Membership Adjustment				
Adjusts funding for multiple public school allotments that are allocated to schools based on average daily membership (ADM) to reflect change in projected growth in student population.	Requirements	\$ 39,192,435	\$ -	\$ 39,192,435
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 39,192,435	\$ -	\$ 39,192,435
	Positions			0.000
28 - Technical Adjustment for Teachers and Instructional Support Personnel				
Adjusts budgeted average salaries using actual 2017-18 sixth pay period as the revised projection base. This adjustment is made annually after reviewing the budgeted salary projection for all certified personnel.	Requirements	\$ (5,560,162)	\$ -	\$ (5,560,162)
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ (5,560,162)	\$ -	\$ (5,560,162)
	Positions			0.000
29 - Technical Adjustment for School-Based Administrators				
Adjusts budgeted average salaries for school-based administrators using actual 2017-18 sixth pay period as the revised projection base. These funds address underfunding in the FY 2017-18 Principal Pay Plan.	Requirements	\$ 9,716,526	\$ -	\$ 9,716,526
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 9,716,526	\$ -	\$ 9,716,526
	Positions			0.000
Net Adjustments				
	Requirements	\$ 362,333,600	\$ 21,700,606	\$ 384,034,206
	Less Receipts	\$ 10,516,062	\$ 35,000,000	\$ 45,516,062
	Net Appropriation	\$ 351,817,538	\$ (13,299,394)	\$ 338,518,144
	Positions			6.000

NC Community Colleges System (16800)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	1,514,917,699	1,520,000,971	1,538,226,226	79,137,349	24,570,000	103,707,349	1,641,933,575	8.02%	6.74%
Receipts	417,215,369	397,659,851	396,468,381	22,376,243	-	22,376,243	418,844,624	5.33%	5.64%
Net Appropriation	1,097,702,331	1,122,341,120	1,141,757,845	56,761,106	24,570,000	81,331,106	1,223,088,951	8.98%	7.12%
Positions (FTE)	197.450	214.450	213.450			0.000	213.450	(0.47%)	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - Community Colleges

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state-funded local employees of North Carolina's community colleges. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 30,159,966	\$ -	\$ 30,159,966
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 30,159,966	\$ -	\$ 30,159,966
Positions			0.000

2 - Cost of Living Adjustment Reserve - State Employees - System Office

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 352,100	\$ -	\$ 352,100
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 352,100	\$ -	\$ 352,100
Positions			0.000

3 - Faculty Bonus Reserve

Provides funds for bonuses for faculty. A corresponding special provision provides additional details on these bonuses.

Requirements	\$ -	\$ 9,350,000	\$ 9,350,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 9,350,000	\$ 9,350,000
Positions			0.000

4 - TSERS Retirement Contribution - Community Colleges

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 5,166,638	\$ -	\$ 5,166,638
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 5,166,638	\$ -	\$ 5,166,638
Positions			0.000

5 - TSERS Retirement Contribution - System Office

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 75,289	\$ -	\$ 75,289
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 75,289	\$ -	\$ 75,289
Positions			0.000

6 - NC Job Ready (Workforce) - NC Getting Ready for Opportunities in the Workforce (NCGROW) Scholarships

Establishes a new financial aid program covering tuition and selected fees for students enrolled in curriculum programs or non-credit short-term workforce training programs, leading to industry credentials. Eligible programs will be determined by the State Board of Community Colleges in collaboration with the Department of Commerce and will include courses in Architecture and Construction, Health Sciences, Information Technology, Electrical Line Worker and Manufacturing. Of these funds, \$27 million shall establish a forward-funding reserve to be used for students in curriculum programs, beginning in Fall 2019. Three million shall be awarded to students in short-term workforce programs, with the first awards made for the Spring 2019 semester.

Requirements	\$ 30,000,000	\$ -	\$ 30,000,000
Less Receipts	\$ 30,000,000	\$ -	\$ 30,000,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

	FY 2018-19 Recommended			
	Recurring Changes	Nonrecurring Changes		Total Adjustment
7 - NC Job Ready (Workforce) - Finish Line Grants - Community College				
Funds a new grant program to assist resident students with degree completion by providing up to \$1,000 per semester for financial emergencies that threaten the student's ability to graduate. Eligible students must be within 15 credit hours of completing a two-year degree. Financial emergencies must arise through no fault of the student and may include inability to pay for course materials, housing, subsistence, medical needs, transportation, and dependent care. Funding provided allows for at least 5,000 students to remain in school and complete their degrees.	Requirements	\$ 5,000,000	\$ -	\$ 5,000,000
	Less Receipts	\$ 5,000,000	\$ -	\$ 5,000,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
8 - Additional Funds for Workforce Continuing Education Programs				
Increases funding for workforce training programs offered through non-credit instruction. Funds shall be allocated to community colleges based on enrollment and may be used to enhance or expand workforce continuing education programs needed to meet local industry needs.	Requirements	\$ 16,525,254	\$ -	\$ 16,525,254
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 16,525,254	\$ -	\$ 16,525,254
	Positions			0.000
9 - New Multi-Campus Center (MCC) Locations				
Provides equal funding for three new multicampus sites approved in FY 2017-18 (Wake Tech RTP, Forsyth Tech Transportation Campus, and Richmond Community College's Scotland County Campus). Multi-Campus Centers are branch campuses that must have at least 300 FTE enrollment and offer one degree entirely on-site. These funds allow community colleges to provide the same range of student support and library services at the branch campus as are offered on the main campus.	Requirements	\$ 1,644,876	\$ -	\$ 1,644,876
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 1,644,876	\$ -	\$ 1,644,876
	Positions			0.000
10 - Invest in Up-to-date Equipment for Job Training				
Provides additional funds for community colleges to purchase up-to-date equipment to train students for current and future jobs. Colleges may use these funds to purchase equipment for the programs most in demand in the college's service area.	Requirements	\$ -	\$ 15,000,000	\$ 15,000,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ -	\$ 15,000,000	\$ 15,000,000
	Positions			0.000
11 - Enrollment Adjustment				
Funds an enrollment adjustment to reflect current total enrollment of 222,797 full-time equivalents (FTE). Enrollment has declined by 0.9% since 2016-17. However, high school students enrolling in community colleges have continued to increase, resulting in larger amounts of tuition being waived. This item funds the net tuition receipts lost by waiving tuition for additional high school students.	Requirements	\$ (9,921,774)	\$ -	\$ (9,921,774)
	Less Receipts	\$ (12,623,757)	\$ -	\$ (12,623,757)
	Net Appropriation	\$ 2,701,983	\$ -	\$ 2,701,983
	Positions			0.000
12 - Implement Career and College Ready Graduates Program				
Allows the North Carolina Community College System to continue supporting Career and College Ready Graduates pilot programs, by offering instructor professional development and one-time technology upgrades needed to deliver these courses. The General Assembly mandated that all high schools offer community college-aligned remedial classes to high school seniors in 2018-19. A corresponding special provision proposes to delay statewide implementation until 2020-21.	Requirements	\$ 135,000	\$ 220,000	\$ 355,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 135,000	\$ 220,000	\$ 355,000
	Positions			0.000
Net Adjustments				
Requirements	\$ 79,137,349	\$ 24,570,000	\$ -	\$ 103,707,349
Less Receipts	\$ 22,376,243	\$ -	\$ -	\$ 22,376,243
Net Appropriation	\$ 56,761,106	\$ 24,570,000	\$ -	\$ 81,331,106
Positions				0.000

The University of North Carolina (160xx)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	4,785,848,675	4,747,345,691	4,826,895,374	110,797,079	14,400,000	125,197,079	4,952,092,453	4.31%	2.59%
Receipts	1,926,615,984	1,853,570,342	1,859,120,342	15,000,000	-	15,000,000	1,874,120,342	1.11%	0.81%
Net Appropriation	2,859,232,691	2,893,775,349	2,967,775,032	95,797,079	14,400,000	110,197,079	3,077,972,111	6.37%	3.71%
Positions (FTE)		35,141.073	35,141.073			0.000	35,141.073	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Of these funds, \$118,422 is provided for North Carolina School of Science and Math teacher salary increase; these teachers are paid in accordance with the salary schedule developed by the school's Board of Trustees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.3 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 66,671,024	\$ -	\$ 66,671,024
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 66,671,024	\$ -	\$ 66,671,024
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 602,484	\$ -	\$ 602,484
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 602,484	\$ -	\$ 602,484
Positions			0.000

3 - Faculty Bonus Reserve

Provides funds for bonuses for faculty. A corresponding special provision provides additional details on these bonuses.

Requirements	\$ -	\$ 13,900,000	\$ 13,900,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 13,900,000	\$ 13,900,000
Positions			0.000

4 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 6,423,038	\$ -	\$ 6,423,038
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 6,423,038	\$ -	\$ 6,423,038
Positions			0.000

5 - NC Job Ready (Workforce) - UNC System and Independent Colleges Finish Line Grants

Funds a new grant program to assist resident students at UNC System schools and NC Independent Colleges and Universities (NCICU) member institutions with degree completion by providing up to \$1,000 per semester for financial emergencies that threaten students' ability to graduate. Eligible students must be within 30 credit hours of completing a degree and have a minimum GPA of 2.0. Financial emergencies must arise through no fault of the student and may include inability to pay for course materials, housing, medical needs, subsistence, transportation, and dependent care. Appropriations of \$10 million for UNC and \$5 million for NCICU institutions will allow for at least 15,000 students to remain in school and complete their degree.

Requirements	\$ 15,000,000	\$ -	\$ 15,000,000
Less Receipts	\$ 15,000,000	\$ -	\$ 15,000,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

6 - Data Modernization

Converts a portion of funding for data modernization initiatives from nonrecurring to recurring. Funds will support personnel and other recurring costs associated with a system-wide data collection, modernization, and integration effort. The revised net appropriation for this initiative is \$3 million recurring and \$6 million nonrecurring in FY 2018-19.

Requirements	\$ 2,000,000	\$ (2,000,000)	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,000,000	\$ (2,000,000)	\$ -
Positions			0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
7 - Student Success Innovation Lab				
Provides funds for a competitive grant program to support student success initiatives at UNC institutions, including projects designed to improve student retention, graduation rates, and time-to-degree. Funds will also support independent evaluations of funded strategies and dissemination of best practices.	Requirements	\$ 1,000,000	\$ -	\$ 1,000,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 1,000,000	\$ -	\$ 1,000,000
	Positions			0.000
8 - Accelerate through Summer Grants				
Provides funds for a pilot grant program to defray costs for students enrolled in summer courses, which are not currently subsidized with State funds. Priority will be given to juniors and seniors whose odds of graduating on time could improve by earning additional credits over the summer.	Requirements	\$ 3,500,000	\$ -	\$ 3,500,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 3,500,000	\$ -	\$ 3,500,000
	Positions			0.000
9 - Adaptive Digital Learning Courseware				
Funds the application and evaluation of software that customizes academic content, assessment, and support to individual student needs in order to improve student outcomes. The UNC System Office will collaborate with campuses to pilot the use of this type of software and evaluate the results.	Requirements	\$ 500,000	\$ -	\$ 500,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 500,000	\$ -	\$ 500,000
	Positions			0.000
10 - Research Opportunities Initiative				
Increases funding for a competitive grant program that supports innovative research programs in six priority areas: advanced manufacturing; data sciences; defense, military, and security; marine and coastal sciences; and pharmacoengineering. The revised net appropriation for this research initiative is \$6 million.	Requirements	\$ 3,000,000	\$ -	\$ 3,000,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 3,000,000	\$ -	\$ 3,000,000
	Positions			0.000
11 - Faculty Recruitment and Retention				
Increases funding for faculty recruitment and retention efforts at UNC institutions. Additional recurring funding for this reserve was last provided in FY 2012-13 (the FY 2017-18 budget includes \$1 million nonrecurring). The recurring unallocated reserve balance is now less than \$500,000.	Requirements	\$ 3,000,000	\$ -	\$ 3,000,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 3,000,000	\$ -	\$ 3,000,000
	Positions			0.000
12 - Medical Education Expansion				
Provides funding to increase the number of available medical student slots at the Brody School of Medicine at East Carolina University and the UNC School of Medicine at UNC-Chapel Hill. This funding will address projected healthcare workforce needs.	Requirements	\$ 2,000,000	\$ -	\$ 2,000,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 2,000,000	\$ -	\$ 2,000,000
	Positions			0.000
13 - NC A&T Research and Doctoral Programs				
Increases funding to support established doctoral programs at NC Agricultural and Technical State University. These funds will support faculty and graduate student services for the doctoral programs, including computer science, various engineering fields, energy and environmental systems, education, and rehabilitation counseling. The revised net appropriation for doctoral program support is \$5 million.	Requirements	\$ 2,500,000	\$ -	\$ 2,500,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 2,500,000	\$ -	\$ 2,500,000
	Positions			0.000
14 - NCSU Innovation in Manufacturing Biopharmaceuticals				
Provides additional funds for North Carolina State University's (NCSU) participation in a collaborative effort to accelerate the development of innovative manufacturing processes for biopharmaceutical products. Funds will support the Biomanufacturing Training and Education Center at NCSU and serve as matching funds for a federal grant from the National Institute of Standards and Technology. This funding supports year two of a planned five-year, \$10 million matching grant commitment.	Requirements	\$ -	\$ 2,000,000	\$ 2,000,000
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ -	\$ 2,000,000	\$ 2,000,000
	Positions			0.000
15 - Reinstate NC School of Science and Mathematics Tuition Grant				
Restores recurring funding for a tuition grant program for students graduating from the North Carolina School of Science and Mathematics (NCSSM). The FY 2017-18 budget provided funding to restore the grant on a nonrecurring basis. Beginning in FY 2018-19, NCSSM graduates who enroll full-time in a UNC constituent institution and meet other eligibility criteria will receive a full tuition grant for up to four years.	Requirements	\$ 1,500,000	\$ (1,500,000)	\$ -
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 1,500,000	\$ (1,500,000)	\$ -
	Positions			0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
16 - NCSU Next Generation Power Electronics Innovation Institute				
Matching Funds				
Converts State matching funds from recurring to nonrecurring to fulfill a legislative requirement. Funding for this initiative was initially appropriated on a recurring basis in FY 2014-15 to meet a \$10 million State matching fund pledge. This pledge will be fulfilled in FY 2018-19. Shifting funding from recurring to nonrecurring will ensure this funding is removed from the FY 2019-20 base budget as required by the 2014 Appropriations Act.	Requirements	\$ (2,000,000)	\$ 2,000,000	\$ -
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ (2,000,000)	\$ 2,000,000	\$ -
	Positions			0.000
17 - Targeted Funding for Small-Scale and Special Purpose Institutions				
Provides additional support to institutions with relatively small enrollments or special missions. Institutions meeting this criteria will receive funding on the following basis: \$1 million each to Elizabeth City State University and UNC School of the Arts; \$750,000 each to UNC-Asheville and Winston Salem State University; \$500,000 each to Fayetteville State University, North Carolina Central University, NC School of Science and Mathematics, and UNC-Pembroke.	Requirements	\$ 5,500,000	\$ -	\$ 5,500,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 5,500,000	\$ -	\$ 5,500,000
	Positions			0.000
18 - HBCU Student Success Initiatives				
Funds initiatives designed to focus on student outcomes at Historically Black Colleges and Universities (HBCU). Funding may be utilized for academic advising, mentoring, supplemental instruction, cohort-based student supports, and other student success strategies. HBCUs will receive approximately \$100 per undergraduate FTE through the following allocation: Elizabeth City State University: \$124,000; Fayetteville State University: \$432,000; NC Agricultural and Technical State University: \$966,000; NC Central University: \$567,000; Winston Salem State University: \$432,000.	Requirements	\$ 2,521,000	\$ -	\$ 2,521,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 2,521,000	\$ -	\$ 2,521,000
	Positions			0.000
19 - UNC-Chapel Hill Carolina College Advising Corps				
Provides funding to expand the Carolina College Advising Corps, which places recent university graduates as college advisers in public high schools across North Carolina. These advisers assist low-income, first-generation, and under-represented students with college admission, financial aid, and scholarship applications in order to increase their odds of attending college. Expansion funds will support training and employment of 50 new advisers, at least half of whom will be from UNC System institutions other than UNC-Chapel Hill.	Requirements	\$ 2,500,000	\$ -	\$ 2,500,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 2,500,000	\$ -	\$ 2,500,000
	Positions			0.000
20 - NC Japan Center				
Provides funding to the North Carolina Japan Center at NC State University to support its mission of increasing educational, cultural, and economic interactions between the State and Japan.	Requirements	\$ 250,000	\$ -	\$ 250,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 250,000	\$ -	\$ 250,000
	Positions			0.000
21 - UNC Building Reserves				
Eliminates funding for building operating reserves at East Carolina University and Winston Salem State University. The associated buildings are not expected to be operational in FY 2018-19.	Requirements	\$ (670,467)	\$ -	\$ (670,467)
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ (670,467)	\$ -	\$ (670,467)
	Positions			0.000
22 - Opportunity Scholarship Reserve				
Reduces funding for the Opportunity Scholarship Grant Fund Reserve to reflect the repeal of the statutory appropriations to the reserve in a corresponding special provision. The reserve is used to fund scholarships for the subsequent fiscal year. Total funding for scholarships utilized in FY 2018-19 remains unchanged and existing commitments to students with scholarships will be honored. No scholarships will be awarded to new applicants beginning in FY 2018-19. The revised net appropriation for the reserve is \$44.8 million in FY 2018-19.	Requirements	\$ (10,000,000)	\$ -	\$ (10,000,000)
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ (10,000,000)	\$ -	\$ (10,000,000)
	Positions			0.000
23 - NC Need-Based Scholarships				
Increases funding for the NC Need-Based Scholarship program for residents attending NC Independent Colleges and Universities member institutions. Based on current average award amounts, an increase of \$5 million provides scholarships to at least 1,300 students to attend NC independent colleges or universities. The revised net appropriation for these scholarships is \$93.4 million.	Requirements	\$ 5,000,000	\$ -	\$ 5,000,000
	Less Receipts	\$ -	\$ -	\$ -
	Net Appropriation	\$ 5,000,000	\$ -	\$ 5,000,000
	Positions			0.000

Net Adjustments			
Requirements	\$ 110,797,079	\$ 14,400,000	\$ 125,197,079
Less Receipts	\$ 15,000,000	\$ -	\$ 15,000,000
Net Appropriation	\$ 95,797,079	\$ 14,400,000	\$ 110,197,079
Positions			0.000



GENERAL GOVERNMENT

Common Ground Solutions
for NORTH CAROLINA

Connecting North Carolina

Provides \$20 million to promote broadband internet service in areas without service or where service is slower than the minimum threshold. The funds are meant to encourage investment by providers. This will help close the homework gap for students who lack internet access and will increase employment and business possibilities for more North Carolinians.

Encouraging Small Business

Provides better customer service to entrepreneurs, start-ups, and growing businesses by adding five employees to the Secretary of State's office. These funds recognize that small businesses are the backbone of the economy, providing employment and encouraging creative business solutions.

Preventing Tax Fraud

Continues the investment of over \$4 million to enhance the state's ability to prevent identity theft and protect against tax fraud. Cracking down on fraudulent refunds saved taxpayers and the state \$26 million in 2017.

Investing in Affordable Housing

Allocates an additional \$2.8 million in dedicated Deed Stamp tax revenue through the end of the biennium to increase the supply of affordable housing through the Housing Trust Fund. Also appropriates \$3.9 million to increase access to permanent, community-based, integrated housing for individuals with disabilities.

