

# THE GOVERNOR'S RECOMMENDED BUDGET



**Pat McCrory**  
Governor

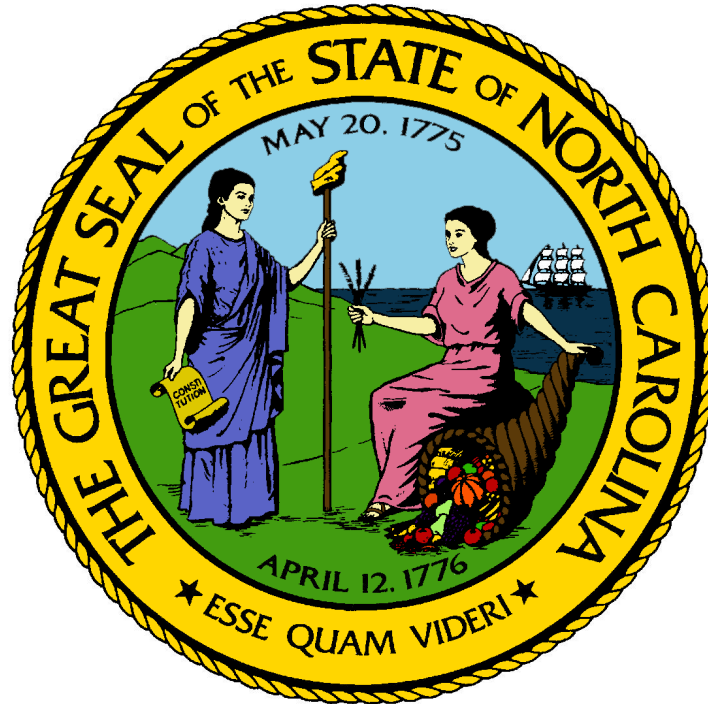
2016 - 2017



Governor Pat McCrory's \_\_\_\_\_

# RECOMMENDED BUDGET ADJUSTMENTS

\_\_\_\_\_ 2016-2017



**Office of State Budget and Management**

Office of the Governor

Raleigh, North Carolina

[osbm.nc.gov](http://osbm.nc.gov)

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**April 2016**

Questions about the Governor of North Carolina's Recommended Budget Adjustments, 2016-17 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](http://osbm.nc.gov).



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# Introduction

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## **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 2016-17. These recommended changes are based on the certified budget approved by the 2015 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 McCrory’s priorities are listed in his transmittal letter, followed by a brief description of key recommendations on a “Highlights” page.

## **Revenue and budget summary**

A summary of General Fund recommended budget changes by department/budget code for the entire state budget appears in table 5: “Governor’s Recommended General Fund Appropriation, FY 2016-17.” 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 Human Services; Justice and Public Safety; Natural and Economic Resources; and Transportation.

Budget adjustments for a given department/agency appear in the appropriate section (for example, the 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 2014-15 actual expenditures, 2015-16 certified budget, 2016-17 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

PAT MCCRORY  
GOVERNOR

April 27, 2016

**The North Carolina Senate**

The Honorable Phil Berger, President Pro Tempore

**The North Carolina House of Representatives**

The Honorable Tim Moore, Speaker

**The Citizens of North Carolina**

**RE: Transmittal Letter for the Governor's Recommended Budget Adjustments, 2016-2017**

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

It is my pleasure to submit to you my recommended budget adjustments for the 2016-2017 fiscal year.

It is no mistake that North Carolina is now the ninth largest state in the nation with a population topping 10 million and growing at an average rate of 280 new people per day. Nothing compares to the economic opportunity and quality of life in North Carolina. Together, we have enacted policies that are allowing our citizens to restore our state to a position of economic strength and security. Since 2013, we have fostered an economic environment that has created more than 275,000 private sector jobs. That is equivalent to giving a job to every man, woman and child living in Asheville, Hickory, New Bern and Wilmington – combined.

I am proud to report that the state of our balance sheet remains strong. North Carolina is one of only nine states in the country to possess a pristine AAA bond rating from all three major rating agencies in a year when other states were downgraded. We are outpacing the national average in reducing the unemployment rate, and North Carolina families and businesses have benefited from meaningful tax cuts to the tune of \$4.4 billion. These reforms, and more, have earned North Carolina the #2 ranking in the country for business climate and careers. In short, the Carolina Comeback is real and North Carolina is building momentum.

A few weeks ago, I was pleased to announce that my budget office and the General Assembly's Fiscal Research Division projected a \$237 million revenue surplus. Additionally, Medicaid and public school enrollment figures came in under budget, and through disciplined management, the state agencies produced reversions to the general fund. All of these factors have contributed to sizeable additional revenue as we approach the back half of the two year budgeting cycle. North Carolina is in an enviable fiscal position with greater revenue projections and higher than expected availability. As leaders, we must proceed with caution to avoid the twin dangers of over-spending on the one hand and

overzealous tax cuts on the other. Looming just over the horizon, are fiscal pressures driven by increasing health care costs and growing pension liabilities due to an aging state employee workforce.

Continuing our tradition of prudent fiscal management, I propose adding \$300 million to the state's rainy day fund, which will bring the total savings reserve account balance to \$1.4 billion or nearly 7 percent of overall state spending. When I entered office in 2013, the state had only \$419 million in savings, which represents 3 percent of the overall budget. Since 2013, we have added an average of \$228 million to the savings reserve each year and it now stands at an all-time high of \$1.1 billion. To ensure future administrations can weather economic downturns, we are well on the way to reaching our savings goal of 8 percent of total state spending over the next two years.

Further demonstrating our administration's commitment to fiscal responsibility, my proposed budget caps total spending at \$22.3 billion. This represents a modest spending increase of 2.8 percent, which is below last year's increase of 3.1 percent and below the rate of population plus inflation. Even though we are showing spending restraint, our proposed budget invests dollars where they matter most by spending on key priorities that have the biggest impact on North Carolinians and their families. Our budget builds on our commitment to strengthen education, enhance public safety, improve the health of our citizens, build new roads that connect our communities, all while reforming government to make it more accountable and efficient.

We must continue investing in education and our teachers to ensure our students gain the skills they need to succeed in life and the future workforce. Since 2013, we have committed over \$1 billion in new funding for teacher pay. My proposed budget builds on this significant investment by providing an average 5 percent pay increase for teachers, boosting the average teacher pay in North Carolina to more than \$50,000 for the first time in state history. When considering robust health and retirement benefits offered to every full-time teacher in our state, my proposed teacher pay plan will bring average total compensation to more than \$66,000. On top of the increase in base pay, we are also rewarding teachers' and principals' hard work with a one-time average 3.5 percent bonus, with a greater share going to veteran teachers. This will equate to a \$5,000 bonus for our veteran teachers with more than 24 years of service.

Furthermore, providing for the safety and security of North Carolina families is a primary function of government and is essential to the quality of life we enjoy in our state. To successfully uphold this commitment, we must support the law enforcement officers that dedicate their lives to keeping us safe. As part of my proposed budget, more than \$21 million will be devoted to increasing pay for State Troopers, Correctional Officers, State Bureau of Investigation Agents, Alcohol Law Enforcement Agents, Assistant District Attorneys and Assistant Public Defenders. My budget also enhances the safety of our children at school by investing \$2.8 million to support the development and maintenance of school safety plans and to deploy a statewide application for students to anonymously report threats at school.

Another pillar of my administration is to help those who can't help themselves while encouraging those who can. After four years of Medicaid shortfalls totaling \$2 billion under the previous administration, our Medicaid program is now on target to finish three consecutive years with cash on hand due to responsible management and budgeting. My proposed budget will build on our successes by dedicating more than \$80 million in new spending to encourage a healthy North Carolina. This includes a proposed investment of \$30 million to support programs recommended by the Governor's Task Force on Mental Health and Substance Use. Funds will help address the state's heroin and opioid epidemic and will

support transitional housing for adults with substance use disorder or mental illness. We have also proposed expanding Medicaid and state services to support older adults, including those with Alzheimer's, people with developmental disabilities and children with autism.

Additionally, the state of North Carolina cannot function without a strong, motivated workforce. In an effort to recruit and retain the best and brightest to serve North Carolinians, most of our \$22.3 billion General Fund budget, or nearly \$15 billion, goes to pay salaries and benefits. My budget builds on this commitment by investing more than \$360 million to provide an average 3 percent bonus for state government's most valuable asset, its employees. This budget also invests \$27 million to support pay increases as part of a statewide effort to increase compensation to reflect the market rate.

In closing, it is important to recognize that only seven months have passed since the 2015-17 biennial budget was enacted. Therefore, my proposed budget adjustments do not reopen policy debates settled in the past long session. Together, over a short time, we accomplished historic tax reform leaving more dollars in the paychecks of hard working North Carolina families and businesses. We also worked together to reform our unemployment system taking the trust fund from bankruptcy to solvency in 30 months resulting in further tax relief and certainty for North Carolina job creators. As a result of these historic reforms, North Carolina's business tax climate has bounced from 44th to 15th in the nation. It is prudent to now pause, allow the ink to dry on these positive tax reforms, and revisit further reforms in the long session where such issues are more appropriately addressed.

We have worked together over the past three years to find common-sense solutions to strengthen education, create jobs and career opportunities, build new roads that connect our communities and reform government to make it more accountable and efficient. I look forward to working together in the upcoming legislative session to build on our accomplishments and to tackle the issues that are most important to North Carolinians.

Sincerely,

A handwritten signature in cursive script that reads "Pat McCrory". The signature is written in a dark ink and is positioned above the printed name and title.

Pat McCrory  
Governor of North Carolina

# HIGHLIGHTS OF THE 2016-17 BUDGET

## **Exercising Fiscal Responsibility**

No tax or fee increases proposed in this budget.

Increases the total savings reserve account to \$1.4 billion or nearly 7 percent of overall state spending by adding \$300 million to the state's rainy day fund. Since 2013, we have nearly tripled the savings reserve, making it the largest in state history.

Caps total spending at \$22.3 billion, representing a modest spending increase of 2.8 percent. This increase is below last year's increase of 3.1 percent and below the rate of population plus inflation.

## **Rewarding Our State and School Employees**

Increases average teacher pay in North Carolina to more than \$50,000 for the first time in state history by providing an average 5 percent pay increase.

Provides an average 3.5 percent bonus for teachers and principals with a greater share going to veteran teachers. This will equate to a \$5,000 bonus for our veteran teachers with more than 24 years of service.

Supports pay increases for correctional officers, law enforcement, Assistant District Attorneys, Assistant Public Defenders, and qualifying State Highway Patrol Troopers, Assistant and Deputy Clerks, and Magistrates.

Provides an average 3% bonus for all state employees and school support staff. Each agency head in consultation with OSHR will determine the allocation.

Adds an additional \$27 million for the Salary Adjustment Fund, for a total of nearly \$40 million to help recruit and retain the best and brightest state employees.

## **Preparing Students for Success**

Establishes a scholarship program by investing \$2 million to attract 300 new, highly qualified math and science teachers to earn degrees and teach math and science in the state's public schools.

Empowers schools to trade textbooks for tablets and builds on our commitment to position North Carolina as one of the first states in the nation to connect all classrooms to robust Wi-Fi by 2018.

Expands funding by nearly \$6 million to provide scholarships for an additional 300 special needs students.

Provides support services to ensure community college students graduate with a credential or degree.

Establishes a new competitive merit scholarship program for students pursuing science, math and health degrees at our universities to help fill the shortage of skilled workers in these fields.

## **Increasing North Carolina's Competitiveness and Promoting Job Growth**

Revitalizes North Carolina's small town main streets through matching grants for local governments.

Implements recommendations from the Governor's Food Manufacturing Task Force to promote and develop economic growth opportunities in the food manufacturing industry, and fosters the growth, development, and sustainability of family farms.

Helps North Carolinians learn and earn at the same time by expanding business apprenticeship opportunities through additional investments in the NCWorks Apprenticeship Program.