Supporting Our Veteran and Military Families

Provides an additional \$3.6 million to support North Carolina's military and veteran families. The budget restores full funding to the North Carolina Scholarship for Children of Wartime Veterans for the children of veterans killed or disabled during combat and establishes a position to support benefits administration to make sure veterans can access the benefits they have earned.

Strengthening Agency Operations

Invests over \$2 million to support core agency operations and fund initiatives to streamline operations, identify management efficiencies and business process enhancements, and support projects to improve customer service.

General Assembly Office of the Governor Office of State Budget and Management
North Carolina Housing Finance Authority Office of the Lieutenant Governor Department of Secretary of State
Office of the State Auditor Department of State Treasurer Department of Insurance Department of Administration
Office of the State Controller Department of Revenue Industrial Commission
Department of Information Technology State Board of Elections Office of Administrative Hearings
Department of Military and Veterans Affairs

General Assembly (11000)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	65,950,669	69,091,863	68,896,257	1,584,140	-	1,584,140	70,480,397	2.01%	2.30%
Receipts	837,944	3,116,250	2,923,250	-	-	-	2,923,250	(6.19%)	-
Net Appropriation	65,112,725	65,975,613	65,973,007	1,584,140	-	1,584,140	67,557,147	2.40%	2.40%
Positions (FTE)	0.000	488.950	488.950			0.000	488.950	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 1,261,386	\$ -	\$ 1,261,386
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,261,386	\$ -	\$ 1,261,386
Positions			0.000
2 - Compensation Increase Reserve - Public Safety & Mental Health			
Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.			
Requirements	\$ 27,529	\$ -	\$ 27,529
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 27,529	\$ -	\$ 27,529
Positions			0.000
3 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 206,518	\$ -	\$ 206,518
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 206,518	\$ -	\$ 206,518
Positions			0.000
4 - Legislative Retirement System Contribution			
Increases the state's contribution for members of the Legislative Retirement System (LRS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on this adjustment. The revised net General Fund appropriation for LRS is nearly \$1.1 million in FY 2018-19.			
Requirements	\$ 88,707	\$ -	\$ 88,707
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 88,707	\$ -	\$ 88,707
Positions			0.000
Net Adjustments			
Requirements	\$ 1,584,140	\$ -	\$ 1,584,140
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,584,140	\$ -	\$ 1,584,140
Positions			0.000

Office of the Governor (13000)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	7,726,054	6,586,142	6,187,574	105,727	-	105,727	6,293,301	(4.45%)	1.71%
Receipts	2,020,334	1,211,165	1,211,165	-	-	-	1,211,165	-	-
Net Appropriation	5,705,720	5,374,977	4,976,409	105,727	-	105,727	5,082,136	(5.45%)	2.12%
Positions (FTE)	62.700	61.770	61.770			0.000	61.770	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 88,820	\$ -	\$ 88,820
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 88,820	\$ -	\$ 88,820
Positions			0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 16,907	\$ -	\$ 16,907
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 16,907	\$ -	\$ 16,907
Positions			0.000

Net Adjustments

Requirements	\$ 105,727	\$ -	\$ 105,727
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 105,727	\$ -	\$ 105,727
Positions			0.000

Office of State Budget and Management (13005)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	8,184,814	8,299,033	8,373,731	309,805	-	309,805	8,683,536	4.63%	3.70%
Receipts	201,895	118,487	118,487	-	-	-	118,487	-	-
Net Appropriation	7,982,919	8,180,546	8,255,244	309,805	-	309,805	8,565,049	4.70%	3.75%
Positions (FTE)	58.000	58.000	58.000			1.000	59.000	1.72%	1.72%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 119,614	\$ -	\$ 119,614
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 119,614	\$ -	\$ 119,614
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 25,240	\$ -	\$ 25,240
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 25,240	\$ -	\$ 25,240
Positions			0.000
3 - Grant Analyst			
Provides funding for a full time dedicated analyst position to oversee the effective deployment and monitoring of over \$12.7 million per year in Special Appropriation grants and addresses the NCGA and state agency request for the Office State Budget and Management (OSBM) to execute an expanding level of specialized financial and management studies. An additional full time analyst will ensure that these demands are addressed in the most expeditious and professional manner.			
Requirements	\$ 97,200	\$ -	\$ 97,200
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 97,200	\$ -	\$ 97,200
Positions			1.000
4 - Professional Staff Development			
Ensures OSBM staff secure a minimum of 24 hours per year of professional training and skills development. Training would cover data modeling and analysis, evidence-based policymaking, advanced revenue and budget forecasting methods, federal and local government emerging finance trends and related topics to make sure staff are up to date with best practices and current professional standards.			
Requirements	\$ 67,751	\$ -	\$ 67,751
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 67,751	\$ -	\$ 67,751
Positions			0.000
Net Adjustments			
Requirements	\$ 309,805	\$ -	\$ 309,805
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 309,805	\$ -	\$ 309,805
Positions			1.000

OSBM - Reserve for Special Appropriation (13085)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	22,750,000	20,413,881	2,000,000	-	1,000,000	1,000,000	3,000,000	(85.30%)	50.00%
Receipts	-	7,650,000	-	-	-	-	-	(100.00%)	-
Net Appropriation	22,750,000	12,763,881	2,000,000	-	1,000,000	1,000,000	3,000,000	(76.50%)	50.00%
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Fire Protection for UNC-Pembroke			
Provides a grant-in-aid to the Pembroke Rural Volunteer Fire Department, Inc. to replace an aerial fire truck and related equipment to ensure adequate fire protection services to the UNC-Pembroke campus.			
Requirements	\$ -	\$ 1,000,000	\$ 1,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 1,000,000	\$ 1,000,000
Positions			0.000
Net Adjustments			
Requirements	\$ -	\$ 1,000,000	\$ 1,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 1,000,000	\$ 1,000,000
Positions			0.000

NC Housing Finance Agency (13010)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	50,660,000	30,660,000	30,660,000	-	-	-	30,660,000	-	-
Receipts	-	16,050,841	-	-	-	-	-	(100.00%)	-
Net Appropriation	50,660,000	14,609,159	30,660,000	-	-	-	30,660,000	109.87%	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - No Recommended Adjustments			
Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
Net Adjustments			
Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

NC Housing Finance Agency - Partnership (63011)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	19,012,067	15,719,055	11,498,000	2,810,000	3,960,972	6,770,972	18,268,972	16.22%	58.89%
Receipts	56,429,256	14,881,055	10,660,000	2,810,000	3,960,972	6,770,972	17,430,972	17.14%	63.52%
Δ in Fund Balance	37,417,189	(838,000)	(838,000)	-	-	-	(838,000)	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Housing Trust Fund

Provides 15% of the dedicated Deed Stamp revenue to the Housing Trust Fund. These funds will be used to finance home ownership and rental apartments, new construction, rehabilitation and emergency repairs. A corresponding special provision dedicates Deed Stamp revenue to this fund as well as the Parks and Recreation Trust Fund, the Clean Water Management Trust Fund, and the Farmland Preservation Trust Fund. Total requirements for the Housing Trust Fund, from all funding sources, is expected to be \$10.47 million in FY 2018-19.

Requirements	\$ 2,810,000	\$ -	\$ 2,810,000
Less Receipts	\$ 2,810,000	\$ -	\$ 2,810,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

2 - Community Living Housing Trust Fund

Provides funds to the Community Living Housing Fund (CLHF) to increase access to permanent, community-based integrated housing for individuals with disabilities in support of the Olmstead Settlement. The revised total requirements for the CLHF are \$3.9 million in FY 2018-19.

Requirements	\$ -	\$ 3,960,972	\$ 3,960,972
Less Receipts	\$ -	\$ 3,960,972	\$ 3,960,972
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Net Adjustments

Requirements	\$ 2,810,000	\$ 3,960,972	\$ 6,770,972
Less Receipts	\$ 2,810,000	\$ 3,960,972	\$ 6,770,972
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Department of Military and Veterans Affairs (13050)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	55,780,107	64,104,629	61,608,014	3,529,171	127,000	3,656,171	65,264,185	1.81%	5.93%
Receipts	47,363,304	52,647,271	52,647,271	2,400,000	-	2,400,000	55,047,271	4.56%	4.56%
Net Appropriation	8,416,802	11,457,358	8,960,743	1,129,171	127,000	1,256,171	10,216,914	(10.83%)	14.02%
Positions (FTE)	95.650	90.650	90.650			16.250	106.900	17.93%	17.93%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 132,330	\$ -	\$ 132,330
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 132,330	\$ -	\$ 132,330
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 20,095	\$ -	\$ 20,095
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 20,095	\$ -	\$ 20,095
Positions			0.000
3 - Veterans Cemeteries			
Transfers personnel costs to General Fund support enabling receipts to support required grounds and maintenance service at the four state veterans cemeteries.			
Requirements	\$ 662,725	\$ -	\$ 662,725
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 662,725	\$ -	\$ 662,725
Positions			15.250
4 - Scholarships for Children of War Time Veterans Program Restoration			
Provides additional funding of \$2.4 million, to be transferred from the Escheat Fund, to cover the funding shortage in scholarships for the children of veterans killed or disabled during combat.			
Requirements	\$ 2,400,000	\$ -	\$ 2,400,000
Less Receipts	\$ 2,400,000	\$ -	\$ 2,400,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
5 - Veteran Services Improvement through Enhanced IT Capacity			
Establishes one position to provide applications support to several business-critical systems serving the military and veteran communities and to provide a strengthened cyber security presence within the department. Funding also provides upgraded data transmission speeds and electronic signature capability at Veteran Service Centers and state veterans cemeteries.			
Requirements	\$ 314,021	\$ 127,000	\$ 441,021
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 314,021	\$ 127,000	\$ 441,021
Positions			1.000
Net Adjustments			
Requirements	\$ 3,529,171	\$ 127,000	\$ 3,656,171
Less Receipts	\$ 2,400,000	\$ -	\$ 2,400,000
Net Appropriation	\$ 1,129,171	\$ 127,000	\$ 1,256,171
Positions			16.250

Office of the Lieutenant Governor (13100)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	689,646	793,708	771,497	19,030	-	19,030	790,527	(0.40%)	2.47%
Receipts	2	-	-	-	-	-	-	-	-
Net Appropriation	689,644	793,708	771,497	19,030	-	19,030	790,527	(0.40%)	2.47%
Positions (FTE)	6.000	7.000	7.000			0.000	7.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 15,876	\$ -	\$ 15,876
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 15,876	\$ -	\$ 15,876
Positions			0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 3,154	\$ -	\$ 3,154
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 3,154	\$ -	\$ 3,154
Positions			0.000

Net Adjustments

Requirements	\$ 19,030	\$ -	\$ 19,030
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 19,030	\$ -	\$ 19,030
Positions			0.000

Department of Secretary of State (13200)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	13,387,257	13,276,105	13,486,737	888,493	6,250	894,743	14,381,480	8.33%	6.63%
Receipts	357,389	171,794	171,794	-	-	-	171,794	-	-
Net Appropriation	13,029,868	13,104,311	13,314,943	888,493	6,250	894,743	14,209,686	8.44%	6.72%
Positions (FTE)	175.880	175.883	175.883			5.000	180.883	2.84%	2.84%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 293,773	\$ -	\$ 293,773
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 293,773	\$ -	\$ 293,773
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 15,731	\$ -	\$ 15,731
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 15,731	\$ -	\$ 15,731
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 45,584	\$ -	\$ 45,584
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 45,584	\$ -	\$ 45,584
Positions			0.000

4 - New Business Registration Positions

Improves customer support in the Business Registration Division by funding five new positions. These positions will support the agency's efforts to quickly and efficiently process new business formation filings.

Requirements	\$ 283,405	\$ 6,250	\$ 289,655
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 283,405	\$ 6,250	\$ 289,655
Positions			5.000

5 - Lease Requirements

Provides additional recurring funding for lease costs associated with the agency's Atlantic Avenue location. Receipts related to settlements of securities violations have declined by over 99% in recent years, leading to structural budget problems and an inability to cover recurring costs from this unreliable source of funding.

Requirements	\$ 250,000	\$ -	\$ 250,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 250,000	\$ -	\$ 250,000
Positions			0.000

Net Adjustments

Requirements	\$ 888,493	\$ 6,250	\$ 894,743
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 888,493	\$ 6,250	\$ 894,743
Positions			5.000

Office of the State Auditor (13300)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	18,178,442	19,776,082	19,728,405	492,474	-	492,474	20,220,879	2.25%	2.50%
Receipts	7,408,252	5,947,874	5,947,874	-	-	-	5,947,874	-	-
Net Appropriation	10,770,190	13,828,208	13,780,531	492,474	-	492,474	14,273,005	3.22%	3.57%
Positions (FTE)	166.000	166.000	166.000			0.000	166.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 240,419	\$ -	\$ 240,419
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 240,419	\$ -	\$ 240,419
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 52,055	\$ -	\$ 52,055
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 52,055	\$ -	\$ 52,055
Positions			0.000
3 - Subject Matter Experts			
Provides recurring funding for subject matter experts who assist in the performance of audits and investigations. Funding to hire these specialists ensures rigorous standards are applied in the agency's mission to promote efficient, effective, and compliant government.			
Requirements	\$ 200,000	\$ -	\$ 200,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 200,000	\$ -	\$ 200,000
Positions			0.000
Net Adjustments			
Requirements	\$ 492,474	\$ -	\$ 492,474
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 492,474	\$ -	\$ 492,474
Positions			0.000

Department of State Treasurer (13410)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	52,301,180	58,373,720	58,451,907	34,221	-	34,221	58,486,128	0.19%	0.06%
Receipts	48,079,342	53,560,124	53,619,854	-	-	-	53,619,854	0.11%	-
Net Appropriation	4,221,838	4,813,596	4,832,053	34,221	-	34,221	4,866,274	1.09%	0.71%
Positions (FTE)	381.100	383.100	383.100			0.000	383.100	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 29,587	\$ -	\$ 29,587
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 29,587	\$ -	\$ 29,587
Positions			0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 4,634	\$ -	\$ 4,634
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 4,634	\$ -	\$ 4,634
Positions			0.000

Net Adjustments

Requirements	\$ 34,221	\$ -	\$ 34,221
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 34,221	\$ -	\$ 34,221
Positions			0.000

State Treasurer - Retirement System (13412)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	26,740,422	27,861,861	28,211,861	-	-	-	28,211,861	1.26%	-
Receipts	41,652	-	-	-	-	-	-	-	-
Net Appropriation	26,698,770	27,861,861	28,211,861	-	-	-	28,211,861	1.26%	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - No Recommended Adjustments			
Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
Net Adjustments			
Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Department of Insurance (13900)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	55,747,713	71,804,430	70,530,918	1,340,254	400,000	1,740,254	72,271,172	0.65%	2.47%
Receipts	15,154,462	22,966,218	22,216,218	-	-	-	22,216,218	(3.27%)	-
Net Appropriation	40,593,251	48,838,212	48,314,700	1,340,254	400,000	1,740,254	50,054,954	2.49%	3.60%
Positions (FTE)	418.680	609.430	609.430			0.500	609.930	0.08%	0.08%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 775,076	\$ -	\$ 775,076
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 775,076	\$ -	\$ 775,076
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 51,125	\$ -	\$ 51,125
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 51,125	\$ -	\$ 51,125
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 151,699	\$ -	\$ 151,699
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 151,699	\$ -	\$ 151,699
Positions			0.000

4 - Deputy Commissioner Position

Fund-shifts the receipt-supported portion of the existing Deputy Commissioner for the Consumer Assistance Group position to net appropriations. Federal funds that previously supported this position are no longer available.

Requirements	\$ 72,354	\$ -	\$ 72,354
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 72,354	\$ -	\$ 72,354
Positions			0.500

5 - Call Center Upgrades

Provides funds to replace the outdated call center phone system and implement Customer Resource Management software. This technology is designed to help the customer reach the correct person for support as quickly as possible.

Requirements	\$ 90,000	\$ 400,000	\$ 490,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 90,000	\$ 400,000	\$ 490,000
Positions			0.000

6 - Travel Budget

Provides travel funds for new positions in the insurance fraud division and the Office of State Fire Marshal.

Requirements	\$ 200,000	\$ -	\$ 200,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 200,000	\$ -	\$ 200,000
Positions			0.000

Net Adjustments

Requirements	\$ 1,340,254	\$ 400,000	\$ 1,740,254
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,340,254	\$ 400,000	\$ 1,740,254
Positions			0.500

Industrial Commission (13902)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	-	-	-	131,593	-	131,593	131,593	-	-
Receipts	-	-	-	-	-	-	-	-	-
Net Appropriation	-	-	-	131,593	-	131,593	131,593	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 108,605	\$ -	\$ 108,605
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 108,605	\$ -	\$ 108,605
Positions			0.000
2 - Compensation Increase Reserve - Public Safety & Mental Health			
Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.			
Requirements	\$ 3,933	\$ -	\$ 3,933
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 3,933	\$ -	\$ 3,933
Positions			0.000
3 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 19,055	\$ -	\$ 19,055
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 19,055	\$ -	\$ 19,055
Positions			0.000
Net Adjustments			
Requirements	\$ 131,593	\$ -	\$ 131,593
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 131,593	\$ -	\$ 131,593
Positions			0.000

Department of Administration (14100)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	75,473,480	74,635,042	74,090,773	2,030,645	1,500,000	3,530,645	77,621,418	4.00%	4.77%
Receipts	13,529,584	10,694,021	10,694,021	-	-	-	10,694,021	-	-
Net Appropriation	61,943,897	63,941,021	63,396,752	2,030,645	1,500,000	3,530,645	66,927,397	4.67%	5.57%
Positions (FTE)	427.110	418.960	418.960			15.110	434.070	3.61%	3.61%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 679,812	\$ -	\$ 679,812
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 679,812	\$ -	\$ 679,812
Positions			0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 122,875	\$ -	\$ 122,875
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 122,875	\$ -	\$ 122,875
Positions			0.000

3 - Office of State Human Resources - State Agencies and Universities

Provides funds for two positions. One position will focus on improved customer service across all areas, provide training to staff, and function as the Temporary Staffing Coordinator. The other position will work with UNC-SO staff to monitor and support universities in migrating to the new Statewide Compensation System.

Requirements	\$ 164,526	\$ -	\$ 164,526
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 164,526	\$ -	\$ 164,526
Positions			2.000

4 - Purchase and Contract - Contract Monitoring and Accountability

Increases accountability and oversight of state agency procurement by adding four positions to the Purchase and Contract Division to enhance agency compliance and proficiency. This item supports the consolidation of State procurement oversight, training and compliance functions within the Department of Administration.

Requirements	\$ 300,000	\$ -	\$ 300,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 300,000	\$ -	\$ 300,000
Positions			4.000

5 - Office of State Construction - Architect

Supports a professional architect position needed to provide technical review and commentary on construction documents submitted to the State Construction Office by licensed architects and engineers.

Requirements	\$ 104,415	\$ -	\$ 104,415
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 104,415	\$ -	\$ 104,415
Positions			1.000

6 - State Property Office - Enterprise Real Estate Information System

Funds the purchase and development of a software system that allows the State Property Office to proactively manage the state's portfolio of real property as required by SL 2016-119.

Requirements	\$ 450,000	\$ 1,500,000	\$ 1,950,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 450,000	\$ 1,500,000	\$ 1,950,000
Positions			5.000

7 - Critical Agency Operations Support

Shifts funding of 1.11 full-time equivalent positions from partial receipt support to 100% General Fund appropriations. Funding will also increase hourly wage for the Council for Women and Youth Involvement's internship program from \$8.25 to \$10 to match the rate for other internship programs within state government. This item will also fund an additional 2.0 FTE to provide needed administrative support to the Non-Public Education Office and the Council for Women and Youth Involvement.

Requirements	\$ 209,017	\$ -	\$ 209,017
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 209,017	\$ -	\$ 209,017
Positions			3.110

Net Adjustments

Requirements	\$ 2,030,645	\$ 1,500,000	\$ 3,530,645
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,030,645	\$ 1,500,000	\$ 3,530,645
Positions			15.110

Office of the State Controller (14160)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	24,114,160	24,429,629	24,799,237	651,692	-	651,692	25,450,929	4.18%	2.63%
Receipts	1,481,656	3,555,761	1,555,761	-	-	-	1,555,761	(56.25%)	-
Net Appropriation	22,632,504	20,873,868	23,243,476	651,692	-	651,692	23,895,168	14.47%	2.80%
Positions (FTE)	169.000	169.009	169.009			0.000	169.009	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 312,024	\$ -	\$ 312,024
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 312,024	\$ -	\$ 312,024
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 62,792	\$ -	\$ 62,792
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 62,792	\$ -	\$ 62,792
Positions			0.000
3 - Enhance Salaries for SAP Engineers			
Promotes employee retention by providing additional funding to raise the salaries of at least 23 SAP engineers to levels more competitive with the private sector.			
Requirements	\$ 276,876	\$ -	\$ 276,876
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 276,876	\$ -	\$ 276,876
Positions			0.000
Net Adjustments			
Requirements	\$ 651,692	\$ -	\$ 651,692
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 651,692	\$ -	\$ 651,692
Positions			0.000

Department of Information Technology (14660)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	71,371,735	51,500,581	51,646,845	1,955,156	20,000,000	21,955,156	73,602,001	42.91%	42.51%
Receipts	16,381,702	-	-	-	-	-	-	-	-
Net Appropriation	54,990,034	51,500,581	51,646,845	1,955,156	20,000,000	21,955,156	73,602,001	42.91%	42.51%
Positions (FTE)	90.750	96.250	96.250			4.000	100.250	4.16%	4.16%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 212,694	\$ -	\$ 212,694
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 212,694	\$ -	\$ 212,694
Positions			0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 45,300	\$ -	\$ 45,300
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 45,300	\$ -	\$ 45,300
Positions			0.000

3 - Statewide Broadband Access

Provides \$20 million to establish broadband deployment grants to secure broadband internet service in areas without service, or where service is below the defined minimum threshold. To encourage private investment, \$17.5M is set aside to lower capital expenditures for existing or new providers. Awarded grants will require affordable service offerings at defined speeds. A Homework Gap Grants program in the amount of \$2.5M is established to provide mobile hotspots or other devices to students without home access. The Department of Information Technology will explore potential partnerships and additional sources of funding to advance these initiatives.

Requirements	\$ -	\$ 20,000,000	\$ 20,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 20,000,000	\$ 20,000,000
Positions			0.000

4 - Enterprise Cloud Access Security Broker

Provides funding to obtain a cloud access security broker solution for the State's 90,000 cloud users. The solution will provide security and visibility into cloud access, and serve as a security compliance and enforcement tool for the State.

Requirements	\$ 1,200,000	\$ -	\$ 1,200,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,200,000	\$ -	\$ 1,200,000
Positions			0.000

5 - Customer Relationship Management Developer Support for Small Agencies

Establishes two customer relationship management software developer positions to support increasing demand by small agencies. Positions support development at agencies, boards, and commissions that utilize customer relationship management for interactions with customers and constituents.

Requirements	\$ 242,342	\$ -	\$ 242,342
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 242,342	\$ -	\$ 242,342
Positions			2.000

6 - Security Liaison Support for Small Agencies

Establishes two IT Security and Compliance Specialist II positions to support security operations at small agencies by conducting vulnerability assessments, analyzing security data and responding to cyber incidents and alerts.

Requirements	\$ 254,820	\$ -	\$ 254,820
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 254,820	\$ -	\$ 254,820
Positions			2.000

Net Adjustments

Requirements	\$ 1,955,156	\$ 20,000,000	\$ 21,955,156
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,955,156	\$ 20,000,000	\$ 21,955,156
Positions			4.000

Department of Revenue (14700)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	128,875,326	177,004,501	140,942,860	1,771,030	16,800,000	18,571,030	159,513,890	(9.88%)	13.18%
Receipts	47,090,752	92,358,890	55,458,890	-	16,800,000	16,800,000	72,258,890	(21.76%)	30.29%
Net Appropriation	81,784,574	84,645,611	85,483,970	1,771,030	-	1,771,030	87,255,000	3.08%	2.07%
Positions (FTE)	1,470.880	1,465.920	1,465.920			0.000	1,465.920	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 1,476,446	\$ -	\$ 1,476,446
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,476,446	\$ -	\$ 1,476,446
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 28,744	\$ -	\$ 28,744
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 28,744	\$ -	\$ 28,744
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 265,840	\$ -	\$ 265,840
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 265,840	\$ -	\$ 265,840
Positions			0.000

4 - Critical IT Operations and Maintenance

Provides nonrecurring funding through the Collection Assistance Fee to support annual operating expenses to execute tax filing for individuals and businesses. Recurring funds or an alternative long-term solution will be required in the next biennium.

Requirements	\$ -	\$ 12,400,000	\$ 12,400,000
Less Receipts	\$ -	\$ 12,400,000	\$ 12,400,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

5 - Identity Theft and Fraud Detection

Enhances the state's ability to fight identity theft and protect against tax fraud. These nonrecurring funds are provided through the Collection Assistance Fund.

Requirements	\$ -	\$ 4,400,000	\$ 4,400,000
Less Receipts	\$ -	\$ 4,400,000	\$ 4,400,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Net Adjustments

Requirements	\$ 1,771,030	\$ 16,800,000	\$ 18,571,030
Less Receipts	\$ -	\$ 16,800,000	\$ 16,800,000
Net Appropriation	\$ 1,771,030	\$ -	\$ 1,771,030
Positions			0.000

Revenue - Project Collect Tax (24704)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	34,143,943	67,579,268	36,025,826	-	16,800,000	16,800,000	52,825,826	(21.83%)	46.63%
Receipts	35,992,469	33,060,361	33,060,361	-	-	-	33,060,361	-	-
Δ in Fund Balance	1,848,526	(34,518,907)	(2,965,465)	-	(16,800,000)	(16,800,000)	(19,765,465)	(42.74%)	566.52%
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Critical IT Operations and Maintenance			
Directs the use of \$12.4 million in nonrecurring receipts from the Collection Assistance Fee to support annual operating expenses required to execute state tax filing for individuals and businesses.			
Requirements	\$ -	\$ 12,400,000	\$ 12,400,000
Less Receipts	\$ -	\$ -	\$ -
Δ in Fund Balance	\$ -	\$ (12,400,000)	\$ (12,400,000)
Positions			0.000
2 - Identity Theft and Fraud Detection			
Permits the use of \$4.4 million in nonrecurring receipts to enhance the state's ability to fight identity theft and protect against fraud.			
Requirements	\$ -	\$ 4,400,000	\$ 4,400,000
Less Receipts	\$ -	\$ -	\$ -
Δ in Fund Balance	\$ -	\$ (4,400,000)	\$ (4,400,000)
Positions			0.000
Net Adjustments			
Requirements	\$ -	\$ 16,800,000	\$ 16,800,000
Less Receipts	\$ -	\$ -	\$ -
Δ in Fund Balance	\$ -	\$ (16,800,000)	\$ (16,800,000)
Positions			0.000

State Board of Elections (18025)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	6,242,910	6,726,283	6,788,614	123,219	259,331	382,550	7,171,164	6.61%	5.64%
Receipts	245,530	102,000	102,000	-	-	-	102,000	-	-
Net Appropriation	5,997,379	6,624,283	6,686,614	123,219	259,331	382,550	7,069,164	6.72%	5.72%
Positions (FTE)	63.000	58.000	58.000			0.000	58.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 103,776	\$ -	\$ 103,776
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 103,776	\$ -	\$ 103,776
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 19,443	\$ -	\$ 19,443
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 19,443	\$ -	\$ 19,443
Positions			0.000
3 - State Match for Help America Vote Act (HAVA) Grant			
Provides the first year of state funds to match a \$10 million US Election Assistance Commission grant. The grant funding is to be used to enhance election technology and make election security enhancements.			
Requirements	\$ -	\$ 259,331	\$ 259,331
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 259,331	\$ 259,331
Positions			0.000
Net Adjustments			
Requirements	\$ 123,219	\$ 259,331	\$ 382,550
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 123,219	\$ 259,331	\$ 382,550
Positions			0.000

Office of Administrative Hearings (18210)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	6,811,299	7,812,301	7,810,508	190,905	2,500	193,405	8,003,913	2.45%	2.48%
Receipts	2,025,219	1,849,821	1,799,821	-	-	-	1,799,821	(2.70%)	-
Net Appropriation	4,786,080	5,962,480	6,010,687	190,905	2,500	193,405	6,204,092	4.05%	3.22%
Positions (FTE)	49.500	55.790	55.790			1.000	56.790	1.79%	1.79%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$	101,234	\$	-	\$	101,234
Less Receipts	\$	-	\$	-	\$	-
Net Appropriation	\$	101,234	\$	-	\$	101,234
Positions						0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$	19,671	\$	-	\$	19,671
Less Receipts	\$	-	\$	-	\$	-
Net Appropriation	\$	19,671	\$	-	\$	19,671
Positions						0.000

3 - Deputy Clerk position

Provides funding for a new Deputy Clerk position that will assist with administrative and clerical responsibilities assigned by the Clerk's Office, the Human Relations Commission, and the Civil Rights Division.

Requirements	\$	70,000	\$	2,500	\$	72,500
Less Receipts	\$	-	\$	-	\$	-
Net Appropriation	\$	70,000	\$	2,500	\$	72,500
Positions						1.000

Net Adjustments

Requirements	\$	190,905	\$	2,500	\$	193,405
Less Receipts	\$	-	\$	-	\$	-
Net Appropriation	\$	190,905	\$	2,500	\$	193,405
Positions						1.000



Fight the Opioid Epidemic through Substance Use Disorder Treatment and Recovery Services

Directs more than \$9 million in community mental health funding to expand treatment and recovery services for individuals with Opioid Use Disorders. Substance use disorders are a leading cause of accidental death in North Carolina, and treatment and recovery services are part of the solution. An additional \$11 million for TROSA and other treatment programs will assist in recovery-to-workforce solutions.

Improve School Safety and Youth Mental Health

Trains additional educators and school staff in youth Mental Health First Aid, and expands the use of innovative programs to support the mental health needs of children and youth. This budget also funds early childhood programs and critical new family strengthening initiatives that will support families, address childhood trauma, and help to prevent adverse mental health outcomes later in life. These recommendations are part of a \$130 million comprehensive plan to address school safety and youth mental health that spans DHHS, DPS, DPI, and Statewide Reserves.

Invest in Early Learning

Invests nearly \$40 million in early education by adding 1,000 NC Pre-K slots; assists providers in building capacity to accommodate the increased number of slots in the next biennium; supports all 100 counties to improve early childhood educational outcomes and better prepare children for school; and funds over 9,000 additional slots for children from low-income working families to receive subsidized, high quality child care services; and increases the Child Care Subsidy market rate in selected counties.

Close the Health Coverage Gap for Healthier North Carolinians and a Healthier Economy

Recommends expanding Medicaid to cover 670,000 additional individuals and secure North Carolina's share of federal resources to inject over \$4 billion in direct spending into the state.

Transform Medicaid and Health Choice Service Delivery

Provides funding to support the transition of the Medicaid and Health Choice programs from fee-for-service to managed care, including startup costs, by leveraging \$21.4 million of the Medicaid Contingency Reserve.

Create Water Health Safety Unit

Provides funding for a new Water Health Safety Unit in the Department of Health and Human Services (DHHS) Division of Public Health, ensuring the division has the resources it needs to protect the health of North Carolinians by identifying and preventing adverse health effects due to toxic substances, such as GenX. This recommendation is part of a \$14.5 million package with DHHS and the Department of Environmental Quality (DEQ) to address the safety and quality of North Carolina's environment.

Recognize Public Safety and Mental Health Hospital Personnel

Provides \$4.8 million for an additional \$1,000 salary increases for Law Enforcement Officers and Health and Human Services employees based at state-operated health facilities. This is in addition to the cost of living adjustment for most state employees.

Central Management and Support Aging and Adult Services Child Development and Early Education
Public Health Social Services Medical Assistance NC Health Choice Health Benefits
Mental Health/Developmental Disabilities/Substance Abuse Services
Services for the Blind, Deaf and Hard of Hearing Health Services Regulation Vocational Rehabilitation

Division of Central Management and Support (14410)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	184,288,098	211,236,378	226,171,202	18,029,628	-	18,029,628	244,200,830	15.61%	7.97%
Receipts	72,579,442	94,081,169	103,401,797	150,000	-	150,000	103,551,797	10.07%	0.15%
Net Appropriation	111,708,656	117,155,209	122,769,405	17,879,628	-	17,879,628	140,649,033	20.05%	14.56%
Positions (FTE)	837.000	887.750	909.750			0.000	909.750	2.48%	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Funds are also provided for salary increases for state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 10,803,875	\$ -	\$ 10,803,875
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 10,803,875	\$ -	\$ 10,803,875
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers and employees in positions based at state-operated health facilities.

Requirements	\$ 4,950,196	\$ -	\$ 4,950,196
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 4,950,196	\$ -	\$ 4,950,196
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 1,775,557	\$ -	\$ 1,775,557
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,775,557	\$ -	\$ 1,775,557
Positions			0.000

4 - Rural Health Physicians Loan Repayment Program

Provides funds to attract and help retain five to eight health care professionals to rural North Carolina to increase access to quality care in underserved areas. The Office of Rural Health identifies a need for behavioral health services in rural areas and funding would be used to expand the loan repayment program to recruit behavioral health mid-levels (e.g. nurse practitioners, physicians assistants), a subset of behavioral health providers that are currently not recruited by the program.

Requirements	\$ 500,000	\$ -	\$ 500,000
Less Receipts	\$ 150,000	\$ -	\$ 150,000
Net Appropriation	\$ 350,000	\$ -	\$ 350,000
Positions			0.000

Net Adjustments

Requirements	\$ 18,029,628	\$ -	\$ 18,029,628
Less Receipts	\$ 150,000	\$ -	\$ 150,000
Net Appropriation	\$ 17,879,628	\$ -	\$ 17,879,628
Positions			0.000

Division of Aging and Adult Services (14411)

	<u>2017 Session Law-Enacted</u>			<u>2018 Legislative Session Recommended - FY 2018-19</u>				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	106,104,154	108,505,146	107,306,747	81,758	-	81,758	107,388,505	(1.03%)	0.08%
Receipts	62,202,904	62,429,113	62,157,642	81,758	-	81,758	62,239,400	(0.30%)	0.13%
Net Appropriation	43,901,250	46,076,033	45,149,105	-	-	-	45,149,105	(2.01%)	-
Positions (FTE)	76.000	76.000	76.000			1.000	77.000	1.32%	1.32%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Health and Safety of Vulnerable Adults

Funds one full-time equivalent (FTE) who will support expanded Adult Protective Services and Guardianship staff in county Departments of Social Services. The position will provide training, technical assistance, and program oversight to agencies hiring new staff to meet the increased need in both programs. This recommendation is supported by Social Services Block Grant (SSBG) funds.

Requirements	\$ 81,758	\$ -	\$ 81,758
Less Receipts	\$ 81,758	\$ -	\$ 81,758
Net Appropriation	\$ -	\$ -	\$ -
Positions			1.000

Net Adjustments

Requirements	\$ 81,758	\$ -	\$ 81,758
Less Receipts	\$ 81,758	\$ -	\$ 81,758
Net Appropriation	\$ -	\$ -	\$ -
Positions			1.000

Division of Child Development and Early Education (14420)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	688,782,930	724,133,566	740,722,567	67,918,346	34,392,235	102,310,581	843,033,148	16.42%	13.81%
Receipts	455,854,234	455,705,065	462,390,252	64,493,346	34,392,235	98,885,581	561,275,833	23.17%	21.39%
Net Appropriation	232,928,695	268,428,501	278,332,315	3,425,000	-	3,425,000	281,757,315	4.97%	1.23%
Positions (FTE)	316.000	316.000	316.000			9.000	325.000	2.85%	2.85%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - NC Pre-K Capacity Building

Invests almost \$25 million in Temporary Assistance for Needy Families (TANF) block grant funds to increase the NC Pre-K reimbursement rate by 10% per slot and the administrative support by 2%. This effort will assist providers in building capacity to accommodate the increasing number of Pre-K slots. This funding will serve an additional 1,000 at-risk four-year-olds, for a total of 2,000 new slots in the 2018-19 school year.

Requirements	\$ 24,894,607	\$ -	\$ 24,894,607
Less Receipts	\$ 24,894,607	\$ -	\$ 24,894,607
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

2 - Smart Start for Children

Increases the State's investment in Smart Start by over 10%. This will provide increased support and flexibility at the local level to all 100 counties in an effort to improve early childhood educational outcomes and better prepare children for school. Research released in 2016 found that state investments in Smart Start resulted in higher test scores, less grade retention, and fewer special education placements.

Requirements	\$ 15,000,000	\$ -	\$ 15,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 15,000,000	\$ -	\$ 15,000,000
Positions			0.000

3 - Child Care for Working Families

Provides over 9,000 additional slots for child care subsidy payments for children from low-income working families. Subsidy payments allow these families to receive high quality child care services so that parents can go to work, attempt to find work, or receive job training. This funding also increases the Child Care Subsidy market rates to 100% of the most recent market rate survey recommendation for preschool and school-age children in Tier 3 counties to improve child care capacity in those counties. In addition, this recommendation replaces \$11.6 million in state appropriation in the Subsidized Child Care program with Child Care and Development Fund (CCDF) block grant funding.

Requirements	\$ 26,792,765	\$ 34,392,235	\$ 61,185,000
Less Receipts	\$ 38,367,765	\$ 34,392,235	\$ 72,760,000
Net Appropriation	\$ (11,575,000)	\$ -	\$ (11,575,000)
Positions			0.000

4 - Child Care Quality Improvement

Establishes nine FTE to improve the quality of child care in North Carolina and provide administrative oversight. These positions will be supported entirely by the Child Care and Development Fund (CCDF) block grant and include one business officer, one business systems analyst, and seven positions to assist in child care regulation - one lead investigation manager, two lead investigation consultants, one CDC training/planning development supervisor, one administrative officer, one processing assistant, and one office assistant. Funding is also provided to support DCDEE positions funded through the CCDF block grant.