Leverages our university research advantage to attract venture capital and a new generation of entrepreneurs, as well as help retain North Carolina's home-grown talent through the University Innovation Commercialization Grant Program, as recommended by the Governor's Innovation to Jobs initiative.

Establishes the Rallying Investors and Skilled Entrepreneurs for NC (NC RISE) program to develop and leverage existing entrepreneurial management talent and recruit world-class investors and skilled entrepreneurs to the state, as recommended by the Governor's Innovation to Jobs initiative

Connects our military veterans with jobs by establishing a new disabled veteran cyber security apprenticeship program with the Department of Information Technology.

### **Protecting Public Health**

Invests \$30 million to implement the recommendations of the Governor's Task Force on Mental Health and Substance Use, including transitional housing, case management, mental health first aid training, child crisis centers, tools to combat the heroin and opioid epidemic as well as evidence-based specialty courts, including drug and veteran treatment courts.

Provides \$3 million to expand Medicaid services for older adults, including those with Alzheimer's disease, by adding 320 new slots to the Community Alternatives Program for Disabled Adults. Increases funding by \$1 million for family caregiver support services, including respite care for caregivers.

Invests \$2.5 million to expand Medicaid services for people with developmental disabilities. This investment supports an additional 250 Medicaid Innovations Waiver slots providing the needed services to help individuals with developmental disabilities live successful lives in the community.

Provides recurring funding to support the education of future health care professionals at the Brody School of Medicine at East Carolina University.

### **Leveraging Technology to Promote Transparency, Security and to Combat Crime**

Promotes transparency and accountability by implementing an updated and integrated online education program for individuals covered under the State Ethics Act.

Protects the public against identity theft and data loss by providing tools to create a multilayer identity verification platform in the Department of Revenue.

Uses technology to detect and prevent prisoner access to cell phones.

Safeguards law enforcement communications by replacing the outdated monitoring system for the Voice Interoperability Plan for Emergency Responders (VIPER) network enabling law enforcement to more effectively communicate and respond during emergencies.

Improves criminal justice intelligence capabilities by investing in a case management tool that gives law enforcement officers analytics to solve crimes.

## **Connecting North Carolina through Transportation and Critical Infrastructure**

Provides \$155 million for the Repairs and Renovations Account to maintain state infrastructure.

Supports implementation of the Connect NC initiative.

Preserves our unique environmental resources and promotes good stewardship by investing in vital water resource projects including: dredging, navigation, flood control, beach protection and stream restoration. State investment in water resources projects will leverage more than \$25 million in federal funds.

Builds on the largest transportation investment in two decades by adding nearly \$30 million for new transportation projects in the state's current ten-year plan. Our state has increased investment in new roads by more than \$292 million, or 31 percent since 2013.

Provides an additional \$27.5 million for highway maintenance activities to enhance safety and ease congestion.



# *Economic Priorities and Budget Summary*

*for 2016-17*

Table 1  
**Total Recommended State Budget by Function, 2016-17**  
(Excluding Transfers)

	2016-17 Recommended	%
Education	\$18,658,491,786	34.17%
General Government	\$2,828,589,471	5.18%
Health and Human Services	\$19,765,628,534	36.19%
Justice and Public Safety	\$2,936,452,639	5.38%
Natural and Economic Resources	\$4,830,150,659	8.84%
Transportation	\$4,444,833,555	8.14%
Capital Improvements	\$21,614,200	0.04%
Debt Service	\$879,529,836	1.61%
Reserves and Adjustments	\$246,389,989	0.45%
<b>Total State Budget</b>	<b>\$54,611,680,669</b>	<b>100.00%</b>

Figure 1  
**Total Recommended State Budget by Function, excluding Transfers**  
**2016-17**

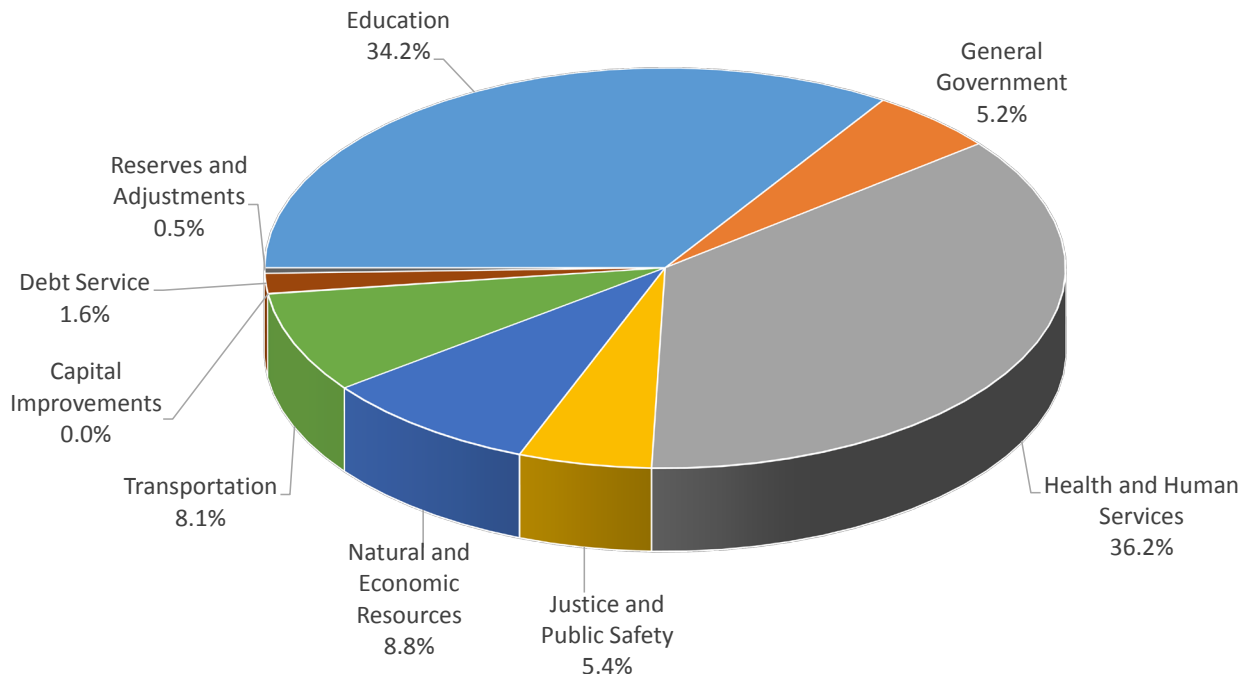


Table 2

## Total North Carolina State Budget by Function, Department, and Source of Funds

Governor Recommended Adjustments FY 2016-17

Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
<b>Education:</b>						
13510	Public Schools	\$ 8,963,133,627	\$ 27,700,000	\$ 2,025,359	\$ 3,690,464,261	\$ 12,683,323,247
23510	Public Schools - Special	-	-	3,666,983	3,498,986	7,165,969
23511	DPI - School Technology Fund (GF)	-	-	1,088,518	-	1,088,518
23515	DPI - IT Projects	-	-	-	-	-
29110	DPI - Public School Building Fund	-	-	1,972,473	-	1,972,473
63501	DPI - Trust	-	-	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	-	-	3,100,000	-	3,100,000
<b>Subtotal Public School</b>		<b>8,963,133,627</b>	<b>27,700,000</b>	<b>30,772,083</b>	<b>3,693,963,247</b>	<b>12,715,568,957</b>
16800	NC Community Colleges (NCCCS)	1,098,696,266	-	359,247,379	17,941,100	1,475,884,745
06800	NCCU Institutional	-	-	26,241	-	26,241
26800	NCCCS - Special Funds	-	-	3,396,638	-	3,396,638
26802	NCCCS - Information Technology	-	-	-	-	-
66800	NCCCS - Trust	-	-	799,450	-	799,450
66801	NCCCS - Special Funds Interest Earning	-	-	747,532	-	747,532
<b>Subtotal Community Colleges</b>		<b>1,098,696,266</b>	<b>-</b>	<b>364,217,240</b>	<b>17,941,100</b>	<b>1,480,854,606</b>
<b>University System:</b>						
160xx	UNC - GA	37,256,706	-	46,899	-	37,303,605
16011	UNC - Institutional Programs	134,893,995	-	21,444,745	-	156,338,740
16012	UNC - Related Education Programs	110,168,501	-	10,744,733	-	120,913,234
16015	UNC-Aid Private Institutions	127,419,754	-	-	-	127,419,754
16020	UNC - CH Academic Affairs	252,265,861	-	339,940,371	246,671	592,452,903
16021	UNC - CH Health Affairs	187,779,905	-	106,759,144	-	294,539,049
16022	UNC - CH Area Health Education	49,282,678	-	-	-	49,282,678
16030	NCSU - Academic	392,249,291	-	329,477,157	-	721,726,448
16031	NCSU - Agri. Research Svcs.	53,099,332	-	5,870,693	9,108,653	68,078,678
16032	NCSU - Agri. Extension Svcs.	38,595,927	-	1,074,818	14,968,697	54,639,442
16040	UNC - Greensboro	143,459,427	-	85,156,345	111,798	228,727,570
16050	UNC - Charlotte	198,971,605	-	135,798,104	150,000	334,919,709
16055	UNC - Asheville	37,592,283	-	19,215,693	10,400	56,818,376
16060	UNC - Wilmington	101,473,413	-	83,208,172	75,075	184,756,660
16065	ECU - Academic	210,739,558	-	164,267,441	139,900	375,146,899
16066	ECU - Health Svcs.	73,527,686	-	8,452,022	-	81,979,708
16070	NC A & T	90,898,021	-	63,290,958	58,714	154,247,693
16075	Western Carolina	85,805,817	-	44,520,742	43,275	130,369,834
16080	Appalachian State	127,835,582	-	90,663,374	89,145	218,588,101
16082	UNC - Pembroke	53,192,105	-	25,043,086	22,837	78,258,028
16084	Winston Salem State	64,619,124	-	23,549,198	5,000	88,173,322
16086	Elizabeth City State	33,759,228	-	10,311,116	48,400	44,118,744
16088	Fayetteville State	48,741,530	-	19,890,512	-	68,632,042
16090	NC Central	82,132,848	-	48,232,208	163,948	130,529,004
16092	UNC School of the Arts	28,669,298	-	14,718,615	4,550	43,392,463
16094	NC School of Science and Math	19,787,561	-	927,978	-	20,715,539
16095	UNC Hospitals	-	-	-	-	-
56096	UNC Hospitals - Operating Fund	-	-	-	-	-
<b>Total UNC System</b>		<b>2,784,217,036</b>	<b>-</b>	<b>1,652,604,124</b>	<b>25,247,063</b>	<b>4,462,068,223</b>
<b>Total Education</b>		<b>12,846,046,929</b>	<b>27,700,000</b>	<b>2,047,593,447</b>	<b>3,737,151,410</b>	<b>18,658,491,786</b>
<b>General Government:</b>						
14100	Administration	62,008,791	56,679	9,619,352	-	71,684,822
24100	DOA - Special	-	-	19,837,278	666,879	20,504,157
24102	DOA - Special	-	-	617,776	-	617,776
24105	DOA - Special	-	-	9,307	4,136,259	4,145,566
54100	DOA - Enterprise Fund	-	-	-	-	-
64100	DOA - Trust	-	-	1,000	-	1,000
64106	DOA - NC Veteran Trust	-	-	47,584,404	-	47,584,404
74103	DOA - Internal Service	-	-	2,635,722	-	2,635,722
74100	DOA - Internal Service	-	-	132,733,011	-	132,733,011
18210	Office of Administrative Hearings	5,286,798	-	54,859	-	5,341,657
28210	Office of Administrative Hearings - It Projects	-	-	-	-	-
64190	OSC - Proceeds Higher Ed - CC2	-	-	-	-	-
64220	OSC - Proceeds 2007A GO Public Imp	-	-	-	-	-
13300	State Auditor	12,373,486	-	50	-	12,373,536
18025	State Board of Elections (SBE)	7,613,614	-	104,500	-	7,718,114
28025	SBE - HAVA Federal Funds	-	-	30,000	1,961,150	1,991,150
68025	SBE - NC Candidate	-	-	4,703,552	-	4,703,552
68026	SBE - NC Political Party	-	-	-	-	-
14160	Office of State Controller (OSC)	23,468,571	496,578	27,680	-	23,992,829
24160	OSC - Special Revenue	-	-	-	-	-
24171	OSC - Central Account - Special Fund	-	-	76,392	-	76,392
24172	OSC - Recovery Fund	-	-	373,157	-	373,157
74170	OSC - Workers' Comp Cost Cont.	-	-	90,812,812	-	90,812,812
11000	General Assembly	58,328,326	-	1,059,600	-	59,387,926
21001	General Assembly - Special Fund	-	-	-	-	-

**Total North Carolina State Budget by Function, Department, and Source of Funds**

Governor Recommended Adjustments FY 2016-17

Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
13000	Governor's Office	5,681,078	-	227,018	-	5,908,096
13001	Governor's Office - Special Project	2,000,000	-	-	334,447	2,334,447
13002	Governor's Advocacy	-	-	-	-	-
23000	Governor's Office - Special	-	-	-	3,883,465	3,883,465
23001	Governor's Office - Interest Earning Spc.	-	-	1,000	-	1,000
23002	Governor's Office - Special Revenue - GF	-	-	-	-	-
23007	Governor's Office - Special	-	-	54,952	-	54,952
13050	Department of Military and Veterans Affairs	8,320,971	-	-	-	8,320,971
14660	Information Technology Services (ITS)	8,220	-	-	-	8,220
24667	Information Technology Services (ITS)	-	-	-	-	-
24668	Information Technology Services - Federal Grants	-	-	-	-	-
24669	ITS - Wireless Fund	-	-	108,662,500	-	108,662,500
74660	ITS - Internal Service Fund	-	-	186,562,975	-	186,562,975
13005	State Budget and Management (OSBM)	7,851,738	-	265,674	-	8,117,412
13085	OSBM - Special Appropriations	7,000,000	-	-	-	7,000,000
23003	OSBM - NC Education Lottery Fund	-	-	21,700	-	21,700
23004	OSBM - NC Education Lottery Reserve	-	-	2,594,265	-	2,594,265
23005	OSBM - Fines and Penalties	-	-	3,900,000	-	3,900,000
23009	OSBM - Disaster Relief - GF	-	-	-	-	-
63006	OSBM - Shamrock Oil Trust - Commission	-	-	1,160	-	1,160
63007	OSBM-Mental Health/Dev Dis/Sub Abuse Trust	-	-	1,101	-	1,101
13010	NC Housing Finance	25,660,000	-	-	-	25,660,000
23010	NC Housing Finance - Special	-	-	12,093,583	7,275,320	19,368,903
63011	NC Housing Finance - Partnership	-	-	1,320,000	-	1,320,000
13900	Insurance	39,300,331	-	3,609,643	4,885,601	47,795,575
23900	Insurance - Special - Interest Earning	-	-	44,943,249	-	44,943,249
13901	Insurance - Worker's Compensation Fund	-	-	-	-	-
23901	Insurance - Special - Non-Interest Earning	-	-	305,648	40,585	346,233
23902	Insurance - Special - Interest Earning	-	-	60,000	-	60,000
23903	Insurance - Special - Non-Interest Earning	-	-	128,350	-	128,350
63901	Insurance - Trust	-	-	7,374,524	-	7,374,524
63902	Insurance - Trust	-	-	9,746,550	-	9,746,550
63903	Insurance - Trust - Internal Service	-	-	17,261,268	-	17,261,268
13100	Lieutenant Governor	699,169	-	-	-	699,169
14700	Revenue	86,767,749	4,993,770	1,092,226	-	92,853,745
24700	Revenue - Special	-	-	12,143,764	-	12,143,764
24704	Revenue - Project Collect Tax	-	-	-	-	-
24706	Revenue - Lee Tax Credits	-	-	300,000	-	300,000
24707	Revenue - Tax Transaction Fees	-	-	723,507	-	723,507
24708	Revenue - IT Projects	-	-	-	-	-
13200	Secretary of State	12,650,959	-	61,625	-	12,712,584
23200	Secretary of State - Special	-	-	2,628,901	-	2,628,901
63201	Secretary of State - Trust Special Revenue	-	-	350,652	-	350,652
13410	State Treasurer (DST)	10,641,460	-	7,927,670	-	18,569,130
13412	State Treasurer - Retirement / Benefits	21,691,299	-	-	-	21,691,299
23410	DST-Combined Motor Vehicle & Registration	-	-	422,901	-	422,901
23410	DST - Combined Motor Vehicle	-	-	6,241,549	-	6,241,549
23420	DST - Appropriated IT Project	-	-	422,901	-	422,901
23450	DST - State Health Plan, Special	-	-	500	-	500
23470	DST - Supplemental Retirement Plan	-	-	1,507,336	-	1,507,336
23480	DST - Blount Street Properties	-	-	60,000	-	60,000
68190	DST - Interest Public Improvement Bond	-	-	11,336,982	-	11,336,982
68188	DST - Interest Higher Ed. CC 2001A	-	-	3,048,744	-	3,048,744
68183	DST - Interest Clean Water Bond 1999C	-	-	-	-	-
68175	DST - Interest Public School 1997 Bond	-	-	-	-	-
68174	DST - Interest CI 1997	-	-	290,715	-	290,715
68163	DST - Bond Refund	-	-	242,621,101	-	242,621,101
68157	DST - Interest 2006A Clean Water	-	-	-	-	-
68158	DST - Interest 2006A Higher Ed	-	-	19,196,825	-	19,196,825
68154	DST - Interest Public Imp. 2005A	-	-	34,260,718	-	34,260,718
68150	DST - Interest Drinking Water 2004A	-	-	23,219	-	23,219
63410	DST - Health Benefits Reserve	-	-	84,007,358	-	84,007,358
63412	DST - Escheats	-	-	202,107,116	-	202,107,116
63414	DST - Fire Loan Trust	-	-	13,450	-	13,450
63415	DST - Assurance Land Titles	-	-	5,070	-	5,070
63420	DST, - State Health Plan - PPO	-	-	-	-	-
63422	DST - Legislative Retirement	-	-	22,319	-	22,319
68126	DST - Drinking Water Rept. 1999C	-	-	12,751	-	12,751
68132	DST - Interest Clean Water Revolving Loans	-	-	-	-	-
68133	DST - Interest Wastewater Repayment 2003A	-	-	26,571	-	26,571
68137	DST - Interest Drinking Water Repayment 2003A	-	-	8,566	-	8,566
68140	DST - 2003B Interest Clean Water	-	-	-	-	-
68141	DST - Interest Wastewater Repayment 2003B	-	-	22,670	-	22,670
68142	DST - Interest Drinking Water Repayment 2003B	-	-	11,217	-	11,217
68148	DST - Interest Clean Water Revolving Loan 2004A	-	-	-	-	-
68149	DST - Interest Wastewater Repayment 2004A	-	-	62,265	-	62,265
68192	DST - Interest Drinking Water Repayment 2002C	-	-	-	-	-

**Total North Carolina State Budget by Function, Department, and Source of Funds**  
**Governor Recommended Adjustments FY 2016-17**

Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
68193	DST - Interest Clean Water 2002C	-	-	-	-	-
68198	DST - Interest Wastewater Repayment 2002	-	-	112,325	-	112,325
68220	DST - Interest 2007A GO Public Imp.	-	-	30,170,483	-	30,170,483
68221	DST - Interest 2008A CI Limited Obligation Bonds	-	-	235,290,113	-	235,290,113
68222	DST - Interest 2/3 GO Bonds	-	-	56,085,048	-	56,085,048
69430	DST - Debt Service Clearing	-	-	400,429,913	-	400,429,913
69440	DST - Infrastructure Finance Corp.	-	-	-	-	-
69442	DST - Trust - CI	-	-	453,787	-	453,787
69444	DST - Trust - Special	-	-	329,124,084	-	329,124,084
69450	DST - Basis SWAP	-	-	5,836,628	-	5,836,628
28101	NC State Board of Barber Examiners	-	-	751,628	-	751,628
28102	NC State Board of Cosmetology	-	-	2,475,000	-	2,475,000
28103	NC State Board of Opticians	-	-	163,592	-	163,592
28104	NC Psychology Board	-	-	774,301	-	774,301
28106	NC State Auctioneer Licensing Board	-	-	440,374	-	440,374
28107	NC State Board of Electrolysis Examiners	-	-	22,101	-	22,101
28410	NC State Health Plan	-	-	-	-	-
<b>Total General Government</b>		<b>397,352,560</b>	<b>5,547,027</b>	<b>2,402,506,178</b>	<b>23,183,706</b>	<b>2,828,589,471</b>
<b>Health and Human Services:</b>						
14410	Central Administration	144,853,160	-	1,677,691	68,924,317	215,455,168
24410	Central Administration - Special	-	-	-	174,105,597	174,105,597
64410	Central Administration - Trust	-	-	292,952	-	292,952
64412	Central Administration - Trust Interest	-	-	-	-	-
14411	Aging	44,815,337	-	10,277,420	51,380,716	106,473,473
14420	Child Development	243,033,976	-	2,116,985	348,065,592	593,216,553
14430	Public Health	175,348,428	1,838,195	118,056,723	520,822,936	816,066,282
24430	Public Health - Special	-	-	497,816	-	497,816
24432	Public Health - Special Revenue GF	-	-	480,389	-	480,389
14440	Social Services	194,399,962	-	650,705,398	881,436,315	1,726,541,675
24441	Social Services - Special	-	-	1,863,516	-	1,863,516
64442	Social Services - Trust - General Fund	-	-	2,734,563	-	2,734,563
14445	Medical Assistance	3,608,311,371	-	914,475,607	9,551,589,616	14,074,376,594
24445	Medical Assistance - Special	-	-	233,811,100	-	233,811,100
14446	NC Health Choice	1,094,820	-	250,000	201,812,006	203,156,826
14450	Services for the Blind, Deaf and Hard of Hearing	8,173,207	-	1,561,239	18,985,099	28,719,545
24450	Services for the Blind - Special	-	-	1,073,303	1,249,799	2,323,102
54450	Services for the Blind - Enterprise	-	-	66,363	-	66,363
64450	Services for the Blind - Trust	-	-	1,025	-	1,025
64451	Services for the Blind - Trust - Ag	-	-	-	-	-
67425	Services for the Blind - Trust	-	-	5,522,892	-	5,522,892
14460	Mental Health/DD/SAS	569,801,582	-	69,252,784	651,883,150	1,290,937,516
24401	Mental Health - Julian Keith ADATC	-	-	18,919	-	18,919
24403	Mental Health - WB Jones ADATC	-	-	24,717	-	24,717
24404	Mental Health - NC SPC. Care Center	-	-	41,537	-	41,537
24406	Mental Health - Black Mt. Center	-	-	26,112	-	26,112
24460	Mental Health - Special	-	-	-	-	-
24462	Mental Health - Dorothea Dix	-	-	-	-	-
24463	Mental Health - Broughton Hospital	-	-	100,245	-	100,245
24464	Mental Health - Cherry Hospital	-	-	194,530	-	194,530
24465	Mental Health - Umstead Hospital	-	-	304,930	-	304,930
24466	Mental Health - Car. Center	-	-	129,362	251,516	380,878
24467	Mental Health - O'Berry Center	-	-	334,579	-	334,579
24468	Mental Health - Murdoch Center	-	-	89,575	-	89,575
24469	Mental Health - Caswell Center	-	-	216,178	309,536	525,714
64404	Mental Health - Longleaf Neuro-Medical	-	-	4,095	-	4,095
64405	Mental Health - Trust - Interest Bearing	-	-	75,245	-	75,245
64406	Mental Health - Black Mt. Center	-	-	8,500	-	8,500
64462	Mental Health - Dorothea Dix - Trust	-	-	-	-	-
64463	Mental Health - Broughton Hospital	-	-	43,182	-	43,182
64464	Mental Health - Cherry Hospital - Trust	-	-	21,100	-	21,100
67465	Mental Health - Umstead Hospital - Trust - Interest	-	-	16,721	-	16,721
64465	Mental Health - Umstead Hospital - Trust	-	-	12,035	-	12,035
64466	Mental Health - J. Iverson Riddle Dev. Ctr.	-	-	115,251	-	115,251
64467	Mental Health - O'Berry Center	-	-	126,610	-	126,610
64468	Mental Health - Murdoch Center	-	-	47,524	-	47,524
64469	Mental Health - Caswell Center	-	-	630	-	630
67406	Mental Health - Black Mountain Center	-	-	3,951	-	3,951
67462	Mental Health - Dorothea Dix	-	-	-	-	-
67463	Mental Health - Broughton Hospital	-	-	33,415	-	33,415
67464	Mental Health - Cherry Hospital	-	-	8,600	-	8,600
67466	Mental Health - West Car. Center	-	-	77,109	-	77,109
67467	Mental Health - O'Berry Center	-	-	62,443	-	62,443
67468	Mental Health - Murdoch Center	-	-	134,903	-	134,903
67469	Mental Health - Caswell Center	-	-	474,067	-	474,067
54465	MH/DD/SAS - Butner Enterprises	-	-	-	-	-
74465	MH/DD/SAS - Umstead Hospital - Internal Service	-	-	795,353	-	795,353