Requirements	\$ 1,230,974	\$ -	\$ 1,230,974
Less Receipts	\$ 1,230,974	\$ -	\$ 1,230,974
Net Appropriation	\$ -	\$ -	\$ -
Positions			9.000

Net Adjustments

Requirements	\$ 67,918,346	\$ 34,392,235	\$ 102,310,581
Less Receipts	\$ 64,493,346	\$ 34,392,235	\$ 98,885,581
Net Appropriation	\$ 3,425,000	\$ -	\$ 3,425,000
Positions			9.000

Division of Public Health (14430)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	766,709,237	882,569,236	878,301,238	1,617,546	9,960	1,627,506	879,928,744	(0.30%)	0.19%
Receipts	601,422,979	725,174,713	723,316,020	(1,500,000)	-	(1,500,000)	721,816,020	(0.46%)	(0.21%)
Net Appropriation	165,286,258	157,394,523	154,985,218	3,117,546	9,960	3,127,506	158,112,724	0.46%	2.02%
Positions (FTE)	1,908.260	1,922.260	1,922.260			4.000	1,926.260	0.21%	0.21%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Water Health Safety Unit			
Provides funding to support four FTE in the Occupational and Environmental Epidemiology Branch's Medical and Risk Assessment Unit. The new staff will ensure the unit is able to address issues around emerging contaminants in the state's water resources, such as Gen X.			
Requirements	\$ 526,863	\$ 9,960	\$ 536,823
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 526,863	\$ 9,960	\$ 536,823
Positions			4.000
2 - The State Laboratory of Public Health			
Continues the state's investment in protecting the health of its residents by restoring and increasing funding to the State Laboratory of Public Health. The expansion replaces lost Medicaid receipts, and puts funds toward maintenance agreements, the increased costs of administering the Newborn Screening Program, and an equipment replacement schedule.			
Requirements	\$ 590,683	\$ -	\$ 590,683
Less Receipts	\$ (2,000,000)	\$ -	\$ (2,000,000)
Net Appropriation	\$ 2,590,683	\$ -	\$ 2,590,683
Positions			0.000
3 - SHIFT NC			
Funds an expansion of SHIFT NC, a statewide nonprofit that partners with local Departments of Social Services/LINKS programs to implement teen pregnancy prevention curricula with youth in foster care. This item will support eight existing partnerships and fund as many as three more. This recommendation is funded with Temporary Assistance for Needy Families (TANF) block grant funds.			
Requirements	\$ 500,000	\$ -	\$ 500,000
Less Receipts	\$ 500,000	\$ -	\$ 500,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
Net Adjustments			
Requirements	\$ 1,617,546	\$ 9,960	\$ 1,627,506
Less Receipts	\$ (1,500,000)	\$ -	\$ (1,500,000)
Net Appropriation	\$ 3,117,546	\$ 9,960	\$ 3,127,506
Positions			4.000

Division of Social Services (14440)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	1,858,402,810	1,879,745,173	1,886,329,905	10,200,000	-	10,200,000	1,896,529,905	0.89%	0.54%
Receipts	1,664,690,812	1,678,772,048	1,681,125,061	10,200,000	-	10,200,000	1,691,325,061	0.75%	0.61%
Net Appropriation	193,711,998	200,973,125	205,204,844	-	-	-	205,204,844	2.11%	-
Positions (FTE)	425.000	427.000	427.000			1.000	428.000	0.23%	0.23%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - School Safety and Youth Mental Health - Social Services

Funds one FTE as well as early childhood programs and critical new family strengthening initiatives that will support families, address childhood trauma, and prevent adverse mental health outcomes later in life. This recommendation is funded with Temporary Assistance for Needy Families (TANF) block grant funds.

Requirements	\$ 10,200,000	\$ -	\$ 10,200,000
Less Receipts	\$ 10,200,000	\$ -	\$ 10,200,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			1.000

Net Adjustments

Requirements	\$ 10,200,000	\$ -	\$ 10,200,000
Less Receipts	\$ 10,200,000	\$ -	\$ 10,200,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			1.000

Division of Medical Assistance (14445)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	14,170,606,492	14,305,119,778	14,637,232,551	1,895,335,007	1,900,000	1,897,235,007	16,534,467,558	15.58%	12.96%
Receipts	10,655,550,929	10,614,364,607	10,835,551,339	1,859,330,090	4,145,884	1,863,475,974	12,699,027,313	19.64%	17.20%
Net Appropriation	3,515,055,562	3,690,755,171	3,801,681,212	36,004,917	(2,245,884)	33,759,033	3,835,440,245	3.92%	0.89%
Positions (FTE)	418.500	416.510	416.510			2.000	418.510	0.48%	0.48%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Medicaid Coverage Gap			
Increases access to Medicaid to cover 670,000 additional individuals effective January 1, 2019, securing North Carolina's share of federal resources, and injecting over \$4.4 billion in direct spending into the state. This will create more than 40,000 jobs, bolster hospitals, and increase healthcare access. The non-federal share of expansion costs is provided through health care provider contributions.			
Requirements	\$ 1,439,113,308	\$ -	\$ 1,439,113,308
Less Receipts	\$ 1,439,113,308	\$ -	\$ 1,439,113,308
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
2 - Medicaid Program Funding Plan			
Provides funds to reflect longstanding and expected changes in the federal participation rate based on an improved North Carolina economy and changes in enrollment, utilization, costs, rates, and services associated with the Medicaid program for the upcoming fiscal year. This recommendation reflects the amount of change from the FY 2018-19 Medicaid budget as enacted in SL 2017-57.			
Requirements	\$ 442,888,130	\$ -	\$ 442,888,130
Less Receipts	\$ 412,062,371	\$ 3,045,884	\$ 415,108,255
Net Appropriation	\$ 30,825,759	\$ (3,045,884)	\$ 27,779,875
Positions			0.000
3 - Developmental Disability Innovations Waiver Program			
Provides an additional 50 North Carolina Innovations Waiver slots, and creates 150 North Carolina Innovations Waiver slots for individuals that do not need the full range or intensity of services offered under the current waiver, but who will benefit from services at their specific level of need.			
Requirements	\$ 7,961,361	\$ -	\$ 7,961,361
Less Receipts	\$ 5,355,807	\$ -	\$ 5,355,807
Net Appropriation	\$ 2,605,554	\$ -	\$ 2,605,554
Positions			0.000
4 - Medicaid Security Requirements			
Provides funding for multifactor authentication for NCTracks providers accessing the claims payment system and to develop and operate/maintain the General Assembly mandated NCTracks enhancements that allow the ability to detect and prevent fraud, waste and abuse.			
Requirements	\$ 3,000,000	\$ 600,000	\$ 3,600,000
Less Receipts	\$ 1,650,000	\$ 450,000	\$ 2,100,000
Net Appropriation	\$ 1,350,000	\$ 150,000	\$ 1,500,000
Positions			0.000
5 - Program Integrity Efforts to Reduce Fraud, Waste, and Abuse			
Provides funds to procure a case management system that will allow for real-time evaluation of program integrity activities including evaluation of recoveries and return on investment associated with investigations and other preventive efforts. The current vendor-owned case management system will expire at the end of 2018.			
Requirements	\$ 2,050,000	\$ 1,300,000	\$ 3,350,000
Less Receipts	\$ 987,500	\$ 650,000	\$ 1,637,500
Net Appropriation	\$ 1,062,500	\$ 650,000	\$ 1,712,500
Positions			0.000
6 - Medicaid Beneficiary Appeals Timeliness			
Provides two FTE to manage the number of contested appeals required by NC General Statute and federal regulations. This recommendation also supports a vendor contract with medical experts to determine whether the beneficiaries requesting expedited review meet the standard for expedited review.			
Requirements	\$ 322,208	\$ -	\$ 322,208
Less Receipts	\$ 161,104	\$ -	\$ 161,104
Net Appropriation	\$ 161,104	\$ -	\$ 161,104
Positions			2.000
Net Adjustments			
Requirements	\$ 1,895,335,007	\$ 1,900,000	\$ 1,897,235,007
Less Receipts	\$ 1,859,330,090	\$ 4,145,884	\$ 1,863,475,974
Net Appropriation	\$ 36,004,917	\$ (2,245,884)	\$ 33,759,033
Positions			2.000

NC Health Choice (14446)

	<u>2017 Session Law-Enacted</u>			<u>2018 Legislative Session Recommended - FY 2018-19</u>				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	191,027,929	194,988,750	206,531,677	2,511,466	-	2,511,466	209,043,143	7.21%	1.22%
Receipts	190,034,179	194,529,502	206,135,268	2,823,341	(313,635)	2,509,706	208,644,974	7.26%	1.22%
Net Appropriation	993,750	459,248	396,409	(311,875)	313,635	1,760	398,169	(13.30%)	0.44%
Positions (FTE)	2.000	2.000	2.000			0.000	2.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Health Choice Program Funding

Provides funds for changes in enrollment, utilization, costs, rates, and services associated with the Health Choice program for the upcoming fiscal year. This recommendation reflects the amount of change from the FY 2018-19 Health Choice budget as enacted in SL 2017-57.

Requirements	\$ 2,511,466	\$ -	\$ 2,511,466
Less Receipts	\$ 2,823,341	\$ (313,635)	\$ 2,509,706
Net Appropriation	\$ (311,875)	\$ 313,635	\$ 1,760
Positions			0.000

Net Adjustments

Requirements	\$ 2,511,466	\$ -	\$ 2,511,466
Less Receipts	\$ 2,823,341	\$ (313,635)	\$ 2,509,706
Net Appropriation	\$ (311,875)	\$ 313,635	\$ 1,760
Positions			0.000

Division of Health Benefits (14447)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	14,790,488	9,735,051	9,779,090	39,624,069	151,439,227	191,063,296	200,842,386	1963.09%	1953.79%
Receipts	5,103,942	-	-	26,678,965	151,439,227	178,118,192	178,118,192	-	-
Net Appropriation	9,686,546	9,735,051	9,779,090	12,945,104	-	12,945,104	22,724,194	133.43%	132.38%
Positions (FTE)	28.000	28.000	28.000			30.000	58.000	107.14%	107.14%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Transform Medicaid and Health Choice Programs			
Provides funding to support 30 FTE, an enrollment broker and Ombudsman program to support beneficiaries, provider data management/credentialing verification and American Sign Language (ASL) interpreters, and technical and operational integration.			
Requirements	\$ 39,624,069	\$ -	\$ 39,624,069
Less Receipts	\$ 26,678,965	\$ -	\$ 26,678,965
Net Appropriation	\$ 12,945,104	\$ -	\$ 12,945,104
Positions			30.000
2 - Transform Medicaid and Health Choice Programs			
Supports startup costs associated with program design and procurement support, the enrollment broker and Ombudsman program, an Electronic Data Interchange and Information Exchange Portal, finance and program integrity capabilities, and development of new operating procedures and operational support. Medicaid Contingency Reserve (\$21.4 million) will be leveraged to draw down an additional \$130 million in federal funds.			
Requirements	\$ -	\$ 151,439,227	\$ 151,439,227
Less Receipts	\$ -	\$ 151,439,227	\$ 151,439,227
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
Net Adjustments			
Requirements	\$ 39,624,069	\$ 151,439,227	\$ 191,063,296
Less Receipts	\$ 26,678,965	\$ 151,439,227	\$ 178,118,192
Net Appropriation	\$ 12,945,104	\$ -	\$ 12,945,104
Positions			30.000

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

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	35,550,781	44,673,935	44,734,249	-	-	-	44,734,249	0.14%	-
Receipts	27,847,787	36,227,168	36,227,168	-	-	-	36,227,168	-	-
Net Appropriation	7,702,995	8,446,767	8,507,081	-	-	-	8,507,081	0.71%	-
Positions (FTE)	331.510	332.090	332.090			0.000	332.090	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - No recommended adjustment.			
Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
Net Adjustments			
Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

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

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	1,404,110,958	1,448,369,353	1,458,133,908	29,722,004	5,939,792	35,661,796	1,493,795,704	3.14%	2.45%
Receipts	818,600,708	752,101,034	753,103,319	7,294,029	2,659,600	9,953,629	763,056,948	1.46%	1.32%
Net Appropriation	585,510,250	696,268,319	705,030,589	22,427,975	3,280,192	25,708,167	730,738,756	4.95%	3.65%
Positions (FTE)	11,141.750	11,216.300	11,216.300			184.000	11,400.300	1.64%	1.64%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Efforts to Address Opioid and Heroin Epidemic			
Provides funding to serve an additional 1,150 to 1,400 individuals through publicly funded Medication-Assisted Treatment as well as alternative treatment methods and recovery support services, including recovery supported housing. The recommendation also funds seven FTE to address the increased incidences of HIV and Hepatitis C associated with the opioid epidemic.			
Requirements	\$ 9,862,500	\$ -	\$ 9,862,500
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 9,862,500	\$ -	\$ 9,862,500
Positions			7.000
2 - Staffing to Support Addiction Treatment and Recovery			
Funds eight FTE to manage new State and federal dollars to address the opioid epidemic. These positions will assure appropriate utilization of these funds and monitor outcomes, allowing the state to comprehensively address the needs of individuals with substance use disorders. This recommendation is supported by Substance Abuse Prevention and Treatment Block Grant (SAPTBG) funds.			
Requirements	\$ 780,425	\$ -	\$ 780,425
Less Receipts	\$ 780,425	\$ -	\$ 780,425
Net Appropriation	\$ -	\$ -	\$ -
Positions			8.000
3 - School Safety and Youth Mental Health: Behavioral Health			
Increases the number of school personnel receiving youth Mental Health First Aid training and expands the use of the Community Resilience Model (CRM) with specific emphasis on school personnel. This recommendation also provides funding for innovative programs to support the mental health needs of children and youth, including evidence-based training programs that help teachers, school staff, and mental health professionals identify and respond to student mental health challenges. This recommendation also supports services to children with identified behavioral health needs and programs designed to give tools to families and providers who care for them. This recommendation is funded with state appropriations and Community Mental Health Services Block Grant (CMHSBG) funds.			
Requirements	\$ 1,982,882	\$ 2,727,925	\$ 4,710,807
Less Receipts	\$ 1,914,662	\$ 2,659,600	\$ 4,574,262
Net Appropriation	\$ 68,220	\$ 68,325	\$ 136,545
Positions			0.000
4 - Opening of New Broughton Hospital			
Creates 169.0 FTE to provide clinical care, treatment, and operational support for the 85 bed hospital.			
Requirements	\$ 13,876,782	\$ -	\$ 13,876,782
Less Receipts	\$ 2,878,085	\$ -	\$ 2,878,085
Net Appropriation	\$ 10,998,697	\$ -	\$ 10,998,697
Positions			169.000
5 - Custodial Capacity Restoration Pilot			
Provides support to create a pilot jail-based mental health Capacity Restoration Requirements Program to individuals who have been adjudicated as Incapable To Proceed (ITP). This funding will provide capacity restoration services in settings other than a state hospital, which will better support county needs, better sustain capacity improvements, and help decrease overall wait time in community emergency departments.			
Requirements	\$ 500,000	\$ -	\$ 500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 500,000	\$ -	\$ 500,000
Positions			0.000
6 - Community-Based Psychiatric Stepdown Pilot			
Provides support to create a pilot program to bridge the gap for individuals who are discharge-ready in state-operated psychiatric facilities, but lack the intensive, community-based services that would allow them to leave the facility and reintegrate into their communities.			
Requirements	\$ -	\$ 3,211,867	\$ 3,211,867
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 3,211,867	\$ 3,211,867
Positions			0.000
7 - Underage Youth Tobacco Enforcement			
Allocates \$300,000 to Alcohol Law Enforcement (ALE) to perform compliance checks regarding minors attempting to purchase tobacco products and issue citations for consummated sales of tobacco products to minors.			
Requirements	\$ 300,000	\$ -	\$ 300,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 300,000	\$ -	\$ 300,000
Positions			0.000

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
8 - Mental Health First Aid and Suicide Prevention Lifeline					
Continues funding for Mental Health First Aid Training and a 24/7/365 accessible suicide prevention lifeline for individuals in crises. State appropriations replace CMHSBG funds that cannot be used for these programs, as they potentially serve a broader population than those living with a serious mental illness or serious emotional disturbance.		Requirements	\$ -	\$ -	\$ -
		Less Receipts	\$ (698,558)	\$ -	\$ (698,558)
		Net Appropriation	\$ 698,558	\$ -	\$ 698,558
		Positions			0.000
9 - Address Key Mental Health Service Gaps for Adults with Significant Mental Illness					
Provides support for community-based providers serving patients who are transitioning from psychiatric hospitals into the community, a mental health jail diversion program, homeless services supports, such as Assertive Community Treatment (ACT), peer-to-peer support, and Community Support Team (CST) services, and services to prevent veteran suicide.		Requirements	\$ 2,419,415	\$ -	\$ 2,419,415
		Less Receipts	\$ 2,419,415	\$ -	\$ 2,419,415
		Net Appropriation	\$ -	\$ -	\$ -
		Positions			0.000
Net Adjustments					
Requirements		\$ 29,722,004	\$ 5,939,792	\$ 35,661,796	
Less Receipts		\$ 7,294,029	\$ 2,659,600	\$ 9,953,629	
Net Appropriation		\$ 22,427,975	\$ 3,280,192	\$ 25,708,167	
Positions				184.000	

Division of Health Services Regulation (14470)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	61,175,452	70,262,155	71,138,648	176,961	6,200	183,161	71,321,809	1.51%	0.26%
Receipts	45,522,122	51,488,348	51,741,930	94,462	3,310	97,772	51,839,702	0.68%	0.19%
Net Appropriation	15,653,331	18,773,807	19,396,718	82,499	2,890	85,389	19,482,107	3.77%	0.44%
Positions (FTE)	569.500	576.500	583.500			2.000	585.500	1.56%	0.34%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Complaint Intake Unit Staff

Provides an additional two FTE to support the increased volume of work needed to process family, patient, resident, and/or consumer complaints against healthcare facilities licensed by the Division of Health Services Regulation.

Requirements	\$ 176,961	\$ 6,200	\$ 183,161
Less Receipts	\$ 94,462	\$ 3,310	\$ 97,772
Net Appropriation	\$ 82,499	\$ 2,890	\$ 85,389
Positions			2.000

Net Adjustments

Requirements	\$ 176,961	\$ 6,200	\$ 183,161
Less Receipts	\$ 94,462	\$ 3,310	\$ 97,772
Net Appropriation	\$ 82,499	\$ 2,890	\$ 85,389
Positions			2.000

Division of Vocational Rehabilitation (14480)

	<u>2017 Session Law-Enacted</u>			<u>2018 Legislative Session Recommended - FY 2018-19</u>				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	127,096,569	145,033,631	145,288,484	-	-	-	145,288,484	0.18%	-
Receipts	90,864,046	106,199,843	106,232,993	-	-	-	106,232,993	0.03%	-
Net Appropriation	36,232,523	38,833,788	39,055,491	-	-	-	39,055,491	0.57%	-
Positions (FTE)	986.250	985.250	985.250			0.000	985.250	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - No recommended adjustment.

Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Net Adjustments

Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000



Creating a Safe Environment for Correctional Staff

Dedicates \$28 million for workplace safety through facility fortification and security for corrections staff by providing additional training, enhanced surveillance and detection tools, and updated technologies.

Recognizing the Importance of Public Safety Personnel

Invests over \$31 million for compensation and retirement packages for law enforcement, probation and parole officers, and correction officers who face challenges daily to keep communities safe. This is added to the cost of living increase for public safety personnel and other state employees.

Preventing Repeat Offenses

Builds on existing Justice Reinvestment strategies with \$1.2 million for the behavioral health needs of those under probation, parole or post-release supervision; increases capacity for post-release supervision mandates; and expands networks that coordinate community-based services for successful re-entry.

Building Capacity to Implement Raise the Age Legislation

Supports the Dec. 1, 2019 implementation with approximately \$7.5 million to increase staff, strengthen training, and establish focused programming for the 16- and 17-year-olds who will enter the system. Additionally, \$2.5 million will provide resources to handle the increased juvenile caseload.