**Total North Carolina State Budget by Function, Department, and Source of Funds**  
**Governor Recommended Adjustments FY 2016-17**

Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
14470	Health Service Regulation	16,110,674	-	13,509,433	35,761,124	65,381,231
24470	Health Service Regulation - Special	-	-	1,440,732	-	1,440,732
14480	Vocational Rehabilitation	37,752,132	-	7,774,081	98,385,666	143,911,879
24480	Vocational Rehabilitation - Special	-	-	481,652	-	481,652
24481	Disability Determination - Special	-	-	-	73,667,623	73,667,623
<b>Total Health and Human Services</b>		<b>5,043,694,649</b>	<b>1,838,195</b>	<b>2,041,465,082</b>	<b>12,678,630,608</b>	<b>19,765,628,534</b>
<b>Justice and Public Safety:</b>						
14550	Department of Public Safety	1,904,675,928	11,417,984	35,686,798	74,002,062	2,025,782,772
04553	Correction - Canteen Fund	-	-	31,878,192	-	31,878,192
24550	DPS - Other Special Grants	-	-	4,471,825	-	4,471,825
24551	DPS - Disaster Prior 07/01/2006	-	-	-	-	-
24552	DPS - Disaster After 07/01/2006	-	-	-	555,472	555,472
24553	DPS - Welfare Funds	-	-	7,864,650	-	7,864,650
24554	DPS - IT Fund	-	-	-	-	-
24555	DPS - Special Interest Bearing	-	-	2,666,017	-	2,666,017
54550	DPS Licensing Boards - Interest Bearing	-	-	2,377,849	-	2,377,849
54551	DPS-ABC Commission	-	-	16,439,053	-	16,439,053
64550	DPS - Trust Funds	-	-	339	-	339
74550	DPS - Correction Enterprise	-	-	89,517,265	-	89,517,265
12000	Judicial - AOC	503,250,696	-	585,101	-	503,835,797
12001	Judicial - Indigent Defense	122,393,374	-	10,344,128	-	132,737,502
22001	AOC - Special Revenue Funds	-	-	20,890,737	1,944,492	22,835,229
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	-	-	13,785,335	-	13,785,335
22007	AOC - Appellate Courts Printing/Comp.	-	-	661,162	-	661,162
22008	AOC - Special Revenue - GF	-	-	-	-	-
13600	Justice	57,510,501	-	1,253,960	4,362,088	63,126,549
23600	Justice - Special	-	-	14,042,011	1,756,294	15,798,305
23606	Justice - Seized and Forfeited Assets	-	-	-	-	-
63600	Justice - PPS and Alarm Boa	-	-	-	-	-
<b>Total Justice and Public Safety</b>		<b>2,587,830,499</b>	<b>11,417,984</b>	<b>254,583,748</b>	<b>82,620,408</b>	<b>2,936,452,639</b>
<b>Natural and Economic Resources:</b>						
13700	Agriculture and Consumer Services	\$ 121,330,649	5,223,690	29,242,743	15,300,283	171,097,365
23700	Agriculture - Livestock Special	-	-	3,769,499	2,240,000	6,009,499
23701	Agriculture and Consumer Services - Warehouse Investments	-	-	-	-	-
23702	DACS - Disaster Recovery	-	-	-	-	-
23703	Agriculture - Tobacco Trust - Special	-	-	251,776	-	251,776
23704	DACS - Soil and Water Conservation	-	-	425,200	-	425,200
23705	DACS - Forest Development	-	-	1,106,010	-	1,106,010
53700	Agriculture - Raleigh Farmers Market	-	-	2,512,630	-	2,512,630
53725	Agriculture - WNC AG CT/MTN Fair	-	-	2,708,707	-	2,708,707
53750	Agriculture - State Fair	-	-	14,503,504	-	14,503,504
63700	Agriculture - Trust Special	-	-	41,200	-	41,200
63701	Agriculture - Land Preservation and Trust Investment	-	-	-	-	-
63702	Agriculture - Rural Rehab Loans	-	-	771,963	-	771,963
63703	Agriculture - Finance Authority	-	-	619,502	-	619,502
63704	Agriculture - Cooperative Grading Program	-	-	6,913,627	-	6,913,627
63705	Agriculture - Trust Agency	-	-	97,050	-	97,050
14600	Commerce	63,929,477	-	12,791,020	46,733,325	123,453,822
14601	Commerce - State Aid	18,055,810	-	-	-	18,055,810
24600	Commerce - Special Revenue	-	-	-	816,941	816,941
24602	Commerce - Special Disaster Relief	-	-	1,500,000	-	1,500,000
24604	Commerce - Special - Morehead	-	-	11,000	-	11,000
24605	Commerce - Special Cape Fear	-	-	6,000	-	6,000
24606	Commerce - Special Clean Water Bonds	-	-	-	-	-
24609	Commerce - Special Revenue - Grants	-	-	236,671	-	236,671
24610	Commerce - Second Injury Fund	-	-	66,100	-	66,100
24611	Commerce - IT Projects	-	-	-	-	-
24613	Commerce - Special - Interest Earning Fund	-	-	2,958	-	2,958
24650	Commerce - ESC	-	-	2,000,000	122,575,000	124,575,000
24651	Commerce - Special Workforce	-	-	5,814,864	149,760,801	155,575,665
54600	Commerce - Enterprise Fund	-	-	16,868,041	533,320	17,401,361
64605	Commerce - Utilities Commission	-	-	15,500,000	-	15,500,000
64612	Commerce - NC Rural Electrification Authority	-	-	206,605	-	206,605
64650	Commerce - Employment Security Commission Trust	-	-	7,435,000	-	7,435,000
64651	Commerce - Employment Security Commission Trust, Claims/Benefits	-	-	5,000	40,000,000	40,005,000
64652	Commerce - Employment Security Commission Trust Clearing	-	-	1,010,000,000	-	1,010,000,000
64653	Commerce - Employment Security Commission Trust Reserve	-	-	227,500,000	-	227,500,000
64656	Commerce - Employment Security Commission - Trust - Unemployment	-	-	-	-	-
54670	NC Education Lottery Commission	-	-	-	-	-
54641	NC Education Lottery Proceeds	-	-	2,050,358,325	-	2,050,358,325
14300	Department of Environmental Quality	89,258,403	-	11,681,920	37,153,359	138,093,682
24300	DEQ - Special	-	-	63,141,349	14,450,965	77,592,314
24301	DEQ - Air Quality - Fuel Tax Special	-	-	2,079,445	-	2,079,445

**Total North Carolina State Budget by Function, Department, and Source of Funds**

Governor Recommended Adjustments FY 2016-17

Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
24303	DEQ - Marine Fish Conservation	-	-	-	-	-
24304	DEQ - Wetlands Trust-Special	-	-	81,249,353	-	81,249,353
24305	DEQ - Clean Water Mgmt. Trust-Special	-	-	-	-	-
24306	DEQ - Special Dry Cleaning Solvent Tax	-	-	12,192,831	-	12,192,831
24307	DEQ - Special Forest Development	-	-	-	-	-
24309	DEQ - PART F - Special	-	-	-	-	-
24310	DEQ - Disaster Relief Programs	-	-	-	-	-
24317	DEQ - Special - GF	-	-	-	-	-
24318	DEQ - Special - Interest	-	-	-	-	-
24321	DEQ - CWB - WS Loan 1998 Program	-	-	-	-	-
24323	DEQ - Marine Resources Fund	-	-	7,123,185	-	7,123,185
24325	DEQ - DWR - FERC Interest	-	-	150,000	-	150,000
64300	DEQ - Trust - Special	-	-	-	-	-
64301	DEQ - Waste Water Oper. Train. Special	-	-	752,746	-	752,746
64302	DEQ - Natural Heritage Trust - Special	-	-	-	-	-
64303	DEQ - Solid Waste Management Trust - Special	-	-	1,227,845	-	1,227,845
64304	DEQ - Clean Water Revolving Loan	-	-	5,588,481	-	5,588,481
64305	DEQ - Commercial LUST Cleanup-Special	-	-	14,225,396	-	14,225,396
64306	DEQ - Waste Water Treatment	-	-	266	-	266
64307	DEQ - Conservation Grant Endowment	-	-	83,591	-	83,591
64311	DEQ - Water Pollution Revolving Loan	-	-	60,502,228	42,557,012	103,059,240
64312	DEQ - Federal Bond Revolving Loan	-	-	2,520,348	-	2,520,348
64318	DEQ - High Unit Cost WW Grants 1998	-	-	-	-	-
64319	DEQ - CWSRF Federal Program	-	-	7,450,600	-	7,450,600
64320	DEQ - Drinking Water SRF	-	-	11,903,437	38,250,969	50,154,406
64321	DEQ - High Unit Cost WS Grants	-	-	-	-	-
64322	DEQ - Drinking Water SRF Match	-	-	2,020,012	1,445,160	3,465,172
64323	DEQ - Drinking Water SRF Bond Match	-	-	1,120,080	-	1,120,080
64324	DEQ - Drinking Water Reserve	-	-	472,051	-	472,051
64325	DEQ - Trust - Special	-	-	-	-	-
64326	DEQ - Trust - Special	-	-	1,000	-	1,000
64327	DEQ - Petrol Violation Escrow	-	-	-	-	-
14350	Wildlife Resources Commission	10,252,824	-	-	26,168,861	36,421,685
24350	Wildlife Resources - Special	-	-	2,429,179	-	2,429,179
24351	Wildlife Resources - Special - Interest	-	-	24,228,578	67,420	24,295,998
24352	Wildlife Resources - Special - Non-Interest	-	-	12,129,781	2,468,305	14,598,086
64350	Wildlife Resources Endowment	-	-	5,254,146	-	5,254,146
13800	Labor	16,425,139	-	7,973,676	7,406,650	31,805,465
23800	Labor - Special Revenue Fund	-	-	-	-	-
14800	Department of Natural and Cultural Resources	173,451,939	-	20,031,397	6,343,729	199,827,065
14802	DNCR - Roanoke Island	523,384	-	300,000	-	823,384
24800	DNCR - Special	-	-	421,057	-	421,057
24801	DNCR - Art Museum	-	-	654,027	-	654,027
24802	DNCR - Roanoke Island - Special	-	-	-	-	-
24803	DNCR - Special	-	-	100,000	-	100,000
24804	DNCR - Tryon Palace	-	-	766,111	-	766,111
24805	DNCR - Special	-	-	275,572	-	275,572
24806	DNCR - Interest	-	-	70,053	-	70,053
24807	DNCR - Interest Earning from Hist	-	-	317,035	-	317,035
24811	DNCR - Interest Earning - Special	-	-	5,000	-	5,000
24812	DNCR - NC Arts Council A+ Schools	-	-	457,289	-	457,289
54800	DNCR - Enterprise	-	-	53,605	-	53,605
54801	DNCR - USSNC Battleship Commission	-	-	1,701,640	-	1,701,640
54803	DNCR - Enterprise	-	-	697,589	-	697,589
54804	DNCR - Enterprise	-	-	810,350	-	810,350
<b>Total Natural and Economic Resources</b>		<b>493,227,625</b>	<b>5,223,690</b>	<b>3,777,427,244</b>	<b>554,272,100</b>	<b>4,830,150,659</b>
84210/290	<b>Transportation (1)</b>	-	<b>3,358,987,771</b>	<b>97,711,004</b>	<b>988,134,780</b>	<b>4,444,833,555</b>
<b>Net Agency</b>		<b>21,368,152,262</b>	<b>3,410,714,667</b>	<b>10,621,286,703</b>	<b>18,063,993,012</b>	<b>53,464,146,644</b>
19600	<b>Capital Improvements</b>	<b>14,648,500</b>	<b>6,965,700</b>	-	-	<b>21,614,200</b>
<b>Debt Service:</b>						
19420	General Debt Service	703,102,215	61,012,229	18,650,000	95,149,012	877,913,456
19425	Federal Reimbursement	1,616,380	-	-	-	1,616,380
<b>Total Debt Service</b>		<b>704,718,595</b>	<b>61,012,229</b>	<b>18,650,000</b>	<b>95,149,012</b>	<b>879,529,836</b>

**Total North Carolina State Budget by Function, Department, and Source of Funds**

Governor Recommended Adjustments FY 2016-17

Budget Code	Function	General Fund Appropriation	Highway Trust/ Highway Fund Transfers In	Other Revenues	Federal Revenues	Total Budget Excluding Transfers
<b>Reserves and Adjustments:</b>						
19001	Contingency and Emergency Reserve	5,000,000	-	-	-	5,000,000
19003	Compensation Adjustment Reserve - State Employees and Teachers	-	-	-	-	-
19003	Compensation Adjustment Reserve - Retirees	-	-	-	-	-
19004	Salary Adjustment Reserve	52,000,000	-	-	-	52,000,000
19005	OSHR Minimum of Market Adjustment	12,000,000	-	-	-	12,000,000
19013	Job Development Incentive Grants Reserve	61,728,126	-	-	-	61,728,126
19016	Transparency Initiative	-	-	-	-	-
19018	Medicaid Risk Reserve	-	-	-	-	-
19043	State Health Plan Reserve	-	-	-	-	-
19044	IT Initiative	54,436,936	-	-	-	54,436,936
19047	Retirement Rate Adjustment Reserve	-	-	-	-	-
19048	Reserve for Workers' Compensation	21,500,543	-	-	-	21,500,543
19063	GF - Reserve for ONC NC Fund	8,582,117	-	-	-	8,582,117
19064	GF - Reserve for Future Benefit Needs	-	-	-	-	-
19080	UNC Enrollment Growth	-	-	-	-	-
19081	Public Schools Average Daily Membership (ADM)	-	-	-	-	-
19082	Film and Entertainment Grant	30,000,000	-	-	-	30,000,000
19083	Connect NC Bonds and Capital Improvement	1,142,267	-	-	-	1,142,267
<b>Total Reserves and Adjustments</b>		<b>246,389,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246,389,989</b>
<b>Grand Total Budget</b>		<b>22,333,909,346</b>	<b>3,478,692,596</b>	<b>10,639,936,703</b>	<b>18,159,142,024</b>	<b>54,611,680,669</b>

Table 3

## Governor's Recommended Changes to the FY 2016-17 Budget

	FY 2016-17
<b>Budget Availability</b>	
Unappropriated Balance	175,488,544
Anticipated Overcollections	237,100,000
Anticipated Reversions	358,439,524
FY 2015-16 Savings from Deduction for Teachers' Classroom Expenses	(1,500,000)
Transfer to Medicaid Transformation Reserve	(150,000,000)
<b>Subtotal Unreserved Fund Balance</b>	<b>619,528,068</b>
Transfer to Repair and Renovations Reserve	(154,882,017)
Transfer to Savings Reserve Account	(300,000,000)
<b>Subtotal Statutory Reserve Allocation</b>	<b>(454,882,017)</b>
<b>Subtotal Credit Balance</b>	<b>164,646,051</b>
<u>Revenue Based on Existing Tax Structure</u>	22,175,500,000
<u>Revenue Changes:</u>	
Adjustment of Transfer from Insurance Regulatory Fund	146,887
Deduction for Teachers' Classroom Expenses	(1,500,000)
<b>Subtotal Revenue Changes</b>	<b>(1,353,113)</b>
<b>Total Availability</b>	<b>22,338,792,938</b>
<b>Recommended Appropriations</b>	
Beginning Certified Appropriations per Session Law 2015-241	21,919,468,078
<u>Major Adjustments/Redistributions:</u>	
Medicaid Rebase	(319,000,000)
Education Enrollment Projection Adjustments	(164,208,276)
Reserve for Future Benefit Needs	(71,000,000)
<b>Subtotal Major Adjustments/Redistributions</b>	<b>(554,208,276)</b>
<u>Compensation:</u>	
Rewarding Teachers, Certified School Personnel, and School Administrators	428,998,224
Rewarding State Employees with Bonuses	195,751,460
Market-Based Compensation for State Employees	27,000,000
Rewarding Criminal Justice Professionals	21,732,726
UNC Faculty Recruitment and Retention	3,000,000
Retirement - Actuarially Determined Contribution	35,500,000
<b>Subtotal Compensation</b>	<b>711,982,410</b>
<u>Preparing Students for Success</u>	53,474,573
<u>Increasing Competitiveness and Promoting Job Growth</u>	73,615,451
<u>Supporting a Healthy North Carolina</u>	79,449,710
<u>Keeping North Carolina Safe</u>	29,681,598
<u>Citizen Services, Critical Infrastructure, and Other Items</u>	20,445,802
<b>Total General Fund Appropriations</b>	<b>22,333,909,346</b>
<b>Balance</b>	<b>4,883,592</b>
Percent Growth in Total Spending	2.8%
Percent Growth in Recurring Spending	2.3%

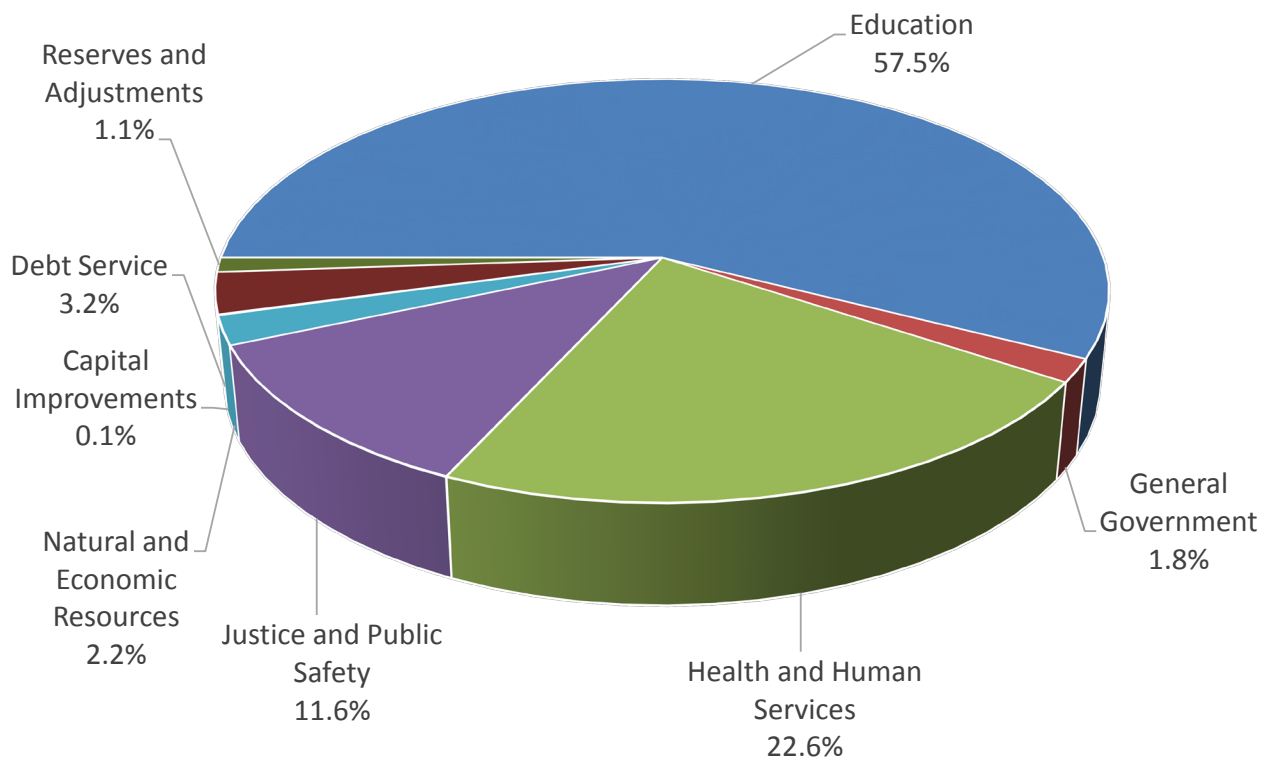


Table 4  
**Recommended General Fund Budget by Function**  
**2016-17**

	2016-17 Recommended	%
Education	\$12,846,046,929	57.52%
General Government	\$397,352,560	1.78%
Health and Human Services	\$5,043,694,649	22.58%
Justice and Public Safety	\$2,587,830,499	11.59%
Natural and Economic Resources	\$493,227,625	2.21%
Transportation		0.00%
Capital Improvements	\$14,648,500	0.07%
Debt Service	\$704,718,595	3.16%
Reserves and Adjustments	\$246,389,989	1.10%
<b>Total General Fund Budget</b>	<b>\$22,333,909,346</b>	<b>100.00%</b>