Protecting Our Students and Our Schools

Expands the capabilities of the School Risk and Response Management System by funding positions to provide planning, monitoring and technical assistance. This is part of a \$130 million plan to address school safety and youth mental health that spans DPI, DPS, DHHS, and Statewide Reserves.

Providing Effective Legal Services

Ensures the Department of Justice can deliver effective legal representation to state agencies, boards and commissions, and adds three appellate lawyers for complex criminal cases.

Supporting Evidence Testing, Tracking and Management

Adds capacity to the State Crime Lab by investing \$2.1 million for sexual assault evidence testing to solve cases and provide information to victims and the criminal justice system.

Protecting Children in Domestic Court Proceedings

Provides \$1.8 million to the Guardian Ad Litem program to recruit and coordinate volunteers who advocate for abused and neglected children in court and \$540k for additional Custody Mediators to reduce conflict and resolve custody issues prior to cases going to trial.

Preparing for and Responding to Disasters

Maintains national standards for deployment readiness in the event of a disaster by providing \$1.5 million to supplement statewide Search and Rescue teams for training, equipment maintenance, and administration. Another \$250,000 is recommended for the North Carolina 2-1-1 network to provide information and assistance in the event of a disaster or emergency.

Judicial Branch (12000)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	518,265,297	531,498,981	540,282,831	20,221,155	1,246,847	21,468,002	561,750,833	5.69%	3.97%
Receipts	1,757,346	1,259,409	1,259,409	-	-	-	1,259,409	-	-
Net Appropriation	516,507,951	530,239,572	539,023,422	20,221,155	1,246,847	21,468,002	560,491,424	5.71%	3.98%
Positions (FTE)	5,949.990	5,900.232	5,929.232			79.750	6,008.982	1.84%	1.35%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 10,787,146	\$ -	\$ 10,787,146
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 10,787,146	\$ -	\$ 10,787,146
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 3,933	\$ -	\$ 3,933
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 3,933	\$ -	\$ 3,933
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 1,497,674	\$ -	\$ 1,497,674
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,497,674	\$ -	\$ 1,497,674
Positions			0.000

4 - Consolidated Judicial Retirement System Contribution

Increases the state's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for CJRS is nearly \$30.2 million in FY 2018-19, an increase of \$0.59 million on FY 2018-19.

Requirements	\$ 572,067	\$ -	\$ 572,067
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 572,067	\$ -	\$ 572,067
Positions			0.000

5 - Raise the Age - Provide Additional District Court Staff and Resources to Support this New Legislation

Provides funds for 26 new positions beginning January 1, 2019. These positions are required to meet the projected workload associated with the 2017 Raise the Age legislation. The Administrative Office of the Courts projects staffing needs as follows: Five District Court Judges, eight Assistant District Attorneys, seven Legal Assistants and six Deputy Clerks. This funding will also cover costs to modify the JWisE information management system for juvenile courts to handle the increased caseload.

Requirements	\$ 1,367,917	\$ 1,033,481	\$ 2,401,398
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,367,917	\$ 1,033,481	\$ 2,401,398
Positions			26.000

6 - Guardian Ad Litem Program

Adds 17 Guardian Ad Litem (GAL) supervisors and one Regional Administrator to increase statewide capacity for the GAL Program. The GAL Program equips community volunteers to advocate for the best interests of abused and neglected children in court.

Requirements	\$ 1,810,379	\$ 63,006	\$ 1,873,385
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,810,379	\$ 63,006	\$ 1,873,385
Positions			18.000

7 - Custody Mediators

Creates new Custody Mediation positions to address identified staffing shortages. All cases involving contested custody and visitation issues must go through custody mediation before being tried in court. Mediators resolve cases before court, reduce conflict, keep parents focused on the best interest of children, and save the state court costs.

Requirements	\$ 507,440	\$ 33,370	\$ 540,810
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 507,440	\$ 33,370	\$ 540,810
Positions			4.750

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
8 - District Court Positions					
Funds 25 Assistant District Attorneys and six District Attorney Investigators in order to meet courthouse position needs, based on standardized workload formulas.		Requirements	\$ 3,574,599	\$ 116,990	\$ 3,691,589
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 3,574,599	\$ 116,990	\$ 3,691,589
		Positions			31.000
9 - Operating Support to the North Carolina Innocence Inquiry Commission					
Increases funding for the work of the North Carolina Innocence Inquiry Commission which was created by the General Assembly in 2006 and is charged with providing an independent and balanced truth-seeking forum for credible post-conviction claims of innocence. Over the last decade, funding has remained steady but costs have increased for the Commission's personnel, investigative needs, state-wide travel and data management systems.		Requirements	\$ 100,000	\$ -	\$ 100,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 100,000	\$ -	\$ 100,000
		Positions			0.000
Net Adjustments					
Requirements			\$ 20,221,155	\$ 1,246,847	\$ 21,468,002
Less Receipts			\$ -	\$ -	\$ -
Net Appropriation			\$ 20,221,155	\$ 1,246,847	\$ 21,468,002
Positions					79.750

Judicial Branch - Indigent Defense (12001)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	133,384,798	131,659,887	132,636,156	3,920,348	6,090	3,926,438	136,562,594	3.72%	2.96%
Receipts	10,813,215	10,355,797	10,355,797	-	-	-	10,355,797	-	-
Net Appropriation	122,571,583	121,304,090	122,280,359	3,920,348	6,090	3,926,438	126,206,797	4.04%	3.21%
Positions (FTE)	532.000	530.725	530.725			2.000	532.725	0.38%	0.38%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 995,471	\$ -	\$ 995,471
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 995,471	\$ -	\$ 995,471
Positions			0.000

2 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 187,399	\$ -	\$ 187,399
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 187,399	\$ -	\$ 187,399
Positions			0.000

3 - Consolidated Judicial Retirement System Contribution

Increases the state's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for CJRS is nearly \$30.2 million in FY 2018-19, an increase of \$0.59 million or FY 2018-19.

Requirements	\$ 21,621	\$ -	\$ 21,621
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 21,621	\$ -	\$ 21,621
Positions			0.000

4 - Increase Private Assigned Counsel Rates

Provides a \$5 per hour increase for private counsel representing persons declared indigent by the courts. The increase shall be effective January 1, 2019. Rate reductions in previous years have affected the agency's ability to recruit and retain counsel.

Requirements	\$ 2,412,500	\$ -	\$ 2,412,500
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,412,500	\$ -	\$ 2,412,500
Positions			0.000

5 - Raise the Age - Additional Assitant Juvenile Defender

Provides funds for a second Assistant Juvenile Defender for the Office of the Juvenile Defender. The position is needed to prepare for and carry out the December 2019 implementation of the Raise the Age legislation, which will increase the juvenile population and require more attorneys with experience with juveniles. Juvenile delinquency is a specialized practice of law, and these attorneys require specific training and oversight. This position's work will cover 33-35 counties, and aid Indigent Defense Services (IDS) in building capacity through court observations, data collection, stakeholder meetings and local training.

Requirements	\$ 124,925	\$ 5,190	\$ 130,115
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 124,925	\$ 5,190	\$ 130,115
Positions			1.000

6 - Additional Regional Defender

Adds a third Regional Defender to increase supervision capabilities for private counsel and contract attorneys. This position will cover the western part of the state and provide case and county-specific support as well as training and oversight so that IDS can deliver the most efficient and cost-effective defense counsel.

Requirements	\$ 178,432	\$ 900	\$ 179,332
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 178,432	\$ 900	\$ 179,332
Positions			1.000

Net Adjustments

Requirements	\$ 3,920,348	\$ 6,090	\$ 3,926,438
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 3,920,348	\$ 6,090	\$ 3,926,438
Positions			2.000

Department of Justice (13600)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	89,369,081	81,105,305	79,905,542	5,227,621	2,051,100	7,278,721	87,184,263	7.50%	9.11%
Receipts	30,072,865	33,394,011	33,394,011	-	-	-	33,394,011	-	-
Net Appropriation	59,296,216	47,711,294	46,511,531	5,227,621	2,051,100	7,278,721	53,790,252	12.74%	15.65%
Positions (FTE)	818.880	809.885	809.885			7.000	816.885	0.86%	0.86%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 919,398	\$ -	\$ 919,398
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 919,398	\$ -	\$ 919,398
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 62,595	\$ -	\$ 62,595
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 62,595	\$ -	\$ 62,595
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 172,551	\$ -	\$ 172,551
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 172,551	\$ -	\$ 172,551
Positions			0.000

4 - Operating Support to Legal and Administrative Services

Restores a portion of the management flexibility reduction required by Section 17.5 of SL 2017-57. Restoring this reduction will allow the Department to avoid additional position eliminations and rate increases for client agencies. Due to the management flexibility reduction, the Department has eliminated 68.15 net appropriation-supported full-time equivalent positions (FTE). A corresponding special provision repeals Section 17.5 of SL 2017-57.

Requirements	\$ 3,184,372	\$ -	\$ 3,184,372
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 3,184,372	\$ -	\$ 3,184,372
Positions			0.000

5 - Criminal Appeals Attorneys

Addresses the criminal appeal demands and caseload increases across the legal division by funding three attorney positions to focus on criminal appellate work. This will ensure that attorneys are appropriately trained to handle complex and serious criminal cases and can take on criminal appellate briefs, instead of requiring civil and administrative attorneys to take these cases on a rotating basis. NC is the only state that assigns criminal appellate briefs to non-criminal attorneys due to a lack of criminal appellate attorneys to handle the State's caseload.

Requirements	\$ 405,111	\$ -	\$ 405,111
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 405,111	\$ -	\$ 405,111
Positions			3.000

6 - Public Safety Section Attorney

Funds one additional attorney to represent the Department of Public Safety (DPS). DPS cases are complex and caseload continues to increase substantially in part due to increased inmate litigation and civil rights cases.

Requirements	\$ 151,187	\$ -	\$ 151,187
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 151,187	\$ -	\$ 151,187
Positions			1.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
7 - Sexual Assault Evidence Collection Kits - Testing Untested Kits, Tracking System, Systems Administrator				
Provides funds to process untested sexual assault kits identified by the recent audit, required by Section 17.7 of SL 2017-57. These funds will also be used to acquire an automated system to track kits and to hire an administrator of this tracking system. This tracking system will provide detailed oversight of the kits and allow victims, law enforcement, and prosecutors access to kit information. The State Crime Laboratory requires these funds to meet its statutory charges to protect and improve public safety.	Requirements	\$ 85,038	\$ 2,051,100	\$ 2,136,138
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 85,038	\$ 2,051,100	\$ 2,136,138
	Positions			1.000
8 - Justice Academy Firearms Training Instructor				
Funds a second full-time Firearms Training Instructor to be housed at the Western Campus. This position will enable the North Carolina Justice Academy to expand its course offerings, develop additional firearms training, and better meet the demands of North Carolina law enforcement agencies.	Requirements	\$ 90,608	\$ -	\$ 90,608
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 90,608	\$ -	\$ 90,608
	Positions			1.000
9 - Information Security Officer				
Establish a position to focus on cybersecurity threats. The Department retains extremely sensitive legal and criminal information and has experienced ongoing threats to network security and data. Department of Information Technology's National Institute of Standards (NIST) Risk Management Framework recommends that departments create new positions to focus on cybersecurity.	Requirements	\$ 156,761	\$ -	\$ 156,761
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 156,761	\$ -	\$ 156,761
	Positions			1.000
Net Adjustments				
	Requirements	\$ 5,227,621	\$ 2,051,100	\$ 7,278,721
	Less Receipts	\$ -	\$ -	-
	Net Appropriation	\$ 5,227,621	\$ 2,051,100	\$ 7,278,721
	Positions			7.000

Department of Public Safety (14550)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	2,200,095,011	2,212,549,106	2,230,441,097	93,432,559	1,490,834	94,923,393	2,325,364,490	5.10%	4.26%
Receipts	235,023,423	209,849,060	209,849,060	1,158,584	75,030	1,233,614	211,082,674	0.59%	0.59%
Net Appropriation	1,965,071,588	2,002,700,046	2,020,592,037	92,273,975	1,415,804	93,689,779	2,114,281,816	5.57%	4.64%
Positions (FTE)	24,961.980	24,701.456	24,510.456			395.000	24,905.456	0.83%	1.61%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Funds are also provided for salary increases for state agency teachers who are paid in accordance with the statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 39,007,325	\$ -	\$ 39,007,325
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 39,007,325	\$ -	\$ 39,007,325
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers, probation and parole officers, and employees in positions based in state adult and juvenile correctional institutions.

Requirements	\$ 25,708,135	\$ -	\$ 25,708,135
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 25,708,135	\$ -	\$ 25,708,135
Positions			0.000

3 - Sign-On & Referral Bonus Reserve

Provides funds for sign-on and referral bonuses for hard-to-staff and high-turnover positions. A corresponding special provision provides additional details on these bonuses.

Requirements	\$ -	\$ 500,000	\$ 500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 500,000	\$ 500,000
Positions			0.000

4 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 5,694,187	\$ -	\$ 5,694,187
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 5,694,187	\$ -	\$ 5,694,187
Positions			0.000

5 - Correctional Staff Safety

Creates a three-person Prison Safety Project Management Team dedicated to deploying initiatives that improve staff safety including upgraded security cameras, "Man-Down" technology, and emergency response tools. This team will report to the office of the Chief Deputy Secretary of Adult Correction and Juvenile Justice. Recurring funds also provide maintenance and equipment replacement of these items and an additional three FTE required to support the new technologies. Nonrecurring funding for costs associated with initial equipment purchases and infrastructure modifications are provided in the statewide Public Safety Reserve.

Requirements	\$ 923,703	\$ 83,375	\$ 1,007,078
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 923,703	\$ 83,375	\$ 1,007,078
Positions			6.000

6 - Corrections Facility Security

Reinforces facility security by strengthening the agency's Special Operations Unit and funding contractual services for contraband detection. Eight positions will form a specialized team within the agency's Special Operations and Intelligence Unit available for statewide deployment to assist with multiple operational needs. Funds will also support contractual services for mobile managed access detection capable of providing monitoring to all facilities.

Requirements	\$ 1,187,847	\$ 225,096	\$ 1,412,943
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,187,847	\$ 225,096	\$ 1,412,943
Positions			8.000

7 - Correctional Officer Training and Preparedness

Establishes one additional training team of eight FTE to sustain the current level of Basic Correctional Officer training. The team will provide timely instruction to the department, overhaul the current curriculum, and extend the length of training to best prepare correctional officers for the conditions they will encounter on duty.

Requirements	\$ 831,496	\$ 4,000	\$ 835,496
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 831,496	\$ 4,000	\$ 835,496
Positions			8.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
8 - Raise the Age - Minimum Program Service Levels				
Provides funding to local Juvenile Crime Prevention Councils (JCPC) and Level II community-based and residential programs to establish a minimum level of programming critical to addressing the needs of the 16- and 17-year-old population that will be entering the system with the implementation of Raise the Age legislation. FY 2018-19 provides recurring funds of \$3.4M for local JCPCs and \$200k nonrecurring funds for site development and renovations of sites associated with residential services. The remaining funds establish six positions effective January 1, 2019, to ensure quality of service. The recurring funding needs are expected to annualize at \$11.3M with the continuing growth of this population.				
Requirements	\$ 3,769,897	\$ 318,342	\$ 4,088,239	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 3,769,897	\$ 318,342	\$ 4,088,239	
Positions				6.000
9 - Raise the Age - Capacity Building for Support Functions				
Prepares for the implementation of Raise the Age legislation effective December 1, 2019, by establishing 82 positions essential to providing support for the additional caseload projections of the initial influx of juveniles into the system. These funds support 15 full time certified drivers to provide safe transportation, 65 court counselors to service the needs of the juveniles and their families, and two trainers to ensure comprehensive and timely training of Juvenile Justice staff. Nonrecurring funding of \$2.3M covers position setup costs and funding for 32 transport vans outfitted with security equipment.				
Requirements	\$ 1,125,129	\$ 2,329,705	\$ 3,454,834	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 1,125,129	\$ 2,329,705	\$ 3,454,834	
Positions				82.000
10 - Re-entry - Program Support Levels				
Expands capacity for Community Corrections by adding eight FTE. Four licensed clinical social workers will provide guidance and oversight to field officers to more effectively address the needs of individuals on probation, parole or post-release who have serious and persistent mental health issues. An additional two post-release specialists and two hearing officers will increase the agency's ability to meet departmental policy and legal mandates related to post-release supervision requirements of the Justice Reinvestment Act.				
Requirements	\$ 558,060	\$ 201,140	\$ 759,200	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 558,060	\$ 201,140	\$ 759,200	
Positions				8.000
11 - Re-entry - Community Partners				
Fosters ongoing relationships with community partners by establishing four Community Development Specialist positions in Re-entry Programs and Services. These positions will focus on building partnerships with non-profit and faith-based organizations; ensuring that partners have the necessary training and skills to help individuals find employment and secure housing; and improving coordination of other services for successful re-entry and to decrease recidivism.				
Requirements	\$ 336,494	\$ 104,000	\$ 440,494	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 336,494	\$ 104,000	\$ 440,494	
Positions				4.000
12 - Long-Term Care Facility for Central Prison				
Provides operating costs and 77 positions to support the first phase of a new long-term care facility for chronically ill inmates, decreasing external medical costs and providing a more secure environment. The East Wing of the facility is scheduled for completion in February 2019.				
Requirements	\$ 4,137,751	\$ 1,471,378	\$ 5,609,129	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 4,137,751	\$ 1,471,378	\$ 5,609,129	
Positions				77.000
13 - Human Resources to Support Public Safety Functions				
Strengthens the Human Resources Office by adding 17 positions to meet recruitment, hiring and training demands essential to support operational areas. Funds will also establish a South Central Region office to facilitate employment and support HR functions for facilities in the region.				
Requirements	\$ 1,046,131	\$ 48,275	\$ 1,094,406	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 1,046,131	\$ 48,275	\$ 1,094,406	
Positions				17.000
14 - Recruiting Budget for the Division of Prisons				
Establishes a recurring budget to assist Prisons with the recruitment of mission critical staff by enhancing recruiting materials and expanding outreach efforts to hire correctional officers and medical staff.				
Requirements	\$ 500,000	\$ -	\$ 500,000	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 500,000	\$ -	\$ 500,000	
Positions				0.000
15 - School Safety and Youth Mental Health - School Risk and Response Management System				
Supports the legislatively required (SL 2015-241) School Risk Management System by providing two technical staff to support hardware, planning, programming and data maintenance and integration, as well as two planning staff to monitor school plans and drills while providing technical guidance to stakeholders.				
Requirements	\$ 444,126	\$ 17,719	\$ 461,845	
Less Receipts	\$ -	\$ -	\$ -	
Net Appropriation	\$ 444,126	\$ 17,719	\$ 461,845	
Positions				4.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
16 - Statewide Search and Rescue Teams				
Provides funds to Search and Rescue teams located throughout the state to supplement local funding for training, administration and equipment maintenance expenses. These teams ensure national standards are met in the event of a disaster.		Requirements	\$ 1,500,000	\$ - \$ 1,500,000
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ 1,500,000	\$ 1,500,000
		Positions		0.000
17 - North Carolina 2-1-1				
Provides funding for North Carolina 2-1-1, an information, intake and referral service which connects North Carolinians with needed resources during disasters and other emergency situations.		Requirements	\$ -	\$ 250,000 \$ 250,000
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ -	\$ 250,000
		Positions		0.000
18 - SBI Positions				
Supports law enforcement efforts to combat illicit activities and maintain public safety by providing salary, benefits and operating support for nine additional SBI positions focused on opioids, gangs, computer crimes, and human trafficking investigations.		Requirements	\$ 800,000	\$ - \$ 800,000
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ 800,000	\$ 800,000
		Positions		9.000
19 - NC National Guard - Mission Support Positions				
Adds nine FTE to enable the NC National Guard to carry out mission critical projects. Six positions in Construction and Facilities Management will perform necessary repairs and modernization of older facilities and pursue new construction projects. Three IT positions will enhance the Guard's capabilities to accomplish required statewide support of information technology infrastructure, increase cyber security requirements, and monitor and track automated systems. Six positions are split funded federal-state and the remaining three are 100% federally funded.		Requirements	\$ 810,213	\$ - \$ 810,213
		Less Receipts	\$ 528,700	\$ - \$ 528,700
		Net Appropriation	\$ 281,513	\$ - \$ 281,513
		Positions		9.000
20 - NC National Guard - Substance Abuse Prevention Program				
Continues a substance abuse prevention, assessment, and treatment program aimed at reducing the number of NC National Guard service members at risk for drug and alcohol misuse. Federal funding for this program ended in 2016.		Requirements	\$ 50,000	\$ - \$ 50,000
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ 50,000	\$ - \$ 50,000
		Positions		0.000
21 - Tarheel Challenge High School Diploma Program				
Establishes eight educator positions to support the Tarheel Challenge Academy efforts to ensure that cadets receive a high school diploma. These positions are funded with 75% federal funding and 25% state funding.		Requirements	\$ 839,829	\$ 100,040 \$ 939,869
		Less Receipts	\$ 629,884	\$ 75,030 \$ 704,914
		Net Appropriation	\$ 209,945	\$ 25,010 \$ 234,955
		Positions		8.000
22 - Vacant Nursing Positions				
Restores 149 of 196 nursing positions eliminated and moved to temporary contract services in SL 2017-57. The Department has renewed efforts to recruit and retain permanent nursing staff. In recognition of the need to fill service gaps in areas that have on-going difficulty recruiting nursing staff, \$3.6 million will remain in the contract line to fund nursing contracts with third-party providers.		Requirements	\$ 11,150,782	\$ - \$ 11,150,782
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ 11,150,782	\$ - \$ 11,150,782
		Positions		149.000
23 - Temporary Nursing Services				
Redirects \$11.15 million from contracted nursing services to restore 149 of 196 nursing positions eliminated in SL 2017-57. In recognition of the need to fill service gaps in areas that have on-going difficulty recruiting nursing staff, \$3.6 million will remain in the contract line to fund nursing contracts with third-party providers.		Requirements	\$ (11,150,782)	\$ - \$ (11,150,782)
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ (11,150,782)	\$ - \$ (11,150,782)
		Positions		0.000
24 - VIPER Tower Construction				
Restores recurring funding for new VIPER tower construction. The planned construction of new towers will not be completed before FY 2021-22, therefore, recurring funding is necessary to successfully implement the system infrastructure.		Requirements	\$ 4,162,236	\$ (4,162,236) \$ -
		Less Receipts	\$ -	\$ -
		Net Appropriation	\$ 4,162,236	\$ (4,162,236) \$ -
		Positions		0.000
Net Adjustments				
Requirements		\$ 93,432,559	\$ 1,490,834	\$ 94,923,393
Less Receipts		\$ 1,158,584	\$ 75,030	\$ 1,233,614
Net Appropriation		\$ 92,273,975	\$ 1,415,804	\$ 93,689,779
Positions				395.000