Figure 2

**Recommended General Fund Budget by Function, 2016-17**



**Governor's Recommended General Fund Budget  
2016-17 Adjustments**

Table 5

Budget Code	Function	2016-17 Recommended Base Budget	Decreases		Increases		Appropriation Supported Positions	Net Change	2016-17 Recommended Appropriation	Net Position Change
			Appropriation Supported Positions		Appropriation Supported Positions					
			Recurring	Nonrecurring	Recurring	Nonrecurring				
<b>Education</b>										
13510	Public Education	8,419,444,621	(2,900,000)	-	335,521,406	211,067,600	-	543,689,006	8,963,133,627	-
160xx	University System	2,683,307,927	-	(8,000,000)	50,364,900	58,544,209	-	100,909,109	2,784,217,036	-
16800	Community Colleges	1,065,895,520	(26,208,276)	-	21,564,780	37,444,242	-	32,800,746	1,098,696,266	-
	<b>Total Education</b>	<b>12,168,648,068</b>	<b>(29,108,276)</b>	<b>(8,000,000)</b>	<b>407,451,086</b>	<b>307,056,051</b>	-	<b>677,398,861</b>	<b>12,846,046,929</b>	-
<b>General Government</b>										
11000	General Assembly	57,009,051	-	(2,267,571)	2,414,133	1,172,713	-	1,319,275	58,328,326	-
13000	Governor's Office	5,566,174	-	-	11,550	103,354	-	114,904	5,681,078	-
13001	Governor's Office - Special Project	2,000,000	-	-	-	-	-	-	2,000,000	-
13005	State Budget and Management	7,531,408	-	-	157,656	162,674	-	320,330	7,851,738	-
13010	NC Housing Finance	25,660,000	-	-	-	-	-	-	25,660,000	-
13085	OSBM-Special Appropriations	2,000,000	-	-	-	5,000,000	-	5,000,000	7,000,000	-
13100	Lieutenant Governor	677,972	-	-	7,179	14,018	-	21,197	699,169	-
13200	Secretary of State	11,750,695	-	-	659,018	241,246	6,000	900,264	12,650,959	6,000
13300	State Auditor	12,004,791	-	-	44,623	248,453	-	293,076	10,641,460	1,000
13410	State Treasurer	10,348,384	-	-	-	-	-	-	10,348,384	-
13412	State Treasurer - Retirement / Benefits	21,691,299	-	-	-	-	-	-	21,691,299	-
13050	Military & Veterans Affairs	7,806,254	-	-	411,098	103,619	8,000	514,717	8,320,971	8,000
13900	Insurance	38,355,246	-	-	235,855	709,230	-	945,085	39,300,331	-
14100	Administration	58,664,485	-	-	1,386,368	1,957,938	14,200	3,344,306	62,008,791	14,200
14160	State Controller	22,726,386	-	-	401,165	341,020	-	742,185	23,468,571	-
14660	Department of Information Technology	-	-	-	-	7,742	-	7,742	8,220	-
14700	Revenue	80,457,679	-	-	3,883,863	2,426,207	-	6,310,070	86,767,749	-
18025	State Board of Elections	6,513,363	-	-	985,182	115,069	8,000	1,100,251	7,613,614	8,000
18210	Office of Administrative Hearings	5,143,413	-	-	44,292	99,093	-	143,385	5,286,798	-
	<b>Total General Government</b>	<b>375,906,600</b>	<b>(2,267,571)</b>	<b>(2,267,571)</b>	<b>10,742,025</b>	<b>12,971,506</b>	<b>37,200</b>	<b>21,445,960</b>	<b>397,352,560</b>	<b>37,200</b>
<b>Health and Human Services</b>										
14410	Central Administration	130,033,253	-	-	4,907,823	9,912,084	-	14,819,907	144,853,160	-
14411	Aging	43,815,337	-	-	1,000,000	-	-	1,000,000	44,815,337	-
14420	Child Development and Early Education	243,033,976	-	-	-	-	-	-	243,033,976	-
14430	Public Health	148,298,428	-	-	7,550,000	19,500,000	6,000	27,050,000	175,348,428	6,000
14440	Social Services	185,533,263	(1,000,000)	-	9,866,699	-	23,000	8,866,699	194,399,962	23,000
14445	Medical Assistance	3,916,237,272	(318,581,272)	-	8,655,371	2,000,000	45,000	(307,925,901)	3,608,311,371	45,000
14446	Health Choice	746,758	-	-	348,062	-	-	348,062	1,094,820	-
14450	Services for the Blind	8,173,207	-	-	-	-	-	-	8,173,207	-
14460	Mental Health/DD/SAS	537,861,308	-	-	31,940,274	-	28,600	31,940,274	569,801,582	28,600
14470	Health Services Regulation	16,110,674	-	-	-	-	-	-	16,110,674	-
14480	Vocational Rehabilitation	37,752,132	-	-	-	-	-	-	37,752,132	-
	<b>Total Health and Human Services</b>	<b>5,267,595,608</b>	<b>(319,581,272)</b>	<b>(319,581,272)</b>	<b>64,268,229</b>	<b>31,412,084</b>	<b>102,600</b>	<b>(223,900,959)</b>	<b>5,043,694,649</b>	<b>102,600</b>
<b>Justice and Public Safety</b>										
12000	Judicial	484,126,321	-	-	9,165,520	9,958,855	-	19,124,375	503,250,696	-
12001	Judicial - Indigent Defense	116,629,964	-	-	1,222,832	4,540,578	-	5,763,410	122,393,374	-
13600	Justice	52,715,592	-	-	424,787	4,370,122	1,000	4,794,909	57,510,501	1,000
14550	Public Safety	1,847,365,626	-	-	19,303,880	38,006,422	12,000	57,310,302	1,904,675,928	12,000
	<b>Total Justice and Public Safety</b>	<b>2,500,837,503</b>	<b>-</b>	<b>-</b>	<b>30,117,019</b>	<b>56,875,977</b>	<b>13,000</b>	<b>86,992,996</b>	<b>2,587,830,499</b>	<b>13,000</b>

**Governor's Recommended General Fund Budget  
2016-17 Adjustments**

Budget Code	Function	2016-17 Recommended Base Budget				Increases				Net Change	2016-17 Recommended Appropriation	Net Position Change
		Decreases		Increases		Decreases		Increases				
		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring			
	<b>Natural and Economic Resources</b>											
13700	Agriculture and Consumer Services	116,955,773	-	-	-	1,464,951	2,909,925	2,00	4,374,876	121,330,649	2,00	
13800	Labor	15,822,235	-	-	-	259,489	343,415	-	602,904	16,425,139	-	
14300	Department of Environmental Quality	82,429,609	-	-	-	843,841	5,984,953	-	6,828,794	89,258,403	-	
14350	Wildlife Resources Commission	10,023,496	-	-	-	21,790	207,538	-	229,328	10,252,824	-	
14600	Commerce	57,596,128	-	-	-	3,902,863	2,430,486	-	6,333,349	63,929,477	-	
14601	Commerce - State Aid	18,055,810	-	-	-	-	-	-	-	18,055,810	-	
14800	Cultural and Natural Resources	169,289,403	-	-	-	2,055,921	2,106,615	9,200	4,162,536	173,451,939	9,200	
14802	Cultural Resources - Roanoke Island	523,384	-	-	-	-	-	-	-	523,384	-	
	<b>Total Natural and Economic Resources</b>	<b>470,695,838</b>	<b>(10,267,571)</b>	<b>(348,689,548)</b>	<b>13,982,932</b>	<b>8,548,855</b>	<b>422,298,550</b>	<b>11,200</b>	<b>22,531,787</b>	<b>493,227,625</b>	<b>11,200</b>	
	<b>Net Agency</b>	<b>20,783,683,617</b>	<b>(10,267,571)</b>	<b>(348,689,548)</b>	<b>13,982,932</b>	<b>8,548,855</b>	<b>422,298,550</b>	<b>164,000</b>	<b>584,468,645</b>	<b>21,368,152,262</b>	<b>164,000</b>	
	<b>Debt Service</b>											
19420	General Debt Service	701,849,215	-	-	-	-	1,253,000	-	1,253,000	703,102,215	-	
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-	
	<b>Total Debt Service</b>	<b>703,465,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,253,000</b>	<b>-</b>	<b>1,253,000</b>	<b>704,718,595</b>	<b>-</b>	
	<b>Reserves and Adjustments</b>											
19001	Contingency and Emergency Reserve	5,000,000	-	-	-	-	-	-	-	5,000,000	-	
19004	Salary Adjustment Reserve	25,000,000	-	-	-	27,000,000	-	-	27,000,000	52,000,000	-	
19005	OSHR Minimum of Market Adjustment	12,000,000	-	-	-	-	-	-	-	12,000,000	-	
19013	Job Development Incentive Grants Reserve	71,728,126	(10,000,000)	-	-	-	-	-	(10,000,000)	61,728,126	-	
19044	IT Initiative	43,002,697	-	-	-	9,723,516	1,710,723	73,000	11,434,239	54,436,936	73,000	
19048	Reserve for Workers' Compensation	21,500,543	-	-	-	-	-	-	-	21,500,543	-	
19063	GF - One NC	9,000,000	(417,883)	-	-	-	-	-	(417,883)	8,582,117	-	
19064	GF-Reserve for Future Benefit Needs	71,000,000	(71,000,000)	-	-	-	-	-	(71,000,000)	-	-	
19080	UNC Enrollment Growth	31,000,000	(31,000,000)	-	-	-	-	-	(31,000,000)	-	-	
19081	Public Schools Average Daily Membership (ADM)	107,000,000	(107,000,000)	-	-	-	-	-	(107,000,000)	-	-	
19082	Film and Entertainment	30,000,000	-	-	-	-	-	-	-	30,000,000	-	
19083	GF - Reserve Connect NC Bonds and Capital Improvement	-	-	-	-	985,682	156,585	-	1,142,267	1,142,267	-	
	<b>Total Reserves and Adjustments</b>	<b>426,231,366</b>	<b>(10,417,883)</b>	<b>(209,000,000)</b>	<b>1,867,308</b>	<b>37,709,198</b>	<b>1,867,308</b>	<b>73,000</b>	<b>(179,841,377)</b>	<b>246,389,989</b>	<b>73,000</b>	
19600	<b>Direct Capital Appropriation</b>	<b>6,087,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,561,000</b>	<b>-</b>	<b>8,561,000</b>	<b>14,648,500</b>	<b>-</b>	
	<b>Total</b>	<b>\$ 21,919,468,078</b>	<b>\$ (557,689,548)</b>	<b>\$ (557,689,548)</b>	<b>\$ (20,685,454)</b>	<b>\$ 558,836,412</b>	<b>\$ 433,979,858</b>	<b>237,000</b>	<b>\$ 414,441,268</b>	<b>\$ 22,333,909,346</b>	<b>237,000</b>	

Table 6  
Highway Fund and Highway Trust Fund Budget  
2016-17

Function	FY 2016-17 Base Appropriation	Reductions			Other Continuation/Expansion			2016-17 Approved Appropriation	Net Change	2016-17 Approved Appropriation	Net Position Change
		Recurring	Nonrecurring	Appropriation Supported Positions	Recurring	Nonrecurring	Appropriation Supported Positions				
DOT Administration	90,246,679	-	-	-	-	-	-	-	-	90,246,679	-
<i>Division of Highways</i>											
Administration	33,313,151	-	-	-	-	-	-	-	-	33,313,151	-
Construction	42,554,878	-	-	-	2,800,000	-	-	2,800,000	2,800,000	45,354,878	-
Maintenance	1,300,435,872	-	-	-	27,476,344	-	-	27,476,344	27,476,344	1,327,912,216	-
Planning and Research	-	-	-	-	-	-	-	-	-	-	-
OSHA Program	358,030	-	-	-	-	-	-	-	-	358,030	-
State Aid to Municipalities	147,500,000	-	-	-	-	-	-	-	-	147,500,000	-
<i>Multimodal</i>											
Airports	33,760,952	-	-	-	1,500,000	-	-	1,500,000	1,500,000	35,260,952	-
Bicycle	726,895	-	-	-	250,000	-	-	250,000	250,000	976,895	-
Ferry	40,600,395	-	-	-	-	-	-	-	-	40,600,395	-
Public Transportation	88,173,419	-	-	-	4,000,000	-	-	4,000,000	4,000,000	92,173,419	-
Railroads	23,651,674	-	-	-	-	-	-	-	-	23,651,674	-
Governor's Highway Safety Program	251,241	-	-	-	-	-	-	-	-	251,241	-
Division of Motor Vehicles	120,334,217	-	-	-	2,968,350	4,020,775	-	2,968,350	6,989,125	127,323,342	-
Other State Agencies	13,686,807	-	-	-	-	-	-	-	-	13,686,807	-
Other Reserves	47,041,239	-	-	-	6,408,271	9,875,111	-	6,408,271	16,283,382	63,324,621	-
Capital Improvements	6,965,700	-	-	-	-	-	-	-	-	6,965,700	-
<b>Total Highway Fund</b>	<b>1,989,601,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,402,965</b>	<b>13,895,886</b>	<b>-</b>	<b>45,402,965</b>	<b>59,298,851</b>	<b>2,048,900,000</b>	<b>-</b>
Administration	35,064,813	-	-	-	298,039	706,145	-	298,039	1,004,184	36,068,997	-
<i>Construction</i>											
Strategic Prioritization Program	1,193,757,958	-	-	-	29,860,816	-	-	29,860,816	29,860,816	1,223,618,774	-
<i>Bonds</i>											
Bond Redemption	51,785,964	-	-	-	-	-	-	-	-	51,785,964	-
Bond Interest	9,226,265	-	-	-	-	-	-	-	-	9,226,265	-
NC Turnpike Authority	49,000,000	-	-	-	-	-	-	-	-	49,000,000	-
Reserve for Visitor's Centers	400,000	-	-	-	-	-	-	-	-	400,000	-
<b>Total Highway Trust Fund</b>	<b>1,339,235,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,158,855</b>	<b>706,145</b>	<b>-</b>	<b>30,158,855</b>	<b>30,865,000</b>	<b>1,370,100,000</b>	<b>-</b>

Table 7

## Schedule of Savings Reserve Account Balance, 1990-91 to 2015-16, Recommended 2016-17

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) <sup>a)</sup>	\$ -	\$ -
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) <sup>b)</sup>	155,678,246	210,604,064
1994-95	210,604,064	146,305,569	66,700,000 <sup>c)</sup>	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	-	- <sup>d)</sup>	522,520,562
1999-00	522,520,562	(485,965,824) <sup>e)</sup>	967,311	37,522,049
2000-01	37,522,049	-	120,000,000 <sup>f)</sup>	157,522,048
2001-02	157,522,048	(247,522,048) <sup>g)</sup>	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) <sup>h)</sup>	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) <sup>i)</sup>	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	-	200,245,194	851,595,471
2015-16	851,595,471	-	250,000,000	1,101,595,471
2016-17	1,101,595,471	-	300,000,000	1,401,595,471

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.