NATURAL AND ECONOMIC RESOURCES

Common Ground Solutions
for NORTH CAROLINA

Preserving and Safeguarding our Natural Resources

Protects the state's natural resources by directing Deed Stamp tax revenue to the three trusts that preserve land for the environment, farming and recreation: Farmland Preservation Trust Fund, Clean Water Management Trust Fund and Parks and Recreation Trust Fund. In FY 2018-19, this is anticipated to total over \$15.9 million. In addition, \$700,000 is provided for the NC Forest Service to replace emergency response and fire-fighting equipment.

Protecting Clean Drinking Water Supply

Invests in measures to ensure the state has a sufficient supply of clean and safe drinking water. Of the funds appropriated, \$8 million will support the testing and analysis of the state's water supply for perfluorinated compounds and other emerging contaminants. Additionally, \$2.8 million is provided for state matching funds to leverage an additional \$14 million in federal funds for drinking water infrastructure projects.

Strengthening Rural Communities and Small Businesses

Invests \$18.7 million in competitive grant programs for upgrading infrastructure in rural communities and early-stage funding to small businesses to promote good jobs in rural areas. Funds are also provided for a new Research Analyst position focused on collecting rural economic development best practices and identifying potential business sectors to recruit.

Supporting Employer Innovation and Workplace Training

Provides \$10 million for a competitive grant program to assist employers in addressing industry-specific workforce training needs. The Department of Commerce will collaborate with Workforce Development Boards, the NC Community College System and employers to fund apprenticeships, paid internships and other industry-specific training programs.

Enriching Communities Through the Arts

Provides more than \$750,000 to the A+ Schools program and smART initiative. These programs use arts education to enhance learning and to support downtown revitalization to increase quality of life for students, residents, business owners, and tourists across North Carolina.

Modernize Environmental Permitting Systems

Supports businesses and the environment by investing \$4.4 million to transform the industrial permitting process, bringing it into the 21st century. Funding will launch a permit transformation project, which will improve transparency, streamline the permitting process, and provide online access and tracking for all permits.

Department of Agriculture and Consumer Services

Department of Environmental Quality

Department of Labor

Department of Commerce

Department of Natural and Cultural Resources

Wildlife Resources Commission

Department of Agriculture and Consumer Services (13700)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	220,197,414	189,207,679	178,391,460	6,398,861	10,700,000	17,098,861	195,490,321	3.32%	9.59%
Receipts	60,009,409	55,537,775	55,537,775	2,810,000	-	2,810,000	58,347,775	5.06%	5.06%
Net Appropriation	160,188,005	133,669,904	122,853,685	3,588,861	10,700,000	14,288,861	137,142,546	2.60%	11.63%
Positions (FTE)	1,816.350	1,811.620	1,811.620			1.000	1,812.620	0.06%	0.06%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 2,197,954	\$ -	\$ 2,197,954
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,197,954	\$ -	\$ 2,197,954
Positions			0.000
2 - Compensation Increase Reserve - Public Safety & Mental Health			
Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.			
Requirements	\$ 22,285	\$ -	\$ 22,285
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 22,285	\$ -	\$ 22,285
Positions			0.000
3 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 341,669	\$ -	\$ 341,669
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 341,669	\$ -	\$ 341,669
Positions			0.000
4 - NC Agricultural Sciences Center Complex Manager			
Creates a position to serve as point of contact during construction of the new facility and to assist with the planning and implementation of the forthcoming laboratory relocations. This position will oversee laboratory administration and operations once the complex opens.			
Requirements	\$ 146,953	\$ -	\$ 146,953
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 146,953	\$ -	\$ 146,953
Positions			1.000
5 - Forest Service Aviation			
Provides funds for NC Forest Service to operate three aircraft hubs, as required by SL 2011-145, implement new software and systems, and fund increased facility lease and insurance costs.			
Requirements	\$ 500,000	\$ -	\$ 500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 500,000	\$ -	\$ 500,000
Positions			0.000
6 - Laboratory Equipment Maintenance			
Provides funds equal to actual equipment maintenance needs for Agronomic Services; Food, Drug, and Cosmetic Analysis; and Veterinary Services divisions. Funds would otherwise be diverted from other department activities to cover this necessary expense. This equipment is needed to protect the public health, safety, and welfare of North Carolinians.			
Requirements	\$ 300,000	\$ -	\$ 300,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 300,000	\$ -	\$ 300,000
Positions			0.000
7 - North Carolina's Water Protected from Pesticides			
Provides funds to manage and supervise the safe collection and lawful disposal of banned, outdated, and unwanted pesticides. This program protects human health and the environment by reducing the potential for pesticide contamination of drinking water, groundwater, streams, rivers, land, and air across the state.			
Requirements	\$ 80,000	\$ -	\$ 80,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 80,000	\$ -	\$ 80,000
Positions			0.000

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
8 - Forest Service Emergency Response Equipment					
Provides funds to replace outdated emergency response heavy equipment, including fire dozers, truck tractors, and trailers which are needed to improve efficiency and ensure optimum performance of the Forest Service's wildfire response fleet.		Requirements	\$ -	\$ 700,000	\$ 700,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ -	\$ 700,000	\$ 700,000
Positions					0.000
9 - North Carolina's Farmland					
Provides 15% of the dedicated Deed Stamp revenue and \$10 million in non-recurring appropriation to the Farmland Preservation Trust Fund. These funds will be used to protect working family farms, sustain military buffers, and as grant match for federal grant programs. A corresponding special provision dedicates Deed Stamp revenue to this fund as well as the Parks and Recreation Trust Fund, the Clean Water Management Trust Fund, and the Housing Trust Fund. Total requirements for Farmland Preservation grant spending, from all funding sources, is expected to be \$15.4 million in FY 2018-19.		Requirements	\$ 2,810,000	\$ 10,000,000	\$ 12,810,000
		Less Receipts	\$ 2,810,000	\$ -	\$ 2,810,000
		Net Appropriation	\$ -	\$ 10,000,000	\$ 10,000,000
Positions					0.000
Net Adjustments					
Requirements		\$	6,398,861	\$ 10,700,000	\$ 17,098,861
Less Receipts		\$	2,810,000	\$ -	\$ 2,810,000
Net Appropriation		\$	3,588,861	\$ 10,700,000	\$ 14,288,861
Positions					1.000

Department of Labor (13800)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	32,337,535	33,857,389	34,062,361	(606,193)	-	(606,193)	33,456,168	(1.19%)	(1.78%)
Receipts	16,928,919	16,242,410	16,242,410	(2,104,159)	-	(2,104,159)	14,138,251	(12.95%)	(12.95%)
Net Appropriation	15,408,616	17,614,979	17,819,951	1,497,966	-	1,497,966	19,317,917	9.67%	8.41%
Positions (FTE)	381.280	381.290	381.290			0.000	381.290	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 350,823	\$ -	\$ 350,823
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 350,823	\$ -	\$ 350,823
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 65,063	\$ -	\$ 65,063
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 65,063	\$ -	\$ 65,063
Positions			0.000
3 - Position Funding			
Fund shifts positions to net appropriation. These positions are currently partially or fully-funded by indirect costs, which are an unstable source of funding and fluctuate from year to year.			
Requirements	\$ (1,052,079)	\$ -	\$ (1,052,079)
Less Receipts	\$ (2,104,159)	\$ -	\$ (2,104,159)
Net Appropriation	\$ 1,052,080	\$ -	\$ 1,052,080
Positions			0.000
4 - Occupational Safety and Health Review Commission			
Provides funds to hire additional hearing examiners to increase the capacity of the Commission to review more cases, and for training and staff development, which shall include continuing legal education for hearing examiners and Commission members.			
Requirements	\$ 30,000	\$ -	\$ 30,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 30,000	\$ -	\$ 30,000
Positions			0.000
Net Adjustments			
Requirements	\$ (606,193)	\$ -	\$ (606,193)
Less Receipts	\$ (2,104,159)	\$ -	\$ (2,104,159)
Net Appropriation	\$ 1,497,966	\$ -	\$ 1,497,966
Positions			0.000

Department of Environmental Quality (14300)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	191,865,895	228,804,995	227,647,382	11,357,886	5,808,808	17,166,694	244,814,076	7.00%	7.54%
Receipts	81,171,477	150,634,668	150,634,668	-	-	-	150,634,668	-	-
Net Appropriation	110,694,418	78,170,327	77,012,714	11,357,886	5,808,808	17,166,694	94,179,408	20.48%	22.29%
Positions (FTE)	1,119.700	1,096.092	1,096.092			58.000	1,154.092	5.29%	5.29%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Requirements	\$ 871,789	\$ -	\$ 871,789
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 871,789	\$ -	\$ 871,789
Positions			0.000
2 - Compensation Increase Reserve - Public Safety & Mental Health			
Requirements	\$ 61,888	\$ -	\$ 61,888
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 61,888	\$ -	\$ 61,888
Positions			0.000
3 - TSERS Retirement Contribution			
Requirements	\$ 157,456	\$ -	\$ 157,456
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 157,456	\$ -	\$ 157,456
Positions			0.000
4 - Emerging Compounds Testing			
Requirements	\$ 6,996,333	\$ 1,019,050	\$ 8,015,383
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 6,996,333	\$ 1,019,050	\$ 8,015,383
Positions			45.000
5 - New Streamlined Permitting Process to Support Businesses			
Requirements	\$ 2,643,474	\$ 1,893,860	\$ 4,537,334
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,643,474	\$ 1,893,860	\$ 4,537,334
Positions			11.000
6 - Additional Resources for Dam Safety			
Requirements	\$ 250,000	\$ -	\$ 250,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 250,000	\$ -	\$ 250,000
Positions			0.000
7 - Utility Savings Initiative			
Requirements	\$ 200,000	\$ -	\$ 200,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 200,000	\$ -	\$ 200,000
Positions			0.000

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
8 - Northern Shellfish Laboratory					
Adds two lab technicians to test shellfish harvesting waters and 204 coastal swimming sites. This new laboratory will allow for required testing of coastal waters to protect the health of North Carolina citizens from illnesses associated with the consumption of shellfish.		Requirements	\$ 176,946	\$ 95,898	\$ 272,844
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ 176,946	\$ 95,898	\$ 272,844
		Positions			2.000
9 - State Match for Drinking Water State Revolving Fund (DWSRF)					
Provides additional funds for the State match for the DWSRF to more closely align with actual needs of the program. Total net State appropriation will increase to \$7.3 million.		Requirements	\$ -	\$ 2,800,000	\$ 2,800,000
		Less Receipts	\$ -	\$ -	\$ -
		Net Appropriation	\$ -	\$ 2,800,000	\$ 2,800,000
		Positions			0.000
Net Adjustments					
Requirements			\$ 11,357,886	\$ 5,808,808	\$ 17,166,694
Less Receipts			\$ -	\$ -	\$ -
Net Appropriation			\$ 11,357,886	\$ 5,808,808	\$ 17,166,694
Positions					58.000

Environmental Quality - Coal Ash Management Fund (24340)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	1,755,016	1,668,403	1,668,403	635,000	-	635,000	2,303,403	38.06%	38.06%
Receipts	3,009,192	1,668,931	1,668,931	635,000	-	635,000	2,303,931	38.05%	38.05%
Δ in Fund Balance	1,254,175	528	528	-	-	-	528	-	-
Positions (FTE)	20.490	21.221	21.221			0.000	21.221	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Coal Ash Management			
Provides additional operating support needed to implement the Coal Ash Management Act. A corresponding special provision restores the Coal Ash Combustion Residuals fee to 0.03%.			
Requirements	\$ 635,000	\$ -	\$ 635,000
Less Receipts	\$ 635,000	\$ -	\$ 635,000
Δ in Fund Balance	\$ -	\$ -	\$ -
Positions			0.000
Net Adjustments			
Requirements	\$ 635,000	\$ -	\$ 635,000
Less Receipts	\$ 635,000	\$ -	\$ 635,000
Δ in Fund Balance	\$ -	\$ -	\$ -
Positions			0.000

Wildlife Resources Commission (14350)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	73,835,056	73,491,582	73,606,136	348,456	-	348,456	73,954,592	0.63%	0.47%
Receipts	63,122,357	62,312,595	62,762,595	-	-	-	62,762,595	0.72%	-
Net Appropriation	10,712,700	11,178,987	10,843,541	348,456	-	348,456	11,191,997	0.12%	3.21%
Positions (FTE)	647.790	648.810	648.810			0.000	648.810	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 244,010	\$ -	\$ 244,010
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 244,010	\$ -	\$ 244,010
Positions			0.000
2 - Compensation Increase Reserve - Public Safety & Mental Health			
Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.			
Requirements	\$ 68,822	\$ -	\$ 68,822
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 68,822	\$ -	\$ 68,822
Positions			0.000
3 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 35,624	\$ -	\$ 35,624
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 35,624	\$ -	\$ 35,624
Positions			0.000
Net Adjustments			
Requirements	\$ 348,456	\$ -	\$ 348,456
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 348,456	\$ -	\$ 348,456
Positions			0.000

Department of Commerce (14600)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	212,256,747	194,246,634	182,655,780	10,337,629	-	10,337,629	192,993,409	(0.65%)	5.66%
Receipts	55,851,705	53,496,902	52,496,902	10,000,000	-	10,000,000	62,496,902	16.82%	19.05%
Net Appropriation	156,405,042	140,749,732	130,158,878	337,629	-	337,629	130,496,507	(7.28%)	0.26%
Positions (FTE)	332.010	180.250	180.250			1.000	181.250	0.55%	0.55%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Cost of Living Adjustment Reserve - State Employees			
Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.			
Requirements	\$ 202,126	\$ -	\$ 202,126
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 202,126	\$ -	\$ 202,126
Positions			0.000
2 - TSERS Retirement Contribution			
Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19			
Requirements	\$ 35,503	\$ -	\$ 35,503
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 35,503	\$ -	\$ 35,503
Positions			0.000
3 - NC Job Ready (Workforce) - Employer Training Fund			
Establishes a competitive grant fund in the Department of Commerce to assist employers in addressing unique workforce training needs and employee skill gaps. Funds may be used to support work-based learning initiatives, including but not limited to the establishment or expansion of employer apprenticeship programs, "up-skilling" of existing employees to address gaps in skilled labor and open entry-level positions, and paid internship or flexible, part-time employment opportunities for students. The Department of Commerce will collaborate with employers, Workforce Development Boards, the NC Community College System, and other entities to design and implement the grant program.			
Requirements	\$ 10,000,000	\$ -	\$ 10,000,000
Less Receipts	\$ 10,000,000	\$ -	\$ 10,000,000
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000
4 - Rural Economic Research and Analysis			
Provides funds to improve research and data collection on rural economic development best practices, interconnected markets, identification of target sectors and asset inventory. The funds also support one research analyst position to serve as a resource for the Rural Economic Development Division and other state agencies.			
Requirements	\$ 100,000	\$ -	\$ 100,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 100,000	\$ -	\$ 100,000
Positions			1.000
Net Adjustments			
Requirements	\$ 10,337,629	\$ -	\$ 10,337,629
Less Receipts	\$ 10,000,000	\$ -	\$ 10,000,000
Net Appropriation	\$ 337,629	\$ -	\$ 337,629
Positions			1.000

Commerce - General State Aid (14601)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	18,705,810	20,300,810	16,155,810	-	2,500,000	2,500,000	18,655,810	(8.10%)	15.47%
Receipts	-	-	-	-	-	-	-	-	-
Net Appropriation	18,705,810	20,300,810	16,155,810	-	2,500,000	2,500,000	18,655,810	(8.10%)	15.47%
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Carolina Small Business Development Fund

Provides nonrecurring funding to the Carolina Small Business Development Fund. This non-profit provides small business loans and financial training to start-ups and existing businesses and lending services to community-based organizations.

Requirements	\$ -	\$ 2,500,000	\$ 2,500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 2,500,000	\$ 2,500,000
Positions			0.000

Net Adjustments

Requirements	\$ -	\$ 2,500,000	\$ 2,500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 2,500,000	\$ 2,500,000
Positions			0.000

Commerce - Economic Development (14602)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	-	-	-	14,200,000	16,479,142	30,679,142	30,679,142	-	-
Receipts	-	-	-	-	-	-	-	-	-
Net Appropriation	-	-	-	14,200,000	16,479,142	30,679,142	30,679,142	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Rural Economic Development Grant Programs			
Supports economic development in rural communities through grants by the Rural Building Reuse, Rural Infrastructure, and Main Street Solutions programs. The allocation of funding among these programs will be flexible and distributed to projects with the greatest benefit or demand. The revised net recurring appropriation for the Rural Economic Development Division is \$25 million.			
Requirements	\$ 12,200,000	\$ -	\$ 12,200,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 12,200,000	\$ -	\$ 12,200,000
Positions			0.000
2 - Community Innovation Fund			
Assists rural, small, and medium sized communities in transitioning to a knowledge and innovation based economy through competitive grants. The program will build upon the successful InnovateNC pilot initiative funded through the Kenan Creative Collaboratory.			
Requirements	\$ 2,000,000	\$ 1,500,000	\$ 3,500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,000,000	\$ 1,500,000	\$ 3,500,000
Positions			0.000
3 - Small Business Technology Commercialization Program			
Provides nonrecurring funds to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or Small Business Technology Transfer program. This program was formerly referred to as the One NC Small Business Fund.			
Requirements	\$ -	\$ 3,000,000	\$ 3,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 3,000,000	\$ 3,000,000
Positions			0.000
4 - One North Carolina Fund			
Increases funding for the One North Carolina Fund based on the department's assessment of estimated needs for FY 2018-19 and the projected fund balance available to meet those needs. This adjustment does not affect the operations of the One North Carolina Fund. The revised net appropriation for OneNC is \$11.9 million in FY 2018-19.			
Requirements	\$ -	\$ 2,886,280	\$ 2,886,280
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 2,886,280	\$ 2,886,280
Positions			0.000
5 - Job Development Investment Grants (JDIG) Fund			
Reduces funding for the Job Development Investment Grants (JDIG) Fund based on the department's assessment of estimated needs for FY 2018-19 and the projected fund balance available to meet these needs. This adjustment does not affect the operations of the JDIG Program. The revised net appropriation for the JDIG program is \$69.2 million in FY 2018-19.			
Requirements	\$ -	\$ (2,551,079)	\$ (2,551,079)
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ (2,551,079)	\$ (2,551,079)
Positions			0.000
6 - Job Maintenance and Capital (JMAC) Development Fund			
Reduces funding for the Job Maintenance and Capital (JMAC) Development Fund based on the department's assessment of estimated needs for FY 2018-19 and the projected fund balance available to meet these needs. The revised net appropriation for JMAC is \$7.1 million in FY 2018-19.			
Requirements	\$ -	\$ (356,059)	\$ (356,059)
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ (356,059)	\$ (356,059)
Positions			0.000
7 - Army Futures Command			
Provides funding for site planning and concept design for the Army Futures Command.			
Requirements	\$ -	\$ 2,000,000	\$ 2,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 2,000,000	\$ 2,000,000
Positions			0.000
8 - Edgecombe County Site Development			
Appropriates \$10 million to assist with the site development costs of the Triangle Tyre Co, Ltd facility in Edgecombe County.			
Requirements	\$ -	\$ 10,000,000	\$ 10,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 10,000,000	\$ 10,000,000
Positions			0.000

Net Adjustments

Requirements	\$ 14,200,000	\$ 16,479,142	\$ 30,679,142
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 14,200,000	\$ 16,479,142	\$ 30,679,142
Positions			0.000

Natural and Cultural Resources (14800)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	225,804,431	225,783,921	214,747,996	5,389,242	1,169,980	6,559,222	221,307,218	(1.98%)	3.05%
Receipts	41,257,761	40,270,572	40,270,572	-	-	-	40,270,572	-	-
Net Appropriation	184,546,670	185,513,349	174,477,424	5,389,242	1,169,980	6,559,222	181,036,646	(2.41%)	3.76%
Positions (FTE)	1,813.980	1,818.780	1,818.780			12.000	1,830.780	0.66%	0.66%

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$1,250 or 2% cost of living adjustment for state employees. Corresponding special provisions provide additional details on these compensation adjustments. The net appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is \$12.26 billion, an increase of over \$321 million for FY 2018-19.

Requirements	\$ 2,678,513	\$ -	\$ 2,678,513
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 2,678,513	\$ -	\$ 2,678,513
Positions			0.000

2 - Compensation Increase Reserve - Public Safety & Mental Health

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers.

Requirements	\$ 273,978	\$ -	\$ 273,978
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 273,978	\$ -	\$ 273,978
Positions			0.000

3 - TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and state Employees' Retirement System (TSERS) supported by the General Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.0 billion in FY 2018-19, an increase of \$57.5 million for FY 2018-19

Requirements	\$ 385,438	\$ -	\$ 385,438
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 385,438	\$ -	\$ 385,438
Positions			0.000

4 - Transparency of Agency IT Expenses

Increases funding for IT expenses. Additional funds are needed for department activities, including maintaining the required statewide archives.

Requirements	\$ 500,000	\$ -	\$ 500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 500,000	\$ -	\$ 500,000
Positions			0.000

5 - State Parks Staff

Creates six full-time positions for Chimney Rock State Park, Jordan Lake Recreational Area, and New River State Park. These parks received Connect NC bond funds for projects to improve visitor access and safety.

Requirements	\$ 237,539	\$ 358,581	\$ 596,120
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 237,539	\$ 358,581	\$ 596,120
Positions			6.000

6 - Maintenance at State Historic Sites

Creates two full time positions to allow the department to conduct essential repairs in-house and perform important preventative maintenance, critical for safety, security, and long-term efficiency. Funds are also provided for maintenance and ongoing archeology programs.

Requirements	\$ 547,277	\$ 811,399	\$ 1,358,676
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 547,277	\$ 811,399	\$ 1,358,676
Positions			2.000

7 - NC Arts Council A+ Schools Program

Creates capacity for new schools to join the current A+ Schools network of 56 schools. These schools receive high quality teacher training intended to close the achievement and opportunity gap for low-income students. Two new full-time positions are established to support the program.

Requirements	\$ 361,753	\$ -	\$ 361,753
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 361,753	\$ -	\$ 361,753
Positions			2.000

8 - NC Arts Council smART Initiative

Increases grant funding for the smART initiative to allow more towns to engage in downtown revitalization with the arts. The results of this initiative will be new businesses, more residents, and increased tourism. Two new full-time positions are established to support the program.

Requirements	\$ 404,744	\$ -	\$ 404,744
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 404,744	\$ -	\$ 404,744
Positions			2.000

Net Adjustments

Requirements	\$ 5,389,242	\$ 1,169,980	\$ 6,559,222
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 5,389,242	\$ 1,169,980	\$ 6,559,222
Positions			12.000

Natural and Cultural Resources - Roanoke Island Commission (14802)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	575,403	555,571	555,571	-	-	-	555,571	-	-
Receipts	-	-	-	-	-	-	-	-	-
Net Appropriation	575,403	555,571	555,571	-	-	-	555,571	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - No recommended adjustment.

Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Net Adjustments

Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

Natural and Cultural Resources - Clean Water Management Trust Fund (24818)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	16,081,509	21,751,747	17,751,747	6,550,000	-	6,550,000	24,301,747	11.72%	36.90%
Receipts	26,895,473	21,751,747	17,751,747	6,550,000	-	6,550,000	24,301,747	11.72%	36.90%
Δ in Fund Balance	10,813,964	-	-	-	-	-	-	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Clean Water Management Trust Fund (CWMTF)

Provides 35% of the dedicated Deed Stamp revenue to the CWMTF. These funds will be used to provide grant awards to help protect and restore surface water supplies, control storm water, protect military buffers, and increase recreational opportunities. A corresponding special provision dedicates Deed Stamp revenue to this fund, the Parks and Recreation Trust Fund, the Farmland Preservation Trust Fund, and the Housing Trust Fund. Total requirements for CWMTF grant spending, from all funding sources, is expected to be \$24.3 million in FY 2018-19.

Requirements	\$ 6,550,000	\$ -	\$ 6,550,000
Less Receipts	\$ 6,550,000	\$ -	\$ 6,550,000
Δ in Fund Balance	\$ -	\$ -	\$ -
Positions			0.000

Net Adjustments

Requirements	\$ 6,550,000	\$ -	\$ 6,550,000
Less Receipts	\$ 6,550,000	\$ -	\$ 6,550,000
Δ in Fund Balance	\$ -	\$ -	\$ -
Positions			0.000

Natural and Cultural Resources - DPR - PARTF (Parks and Recreation Trust Fund) (24820)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	22,640,727	19,550,010	16,253,089	6,550,000	-	6,550,000	22,803,089	16.64%	40.30%
Receipts	24,279,496	21,105,159	17,808,238	6,550,000	-	6,550,000	24,358,238	15.41%	36.78%
Δ in Fund Balance	1,638,770	1,555,149	1,555,149	-	-	-	1,555,149	-	-
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Parks and Recreation Trust Fund (PARTF)

Provides 35% of the dedicated Deed Stamp revenue to the PARTF. These funds will be used for matching grant awards to local governments for public parks and recreational projects and to supplement projects that were 75% funded by the Connect NC Bond. A corresponding special provision dedicates Deed Stamp revenue to this fund, the Farmland Preservation Trust Fund, the Clean Water Management Trust Fund, and the Housing Trust Fund. Total requirements for PARTF grant spending, from all funding sources, is expected to be \$22.8 million in FY 2018-19.

Requirements	\$ 6,550,000	\$ -	\$ 6,550,000
Less Receipts	\$ 6,550,000	\$ -	\$ 6,550,000
Δ in Fund Balance	\$ -	\$ -	\$ -
Positions			0.000

Net Adjustments

Requirements	\$ 6,550,000	\$ -	\$ 6,550,000
Less Receipts	\$ 6,550,000	\$ -	\$ 6,550,000
Δ in Fund Balance	\$ -	\$ -	\$ -
Positions			0.000



TRANSPORTATION

Common Ground Solutions
for NORTH CAROLINA

Building New Roads for Tomorrow

Adjusts funding to the Highway Trust Fund's Strategic Investment Program to match revenue projections. This adjustment allows the NC Department of Transportation to continue its mission to enhance the state's infrastructure, spurring economic growth and job creation across the state. The total state funded investment in new construction will be \$1.3 billion in FY 2018-19.

Strengthening NC Roads and Infrastructure

Maintains Highway Fund budgetary support levels enacted during the FY 2017-19 long session for the highway maintenance, system preservation, and contract resurfacing programs, resulting in \$1.3 billion in FY 2018-19 of Highway Fund availability that will be directed to maintaining and enhancing the state's highway infrastructure. Together with the Build NC \$3 billion bond package, North Carolina can improve its infrastructure to keep up with growth.

Highway Fund

Highway Trust Fund

Turnpike Authority

Global TransPark Ports Authority

Transportation - Highway Fund (84210)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	-	3,344,142,249	3,399,263,600	193,727,112	-	193,727,112	3,592,990,712	7.44%	5.70%
Receipts	-	1,153,178,479	1,147,765,912	220,724,800	-	220,724,800	1,368,490,712	18.67%	19.23%
Net Appropriation	-	2,190,963,770	2,251,497,688	(26,997,688)	-	(26,997,688)	2,224,500,000	1.53%	(1.20%)
Positions (FTE)	12,071.000	12,091.000	12,091.000			0.000	12,091.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Compensation Reserve – State Employees

Provides funds for the greater of a \$1,250 or 2% annual recurring salary increase for state employees funded by the Highway Fund. Corresponding special provisions provide additional details on these compensation adjustments. The revised net appropriation for Highway Fund supported salaries is \$319.6 million for FY 2018-19.

Requirements	\$ 10,602,170	\$ -	\$ 10,602,170
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 10,602,170	\$ -	\$ 10,602,170
Positions			0.000

2 - Compensation Reserve – Public Health and Safety Employees

Provides funds for an additional \$1,000 annual recurring salary increase for certified law enforcement officers. The revised net appropriation for Highway Fund supported salaries is over \$319.6 million for FY 2018-19.

Requirements	\$ 256,936	\$ -	\$ 256,936
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 256,936	\$ -	\$ 256,936
Positions			0.000

3 - Salary Adjustment Fund

Includes \$5 million for the Salary Adjustment Fund. These funds will be used to further the implementation of the new market-based classification and compensation system through adjustments targeting hard-to-staff, high-turnover positions, salaries below market rates, and other salary adjustment identified through analysis using HR best practices.

Requirements	\$ 5,000,000	\$ -	\$ 5,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 5,000,000	\$ -	\$ 5,000,000
Positions			0.000

4 - TSER Retirement Contributions

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the Highway Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees. The revised net Highway Fund appropriation for TSERS is \$58.6 million in FY 2018-19.

Requirements	\$ 1,667,385	\$ -	\$ 1,667,385
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,667,385	\$ -	\$ 1,667,385
Positions			0.000

5 - Federal Revenue Adjustment

Increases the anticipated federal revenue due to the FAST Act.

Requirements	\$ 220,724,800	\$ -	\$ 220,724,800
Less Receipts	\$ 220,724,800	\$ -	\$ 220,724,800
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

6 - NC Railroad Dividend Adjustment

Adjusts the rail program due to decreasing railroad dividends.

Requirements	\$ (300,000)	\$ -	\$ (300,000)
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ (300,000)	\$ -	\$ (300,000)
Positions			0.000

7 - Aviation Adjustment

Increases aviation funds based on revenue estimate for Aviation Fuel Tax collections per GS 105-164.44M.

Requirements	\$ 1,600,000	\$ -	\$ 1,600,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 1,600,000	\$ -	\$ 1,600,000
Positions			0.000

8 - Worker's Compensation Adjustment

Decreases the funds that were appropriated in SL 2015-241 that were not needed. NCDOT has a worker's compensation additive that is applied to all administrative budgets and state and federal projects. The accounting director approves this additive every year as part of NCDOT's payroll. Net appropriation is zero.

Requirements	\$ (6,830,000)	\$ -	\$ (6,830,000)
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ (6,830,000)	\$ -	\$ (6,830,000)
Positions			0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
9 - Maintenance Reserve Adjustment				
Decreases the Maintenance Reserve based on revised revenue estimates.				
Requirements	\$	(38,994,179)	\$ -	\$ (38,994,179)
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	(38,994,179)	\$ -	\$ (38,994,179)
Positions				0.000
Net Adjustments				
Requirements	\$	193,727,112	\$ -	\$ 193,727,112
Less Receipts	\$	220,724,800	\$ -	\$ 220,724,800
Net Appropriation	\$	(26,997,688)	\$ -	\$ (26,997,688)
Positions				0.000

Transportation - Highway Trust Fund (84290)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19				% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment	2018-19 Revised		
Requirements	-	1,547,128,291	1,585,824,162	(45,324,162)	-	(45,324,162)	1,540,500,000	(0.43%)	(2.86%)
Receipts	-	-	-	-	-	-	-	-	-
Net Appropriation	-	1,547,128,291	1,585,824,162	(45,324,162)	-	(45,324,162)	1,540,500,000	(0.43%)	(2.86%)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Compensation Reserve – State Employees			
Provides funds for the recurring salary increase for state employees funded by the Highway Trust Fund. Corresponding special provisions provide additional details on these compensation adjustments.			
Requirements	\$ 445,000	\$ -	\$ 445,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 445,000	\$ -	\$ 445,000
Positions			0.000
2 - Salary Adjustment Fund			
Includes \$100,000 for the Salary Adjustment Fund for Highway Trust Fund supported positions. These funds will be used to further the implementation of the new market-based classification and compensation system through adjustments targeting hard-to-staff, high-turnover positions, salaries below market rates, and other salary adjustment identified through analysis using HR best practices.			
Requirements	\$ 100,000	\$ -	\$ 100,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 100,000	\$ -	\$ 100,000
Positions			0.000
3 - TSER Retirement Contributions			
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the Highway Trust Fund for FY 2018-19 to fund the actuarially determined contribution and provide a 1.0% cost-of-living adjustment to retirees.			
Requirements	\$ 119,054	\$ -	\$ 119,054
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 119,054	\$ -	\$ 119,054
Positions			0.000
4 - Strategic Transportation Investments			
Decreases the Strategic Transportation Investments Program (STI) due to revised revenue estimate.			
Requirements	\$ (45,988,216)	\$ -	\$ (45,988,216)
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ (45,988,216)	\$ -	\$ (45,988,216)
Positions			0.000
Net Adjustments			
Requirements	\$ (45,324,162)	\$ -	\$ (45,324,162)
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ (45,324,162)	\$ -	\$ (45,324,162)
Positions			0.000



CAPITAL IMPROVEMENT

Common Ground Solutions
for NORTH CAROLINA

Protecting Our Environment

Promotes economic and environmental stewardship by funding water resources projects including dredging, navigation, flood control, beach protection, and stream restoration. The budget also provides funds for the planning for an improved laboratory for the Department of Environmental Quality so that the state has modern facilities to analyze and respond to current and future environmental issues, including water quality.

Recognizing Veterans' Service

Honors North Carolina Veterans by appropriating funds for one new State Veterans Homes in the Triangle and another in the Piedmont Triad region. The budget also supports the expansion of two State Veterans Cemeteries in Black Mountain and Spring Lake.

Remembering Fallen Heroes

The budget also supports the expansion of two State Veterans Cemeteries in Black Mountain and Spring Lake. The budget also plans for a new and expanded monument for fallen law enforcement officers at the Eastern Justice Academy.

Honoring North Carolina's African-American History

Constructs a new monument on the State Capitol grounds to honor the contributions of North Carolina's African-Americans.

Maintaining Successful Capital Projects

Authorizes over \$80 million in bonds to ensure successful completion of previously approved capital improvement projects. \$73.7 million will be used to supplement Connect NC Bond Act projects at the Departments of Public Safety and Agriculture and at the campuses of North Carolina Central University, UNC Pembroke, and the Western School of Engineering and Technology. An additional \$7.2 million will be used to supplement the Rockingham County Youth Development Center.