Table 8

**Total North Carolina Budget for Debt Services, 1980-81 to 2015-16; Recommended 2016-17**

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	\$ 704,718,595	\$ 61,012,229	\$ 765,730,824	\$ 74.62

\* Based on July 1 population estimates.

Table 9

## North Carolina's Bond Indebtedness, 1980-81 to 2014-15

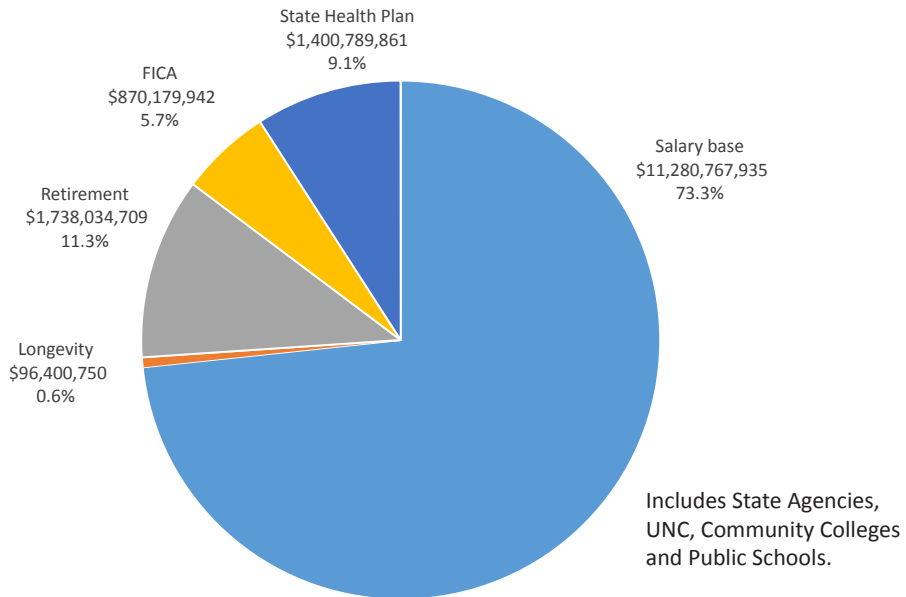
Fiscal Year	Bond Indebtedness*			
	General Fund	Highway Fund	Total	Per Capita
1980-81	\$ 574,750,000	\$ 179,000,000	\$ 753,750,000	\$ 128.19
1981-82	\$ 544,200,000	\$ 219,000,000	\$ 763,200,000	\$ 128.15
1982-83	\$ 582,700,000	\$ 323,000,000	\$ 905,700,000	\$ 150.48
1983-84	\$ 630,900,000	\$ 306,500,000	\$ 937,400,000	\$ 154.25
1984-85	\$ 589,200,000	\$ 290,000,000	\$ 879,200,000	\$ 142.62
1985-86	\$ 548,500,000	\$ 272,500,000	\$ 821,000,000	\$ 131.26
1986-87	\$ 508,000,000	\$ 254,000,000	\$ 762,000,000	\$ 120.51
1987-88	\$ 525,500,000	\$ 250,000,000	\$ 775,500,000	\$ 121.06
1988-89	\$ 481,410,000	\$ 226,750,000	\$ 708,160,000	\$ 109.23
1989-90	\$ 457,698,902	\$ 202,730,000	\$ 660,428,902	\$ 100.54
1990-91	\$ 412,038,903	\$ 175,965,000	\$ 588,003,903	\$ 88.66
1991-92	\$ 441,378,903	\$ 148,635,000	\$ 590,013,903	\$ 87.44
1992-93	\$ 548,678,902	\$ 118,695,000	\$ 667,373,902	\$ 97.67
1993-94	\$ 493,678,902	\$ 87,055,000	\$ 580,733,902	\$ 83.59
1994-95	\$ 936,191,005	\$ 55,285,000	\$ 991,476,005	\$ 140.40
1995-96	\$ 990,245,681	\$ 29,445,000	\$ 1,019,690,681	\$ 141.90
1996-97	\$ 940,252,373	\$ 4,895,000	\$ 945,147,373	\$ 129.32
1997-98	\$ 1,508,215,259	\$ -	\$ 1,508,215,259	\$ 202.97
1998-99	\$ 1,867,480,343	\$ 250,000,000	\$ 2,117,480,343	\$ 280.56
1999-00	\$ 2,212,108,040	\$ 233,325,000	\$ 2,445,433,040	\$ 319.64
2000-01	\$ 2,286,848,925	\$ 216,650,000	\$ 2,503,498,925	\$ 305.82
2001-02	\$ 2,832,409,153	\$ 199,975,000	\$ 3,032,384,153	\$ 370.42
2002-03	\$ 3,274,944,986	\$ 183,300,000	\$ 3,458,244,986	\$ 415.65
2003-04	\$ 3,892,442,828	\$ 166,625,000	\$ 4,059,067,828	\$ 479.99
2004-05	\$ 5,697,359,000 <sup>c)</sup>	\$ 811,430,000	\$ 6,508,789,000	\$ 769.67
2005-06	\$ 5,738,094,000 <sup>c)</sup>	\$ 756,755,000	\$ 6,494,849,000	\$ 748.51
2006-07	\$ 5,901,961,474 <sup>d)</sup>	\$ 702,080,000	\$ 6,604,041,474	\$ 761.10
2007-08	\$ 4,885,609,403 <sup>e)</sup>	\$ 648,025,000	\$ 5,533,634,403	\$ 766.00
2008-09	\$ 4,575,330,000 <sup>f)</sup>	\$ 593,935,000	\$ 5,169,265,000	\$ 768.00
2009-10	\$ 4,742,737,008 <sup>g)</sup>	\$ 527,922,992	\$ 5,270,660,000	\$ 727.70
2010-11	\$ 4,381,500,280 <sup>h)</sup>	\$ 464,704,220	\$ 4,846,204,500	\$ 717.62
2011-12	\$ 4,062,400,000 <sup>i)</sup>	\$ 408,100,000	\$ 4,470,500,000	\$ 702.11
2012-13	\$ 3,660,400,000 <sup>j)</sup>	\$ 339,200,000	\$ 3,999,600,000	\$ 661.52
2013-14	\$ 3,324,900,000 <sup>k)</sup>	\$ 282,200,000	\$ 3,607,100,000	\$ 601.88
2014-15	\$ 3,233,300,000 <sup>l)</sup>	\$ 236,000,000	\$ 3,469,300,000	\$ 568.74

\*The State Treasurer's Annual Report and Official Statement of the State Treasurer as of June 30 for the following fiscal year.

- a) Includes \$60 million from bond anticipation notes.
- b) Includes \$120 million from bond anticipation notes.
- c) Information obtained from CAFR as the most current DST Annual Report is for FY 2005.
- d) Information obtained from 2008 Debt Affordability Study
- e) Information obtained from 2009 Debt Affordability Study
- f) Information obtained from 2010 Debt Affordability Study
- g) Information obtained from 2011 Debt Affordability Study
- h) Information obtained from 2012 Debt Affordability Study
- i) Information obtained from 2013 Debt Affordability Study
- j) Information obtained from 2014 Debt Affordability Study
- k) Information obtained from 2015 Debt Affordability Study
- l) Information obtained from 2016 Debt Affordability Study

Figure 3

**Total Compensation**  
**from General Fund and Highway Fund Appropriations**  
**\$ 15,386,173,197 / 256,039 Positions**



UNC Employees	
Positions (FTE):	32,505
Average Salary:	\$ 69,291
Average Longevity:	\$ 244
Average Benefits:	\$ 20,571
Average Total Compensation:	\$ 90,106
Include all UNC non-LEO employees.	

State Employees	
Positions (FTE):	48,630
Average Salary:	\$ 42,416
Average Longevity:	\$ 777
Average Benefits:	\$ 15,530
Average Total Compensation:	\$ 58,722
Includes GF and HF non-LEO employees. Excludes higher ed, public schools, judicial officials.	

Community College Employees	
Positions (FTE):	17,936
Average Salary:	\$ 50,811
Average Longevity:	\$ 686
Average Benefits:	\$ 17,290
Average Total Compensation:	\$ 68,787
Includes all community college employees; excludes system office employees.	

Law Enforcement Officers	
Positions (FTE):	3,068
Average Salary:	\$ 54,233
Average Longevity:	\$ 819
Average Benefits:	\$ 20,869
Average Total Compensation:	\$ 75,921
Includes GF and HF LEO employees, including UNC LEOs.	

State-Supported Local School Employees	
Positions (FTE):	152,794
Average Salaries by position type range from \$12,170 to \$62,633.	
Includes full-time and part-time positions. Includes all public school employees; excludes system office employees.	

Officers of the Court	
Positions (FTE):	1,107
Average Salary:	\$ 81,750
Average Longevity:	\$ 10,261
Average Benefits:	\$ 36,426
Average Total Compensation:	\$ 128,437
Includes those that receive judicial retirement and/or longevity.	

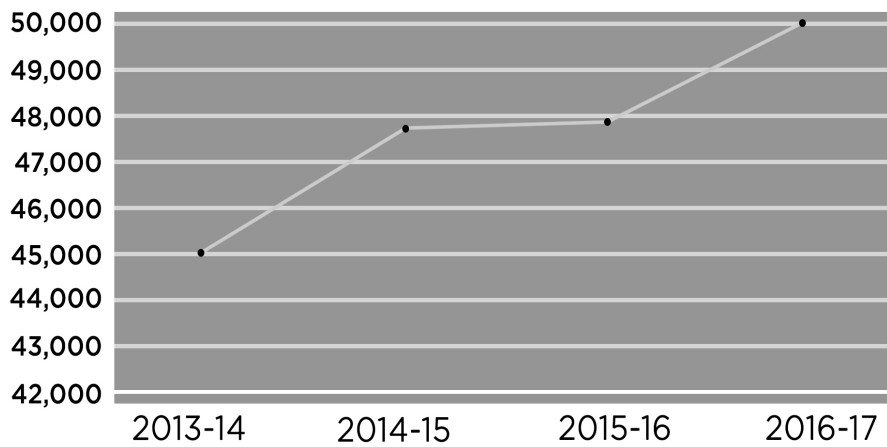


Table 10

<b>Teachers</b>	<b>Current</b>	<b>Proposed 2016-17</b>
Average Salary (including local funds):	\$47,931	\$50,244
Health:	\$5,471	\$5,471
Retirement:	\$7,343	\$7,873
FICA:	\$3,667	\$3,844
Total	\$64,412	\$67,432