General Fund

Non-General Fund

Capital Improvements

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
1 - Department of Administration - Capital Master Plan Update				
Provides funds to update the Capital Area Master Plan. The last Master Plan was updated in FY 2006-07. The plan will provide an updated strategy for the State Capital Area development and redevelopment.				
Requirements	\$	-	\$ 1,000,000	\$ 1,000,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 1,000,000	\$ 1,000,000
Positions				0.000
2 - Department of Agriculture and Consumer Services - Eddy Building Renovation and Expansion				
Renovates the existing Soil Division Testing Facility and adds 1,700 square feet of workspace to centralize the receiving of samples for the division.				
Requirements	\$	-	\$ 760,000	\$ 760,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 760,000	\$ 760,000
Positions				0.000
3 - Department of Environmental Quality - Water Resources Development Projects				
Funds the state share of Water Resources Development Projects. The projects include navigation, water management, flood mitigation, and beach re-nourishment. State funds will match \$57.8 million in federal funds and \$17.5 million in local funds.				
Requirements	\$	-	\$ 112,387,000	\$ 112,387,000
Less Receipts	\$	-	\$ 100,331,000	\$ 100,331,000
Net Appropriation	\$	-	\$ 12,056,000	\$ 12,056,000
Positions				0.000
4 - Department of Environmental Quality - West Bay Vessel Replacement				
Funds the purchase of a new marine vessel for the Division of Marine Fisheries (DMF). DMF retired its previous vessel due to age. This vessel is primarily used for the Shellfish Rehabilitation, Oyster Sanctuary, and Artificial Reef programs.				
Requirements	\$	-	\$ 1,500,000	\$ 1,500,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 1,500,000	\$ 1,500,000
Positions				0.000
5 - Department of Environmental Quality - Laboratory Planning				
Provides funds to plan the renovation, and potential expansion, of the Department of Environmental Quality's Reedy Creek Road Laboratory. The lab performs analysis for water quality, water resources, and air quality. The facility was constructed in 1991 and has never been renovated.				
Requirements	\$	-	\$ 1,500,000	\$ 1,500,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 1,500,000	\$ 1,500,000
Positions				0.000
6 - Department of Health and Human Services - New Cherry Hospital Maintenance Facility				
Provides funds to construct a new maintenance facility for the new Cherry Psychiatric Hospital in Goldsboro. The Department is currently using facilities from the old hospital, which have suffered flood damage and are not sufficient for the current hospital.				
Requirements	\$	-	\$ 4,300,000	\$ 4,300,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 4,300,000	\$ 4,300,000
Positions				0.000
7 - Department of Justice - Memorial for Fallen Law Enforcement Officers				
Provides planning funds to the Department of Justice for a new and expanded memorial for fallen law enforcement officers in Salemburg, NC. The memorial has run out of space for additional names and was damaged in Hurricane Matthew.				
Requirements	\$	-	\$ 50,000	\$ 50,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 50,000	\$ 50,000
Positions				0.000
8 - Department of Natural and Cultural Resources - State Capitol African American Monument				
Provides funds for the design and construction of a new African American Monument on the State Capitol Grounds.				
Requirements	\$	-	\$ 1,800,000	\$ 1,800,000
Less Receipts	\$	-	-	-
Net Appropriation	\$	-	\$ 1,800,000	\$ 1,800,000
Positions				0.000

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
9 - Department of Natural and Cultural Resources - Dinosaur Laboratory and Exhibit					
Provides funds for the Dinosaur Laboratory and Exhibit at the Nature Research Center. The Friends of the North Carolina Museum of Natural Sciences will raise an additional \$10.0 million toward this project.		Requirements	\$ -	\$ 1,800,000	\$ 1,800,000
		Less Receipts	\$ -	\$ -	-
		Net Appropriation	\$ -	\$ 1,800,000	\$ 1,800,000
		Positions			0.000
10 - Department of Natural and Cultural Resources - Graveyard of the Atlantic Renovation					
Provides funds for the renovation of the Graveyard of the Atlantic Historic Site's heating, ventilation, and air conditioning system (HVAC) and for exhibit upgrades.		Requirements	\$ -	\$ 1,000,000	\$ 1,000,000
		Less Receipts	\$ -	\$ -	-
		Net Appropriation	\$ -	\$ 1,000,000	\$ 1,000,000
		Positions			0.000
11 - Department of Natural and Cultural Resources - Museum of History Expansion Planning					
Provides planning funds for an expansion of the Museum of History in Downtown Raleigh. The funds will build on an early plan, first appropriated in FY 2014-15.		Requirements	\$ -	\$ 1,000,000	\$ 1,000,000
		Less Receipts	\$ -	\$ -	-
		Net Appropriation	\$ -	\$ 1,000,000	\$ 1,000,000
		Positions			0.000
12 - Department of Public Safety - Western Readiness Center Annex					
Funds an addition to the Burke County Regional Readiness Center, which is funded by the Connect NC Bond and is in the planning phase. The additional space will allow the Department of Public Safety to collocate multiple divisions into one location and provide warehousing for the Division of Emergency Management.		Requirements	\$ -	\$ 809,000	\$ 809,000
		Less Receipts	\$ -	\$ -	-
		Net Appropriation	\$ -	\$ 809,000	\$ 809,000
		Positions			0.000
13 - Office of State Budget and Management - Department of Health and Human Services Relocation					
Provides funds for the planning and financial analysis for relocating the Department of Health and Human Services off of the Dorothea Dix Campus to a new location, or multiple locations, in the Triangle area. The funds may be used to plan the movement of DHHS into existing state owned space, if available, or into leased space.		Requirements	\$ -	\$ 2,000,000	\$ 2,000,000
		Less Receipts	\$ -	\$ -	-
		Net Appropriation	\$ -	\$ 2,000,000	\$ 2,000,000
		Positions			0.000
14 - Connect NC Bond Supplement - Department of Agriculture Consolidated Laboratory					
Authorizes the issuance of Two-Thirds Bonds to provide a supplement to the Consolidated Agriculture Laboratory that was primarily funded by the Connect NC Bond. The total funding available for the project is now \$107 million.		Requirements	\$ -	\$ 13,000,000	\$ 13,000,000
		Less Receipts	\$ -	\$ 13,000,000	\$ 13,000,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
15 - Connect NC Bond Supplement - Department of Natural and Cultural Resources - NC Zoo					
Authorizes the issuance of Two-Thirds Bonds to provide a supplement to the NC Zoo Connect NC Bond projects. The supplement will allow the NC Zoo to complete the AustralAsia Complex. The total amount of funding available for this project is \$52.3 million.		Requirements	\$ -	\$ 17,263,000	\$ 17,263,000
		Less Receipts	\$ -	\$ 17,263,000	\$ 17,263,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
16 - Connect NC Bond Supplement - Department of Public Safety - National Guard Readiness Centers					
Authorizes the issuance of Two-Thirds Bonds to provide a supplement to two of the three National Guard Readiness Center projects. The projects fund readiness centers in Burke and Wilkes County. The Burke and Wilkes County projects require \$7.4 and \$7.0 million respectively. The total amount of funding available for the National Guard Armories is \$84.4 million.		Requirements	\$ -	\$ 14,423,000	\$ 14,423,000
		Less Receipts	\$ -	\$ 14,423,000	\$ 14,423,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
17 - Connect NC Bond Supplement - Department of Public Safety - Samarcaud Vocational Building Renovation				
Authorizes the issuance of Two-Thirds Bonds to provide a supplement to the Samarcaud Training Facility for correctional officers. The funds will allow for the renovation of an existing facility to classroom and office space. The Samarcaud Training Facility has been funded by the General Fund, Two-Thirds Bonds, and the Connect NC Bond. The total amount of funding available for this project is \$20.2 million.	Requirements	\$ -	\$ 4,369,000	\$ 4,369,000
	Less Receipts	\$ -	\$ 4,369,000	\$ 4,369,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
18 - Supplement - Youth Development Center				
Authorizes the issuance of Two-Thirds Bonds to supplement the construction of a new Youth Development Center in Rockingham County. General Funds were appropriated in FY 2017-18 for this project. The total amount of funding available for this project is \$20.4 million.	Requirements	\$ -	\$ 7,187,000	\$ 7,187,000
	Less Receipts	\$ -	\$ 7,187,000	\$ 7,187,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
19 - Connect NC Bond Supplement - North Carolina Central University - Business School				
Authorizes the issuance of Two-Thirds Bonds to provide funds to supplement the School of Business project. The project is primarily funded by the Connect NC Bond. The total amount of funding available for the project is \$38.6 million.	Requirements	\$ -	\$ 8,600,000	\$ 8,600,000
	Less Receipts	\$ -	\$ 8,600,000	\$ 8,600,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
20 - Connect NC Bond Supplement - NCSSM - Phase Two of the Western School of Engineering and Technology				
Authorizes the issuance of Two-Thirds Bonds to provides funds for Phase Two of the Western School of Engineering and Technology. The campus will fund raise \$5.0 million of the total cost. Phase One is underway and funded by the Connect NC Bond. The total amount of funding available for Phase One and Two is \$73.0 million.	Requirements	\$ -	\$ 10,000,000	\$ 10,000,000
	Less Receipts	\$ -	\$ 10,000,000	\$ 10,000,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
21 - Connect NC Bond Supplement - University of North Carolina - Pembroke - Business School				
Authorizes the issuance of Two-Thirds Bonds to provides a supplement to the University of North Carolina Pembroke Business School project. The project is currently funded by the Connect NC Bond and matching private donations. The total amount of funding available for the project is \$36.0 million.	Requirements	\$ -	\$ 6,000,000	\$ 6,000,000
	Less Receipts	\$ -	\$ 6,000,000	\$ 6,000,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
22 - Department of Military and Veterans Affairs - New State Veterans Home - Piedmont Triad				
Provides funding for a new skilled nursing home for the Department of Military and Veterans Affairs to be located in the Piedmont Triad region. The project will be funded by Federal grants and matched by the Veterans Trust Fund.	Requirements	\$ -	\$ 38,890,800	\$ 38,890,800
	Less Receipts	\$ -	\$ 38,890,800	\$ 38,890,800
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
23 - Department of Military and Veterans Affairs - New State Veterans Home - Triangle Region				
Provides funding for a new skilled nursing home for the Department of Military and Veterans Affairs to be located in the Triangle area. The project will be funded by federal grants and matched by the Veterans Trust Fund.	Requirements	\$ -	\$ 38,890,800	\$ 38,890,800
	Less Receipts	\$ -	\$ 38,890,800	\$ 38,890,800
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000
24 - Department of Military and Veterans Affairs - Repair and Renovations of State Veterans Homes				
Provides funding for the routine repair and renovation of the four existing State Veterans Homes.	Requirements	\$ -	\$ 2,800,000	\$ 2,800,000
	Less Receipts	\$ -	\$ 2,800,000	\$ 2,800,000
	Net Appropriation	\$ -	\$ -	\$ -
	Positions			0.000

		FY 2018-19 Recommended			
		Recurring Changes	Nonrecurring Changes	Total Adjustment	
25 - Department of Military and Veterans Affairs - Cemetery Expansion					
Utilizes funds from the Veterans Cemetery Fund for the expansion of the State Veterans Cemeteries in Sandhills and Black Mountain. The projects will be funded by federal grants and matched by the Veteran's Burial Fund.		Requirements	\$ -	\$ 9,614,483	\$ 9,614,483
		Less Receipts	\$ -	\$ 9,614,483	\$ 9,614,483
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
26 - Department of Natural and Cultural Resources - Roanoke Island Aquarium Generator Building					
Provides funding from aquarium receipts to construct a generator building to protect the generator from the harsh coastal environment.		Requirements	\$ -	\$ 480,000	\$ 480,000
		Less Receipts	\$ -	\$ 480,000	\$ 480,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
27 - Department of Natural and Cultural Resources - Tryon Palace Garden Cottage					
Provides funding from Tryon Palace receipts to incorporate internal features that will allow for use as an organizing location for special events on the Palace grounds. The existing garden maintenance shed is deteriorated beyond the value of the existing structure and will be demolished once the new structure is complete.		Requirements	\$ -	\$ 500,000	\$ 500,000
		Less Receipts	\$ -	\$ 500,000	\$ 500,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
28 - Department of Public Safety - Chase Laundry Air Handling Units Replacements					
Replaces all four air handling units at Correction Enterprises Chase Laundry in Goldsboro. The current systems require new units to provide adequate air flow and cooling during the summer.		Requirements	\$ -	\$ 950,000	\$ 950,000
		Less Receipts	\$ -	\$ 950,000	\$ 950,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
29 - Department of Public Safety - Chase Laundry Roof Replacement					
Replaces the Correction Enterprises Chase Laundry roof, in Goldsboro, NC. The current roof is beyond its useful life and cannot be repaired.		Requirements	\$ -	\$ 742,000	\$ 742,000
		Less Receipts	\$ -	\$ 742,000	\$ 742,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
30 - Department of Public Safety - Security Cameras and Systems					
Provides funds to expand and improve security cameras and systems for the Corrections Enterprises industry operations locations.		Requirements	\$ -	\$ 400,000	\$ 400,000
		Less Receipts	\$ -	\$ 400,000	\$ 400,000
		Net Appropriation	\$ -	\$ -	-
		Positions			0.000
Net Adjustments					
Requirements		\$ -	\$ 304,016,083	\$ 304,016,083	\$ 304,016,083
Less Receipts		\$ -	\$ 274,441,083	\$ 274,441,083	\$ 274,441,083
Net Appropriation		\$ -	\$ 29,575,000	\$ 29,575,000	\$ 29,575,000
Positions					0.000



RESERVES AND OTHER ADJUSTMENTS

Common Ground Solutions
for NORTH CAROLINA

Public Safety Enhancements

To improve security at North Carolina's schools and other institutions, the budget creates a \$100 million Public Safety Reserve for the State Board of Education, University of North Carolina Board of Governors, State Board of Community Colleges, the Department of Public Safety, and other state agencies.

Of the total, \$65 million is targeted for building improvements related to safety and security at preK-12 public schools, state universities, and community colleges. The funds can be used for communication system upgrades, equipment purchases, audio-visual security monitoring systems, panic alarms, improved doors, and other security features to prevent and respond to threats. Another \$25 million is allocated to the Department of Public Safety and the remaining \$10 million will be allocated by the Office of State Budget and Management to support state agency security improvements.

Support of School Bond

Supports \$2 billion in new General Obligation Bonds for the construction and renovation of public school facilities to begin to address the estimated \$8 billion statewide need.

Supporting State Employees

To attract and retain a strong state workforce, the budget includes \$20 million for the Salary Adjustment Fund. These funds will be used to begin implementing the new market-based classification and compensation system by targeting hard-to-staff, high-turnover positions, salaries below market rates, and other salary adjustments identified through analysis using human resources best practices.

To supplement hard-to-recruit positions, creates a \$10 million reserve to establish a new NC 457 supplemental retirement contributions plan for certified State Correctional Officers.

2020 Census Preparation to Make Every North Carolinian Count

Provides \$1.5 million for North Carolina's preparation of the 2020 Census. Robust census data is vital for planning, delivery of services, economic development, and federal funding for every North Carolina county, municipality, and community.

Reserves, Debt Service, and Other Adjustments (19xxx)

	2017 Session Law-Enacted			2018 Legislative Session Recommended - FY 2018-19			2018-19 Revised	% Δ from 2017-18 Certified	% Δ from 2018-19 Certified
	2016-17 Actual	2017-18 Certified	2018-19 Certified	Net Recurring	Net Nonrecurring	Recommended Adjustment			
Requirements	729,958,874	972,765,426	999,173,518	(71,427,582)	3,000,000	(68,427,582)	930,745,936	(4.32%)	(6.85%)
Receipts	17,817,915	18,653,595	18,653,595	-	-	-	18,653,595	-	-
Net Appropriation	712,140,959	954,111,831	980,519,923	(71,427,582)	3,000,000	(68,427,582)	912,092,341	(4.40%)	(6.98%)
Positions (FTE)	0.000	0.000	0.000			0.000	0.000	-	-

FY 2018-19 Recommended

	Recurring Changes	Nonrecurring Changes	Total Adjustment
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1 - Public Safety Reserve

Provides \$100 million dollars for the new Public Safety Reserve. The allocation from the reserve is as follows: \$25 million to State Board of Education, \$20 million to the University of North Carolina Board of Governors, \$20 million to the State Board of Community Colleges, \$25 million to the Department of Public Safety, and \$10 million administered by the Office of State Budget and Management for State Agencies. Funds in the reserve can be used for safety improvements to facilities, purchase of safety and security equipment, improvements in communication and data systems, training, and the development of security master plans.

Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

2 - School Bond

Supports the authorization, subject to a favorable vote of the people, of up to \$2.0 billion in General Obligation Bonds for construction and renovation of public school facilities to begin to address the estimated \$8.0 billion statewide public school facility need. It is anticipated that the first issuance of public schools bonds would not occur until FY 2019-20 and there would be no debt service impacts in FY 2018-19. The issuance of public school bonds should not result in a situation where debt service exceeds four percent (4%) of General Fund revenues on an annual basis and will leave enough debt capacity for the state to address other capital needs.

Requirements	\$ -	\$ -	\$ -
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ -	\$ -
Positions			0.000

3 - Salary Adjustment Fund

Provides \$20 million for the Salary Adjustment Fund. These funds will be used to further the implementation of the new market-based classification and compensation system through adjustments targeting hard-to-staff, high-turnover positions, salaries below market rates, and other salary adjustment identified through analysis using HR best practices.

Requirements	\$ 20,000,000	\$ -	\$ 20,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 20,000,000	\$ -	\$ 20,000,000
Positions			0.000

4 - NC 457 Contributions for Certified State Correctional Officers

Directs the Department of Public Safety to create a plan for NC 457 supplemental retirement (NC 457) contributions for certified State Correctional Officers. A corresponding special provision provides additional details on the planning process, eligibility criteria, and implementation timeline. The total net appropriation for these contributions is \$10 million in FY 2018-19.

Requirements	\$ 10,000,000	\$ -	\$ 10,000,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ 10,000,000	\$ -	\$ 10,000,000
Positions			0.000

5 - Workers' Compensation Settlement Reserve

Provides nonrecurring funding to the Office of State Human Resources to close pending workers' compensation claims.

Requirements	\$ -	\$ 1,500,000	\$ 1,500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 1,500,000	\$ 1,500,000
Positions			0.000

6 - 2020 Census Preparation

Funds materials and outreach to promote participation in the 2020 Census across the state. High participation in North Carolina is crucial as decennial census counts are used to apportion seats in the US Congress and distribute over \$1,600 per person in federal funds in the state. The 2020 Census count will also be the foundation of certified state population estimates for the next decade. The certified estimates are used to distribute state resources to local governments. Census data is vital for planning, delivery of services, and economic development in every North Carolina county and community.

Requirements	\$ -	\$ 1,500,000	\$ 1,500,000
Less Receipts	\$ -	\$ -	\$ -
Net Appropriation	\$ -	\$ 1,500,000	\$ 1,500,000
Positions			0.000

		FY 2018-19 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustment
7 - Contingency and Emergency Fund				
Provides funding to restore the Emergency and Contingency Fund based on a 10-year average historical expenditure rate.				
Requirements	\$	2,000,000	\$ -	\$ 2,000,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	2,000,000	\$ -	\$ 2,000,000
Positions				0.000
8 - Bond Disclosure, Close Out, and Tax Exempt Analysis				
Provides a statewide reserve held at the Office of State Budget and Management to pay for the expense incurred by the Department of State Treasurer (DST) in the continuing disclosure and retirement of bonds issued by the State's General Fund. The reserve may also be used for DST analysis of ongoing General Fund supported bonds and debt.				
Requirements	\$	50,000	\$ -	\$ 50,000
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	50,000	\$ -	\$ 50,000
Positions				0.000
9 - Debt Service Obligation				
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.				
Requirements	\$	(54,567,293)	\$ -	\$ (54,567,293)
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	(54,567,293)	\$ -	\$ (54,567,293)
Positions				0.000
10 - Public Schools Average Daily Membership (ADM)				
Moves the reserve funding appropriated in Session Law 2017-57 for anticipated increases in Average Daily Membership to the Department of Public Instruction's budget.				
Requirements	\$	(48,410,289)	\$ -	\$ (48,410,289)
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	(48,410,289)	\$ -	\$ (48,410,289)
Positions				0.000
11 - Pending Legislation Reserve				
Removes unused appropriation from the 2015-17 biennium for the pending legislation.				
Requirements	\$	(500,000)	\$ -	\$ (500,000)
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	(500,000)	\$ -	\$ (500,000)
Positions				0.000
Net Adjustments				
Requirements	\$	(71,427,582)	\$ 3,000,000	\$ (68,427,582)
Less Receipts	\$	-	\$ -	-
Net Appropriation	\$	(71,427,582)	\$ 3,000,000	\$ (68,427,582)
Positions				0.000