Figure 4

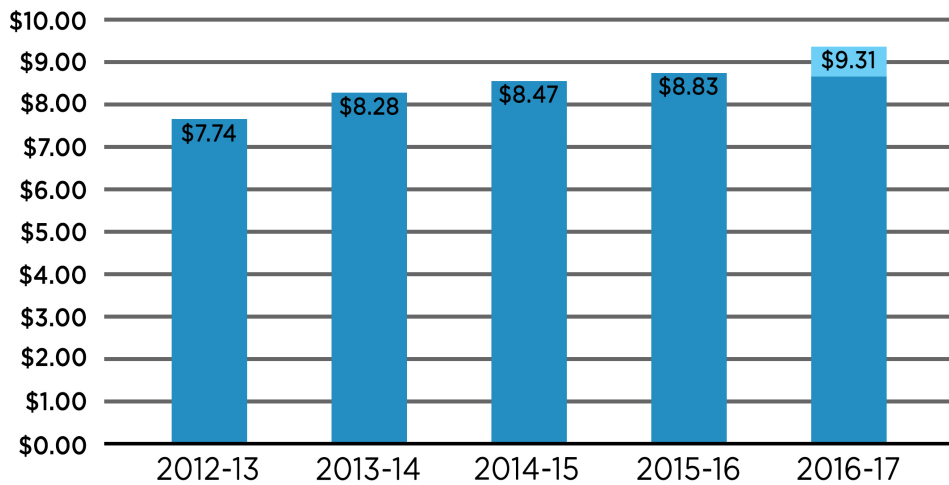
**TEACHER COMPENSATION TRENDS**



SOURCE: Source: 2016 DPI Highlights of the NC Public School Budget

Figure 5

**CERTIFIED AND RECOMMENDED K-12 BUDGET  
STATE APPROPRIATIONS & LOTTERY  
(BILLIONS OF DOLLARS)**



SOURCE: BD 307 Certified Budget documents, Governor's Recommended Adjustments for 2016-17

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***Economic Outlook  
and Revenue Forecasts***

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# Economic Outlook

## North Carolina's Economy: Will Growth Accelerate in 2016-17?

### North Carolina's Unemployment Rate is Lowest since April 2008

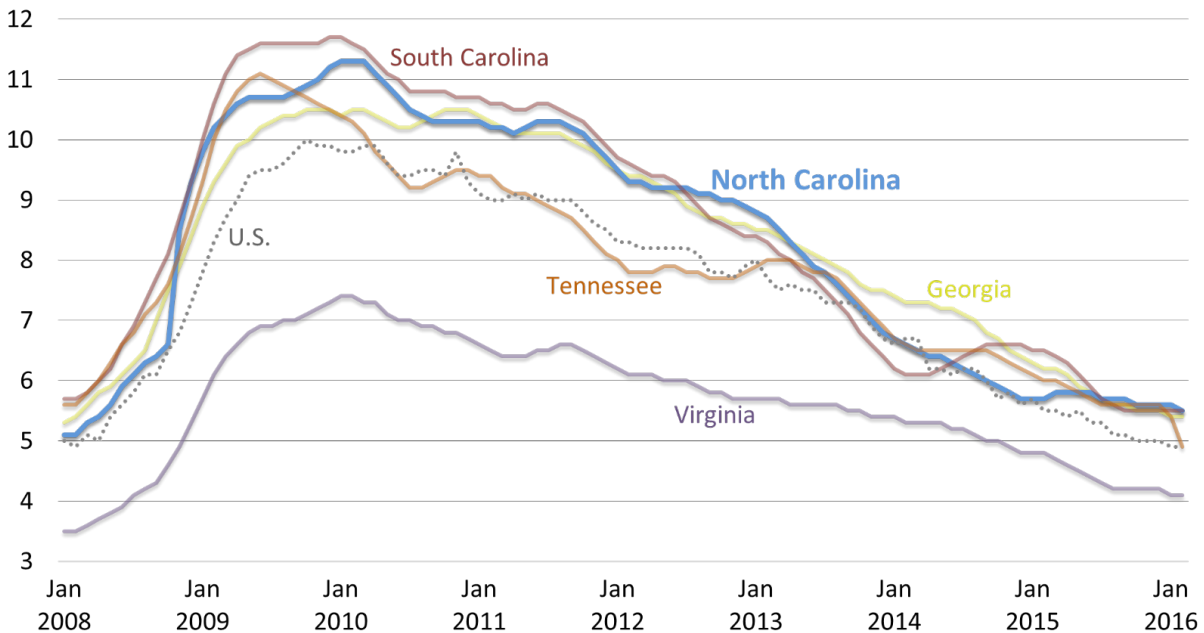
North Carolina's unemployment rate declined by more than a percentage point per year after reaching a high of 11.3 percent in early 2010 until reaching near-full-employment levels at a rate below 6.0% in the last months of 2014. Since the end of 2014, North Carolina's unemployment rate has registered an additional 0.2 percentage point drop. As of March 2016, the unemployment rate was 5.5 percent, the lowest since April 2008.

What caused the unemployment rate to stabilize in 2015, instead of continuing a rapid decline, was an increase in the rate of growth in the state's labor force. In fact, North Carolina's labor force participation rate increased in 2015 for the first time since 2006. At the same time, the rate of employment growth in North Carolina maintained a similar pace to prior years. Thus, unlike in the period from early 2010 through 2014, the rate of growth in employment was no longer significantly higher than the rate of growth in the state's labor force in 2015.

Figure 6

## North Carolina's Unemployment Rate Stabilized at Low Level in 2015

State U-3 Unemployment Rate - Seasonally Adjusted

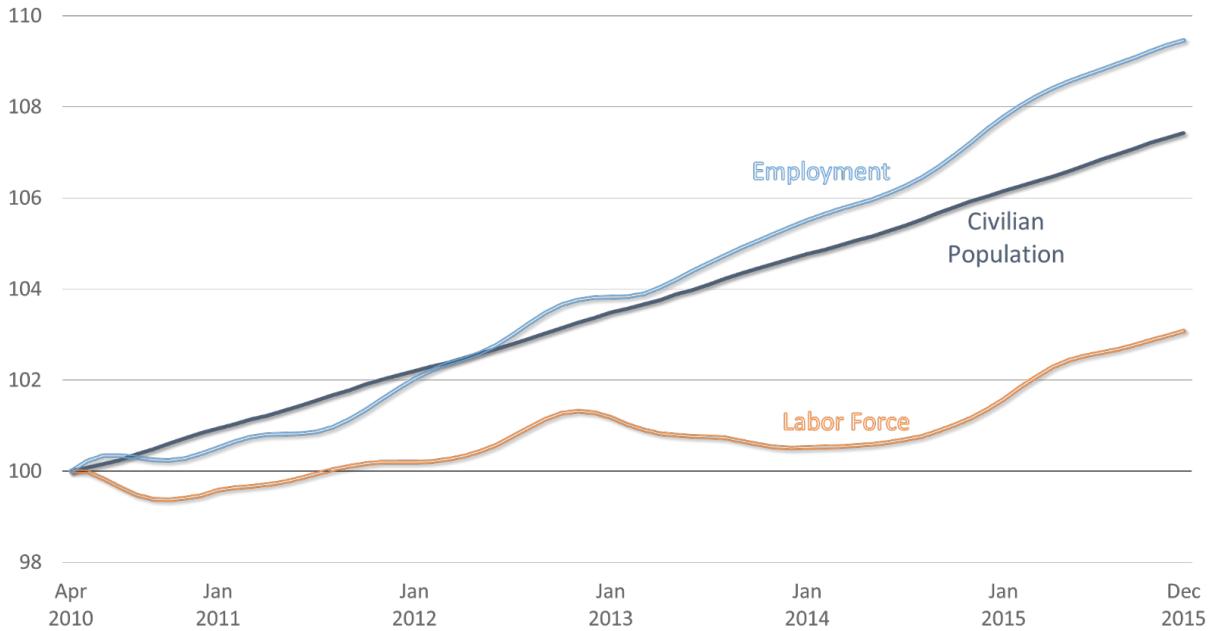


Source: US Department of Commerce, Bureau of Labor Statistics, Local Area Unemployment Statistics

Figure 7

## North Carolina Labor Force Growing Rapidly After Years of Stagnation

Index of North Carolina Adult Civilian Noninstitutional Population, Labor Force, and Employment; April 2010 = 100



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics; Note: Census-based population controls implemented in April 2010.

A higher rate of labor force growth, if it persists through the 2016-17 biennium, would indicate that brighter employment prospects are reaching many of the state's potential workers who either dropped out of the labor force or delayed (re-) entry into the labor force during the extended

period of high unemployment that followed the Great Recession. If the labor force continues to grow faster than the working-age population, it would be a major factor in boosting the growth of North Carolina's economy during the next several years.

## North Carolina's Economy Has Consistently Created Jobs for Six Straight Years

North Carolina's economy has generated 277,000 new private-sector jobs since the beginning of 2013<sup>1</sup>. During the twelve months ending in March 2016, total non-farm employment in the state grew by 2.5 percent.

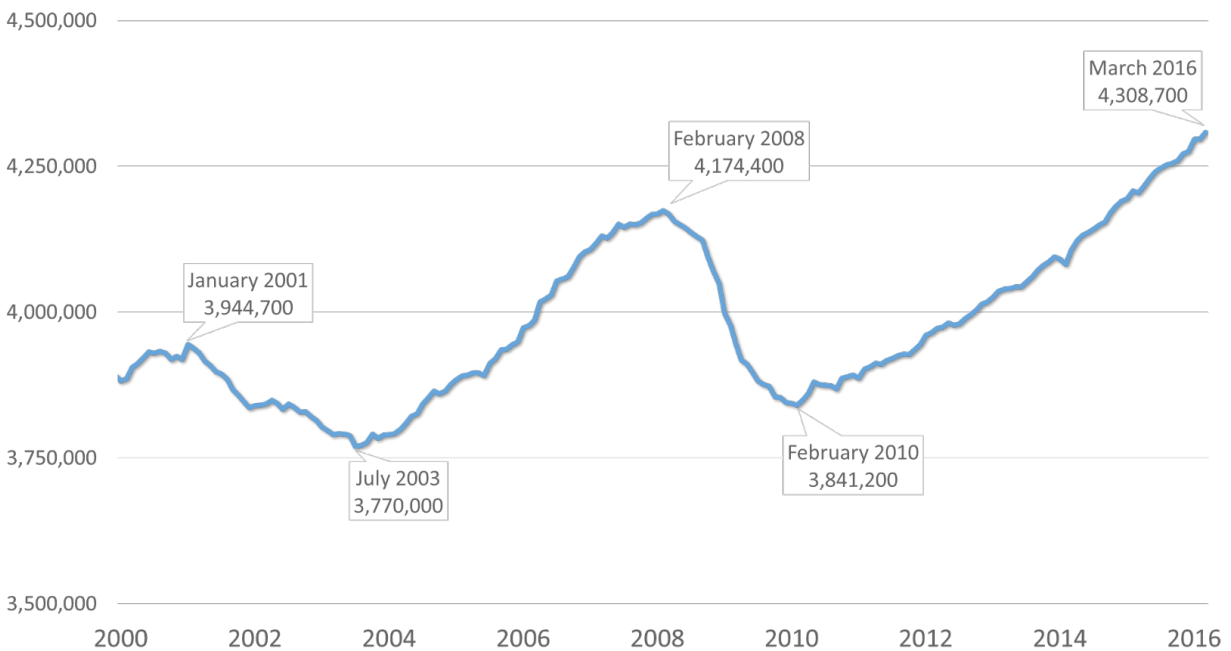
Job growth continues to be concentrated in a few groups of service-providing industries: professional and technical services, leisure and hospitality, and retail trade. In 2014, these three groups of industries accounted for roughly one in three net new jobs. In 2015, they accounted for nearly half of all net new jobs.

Among these industry groups, job growth in professional and technical services, which accounted for one in eight net new jobs in 2015, has provided North Carolinians with opportunities to earn substantially higher pay than the statewide average. In 2014, jobs in professional and technical services paid 61 percent higher on average than the statewide average annual non-farm wage of \$45,028<sup>2</sup>. The other two industry groups with significant job gains both have average annual wages below the statewide average.

The biggest changes in the rates of job creation between 2014 and 2015 occurred in manufacturing and health services.

Figure 8

### North Carolina Total Non-Farm Employment - 2000 to March 2016

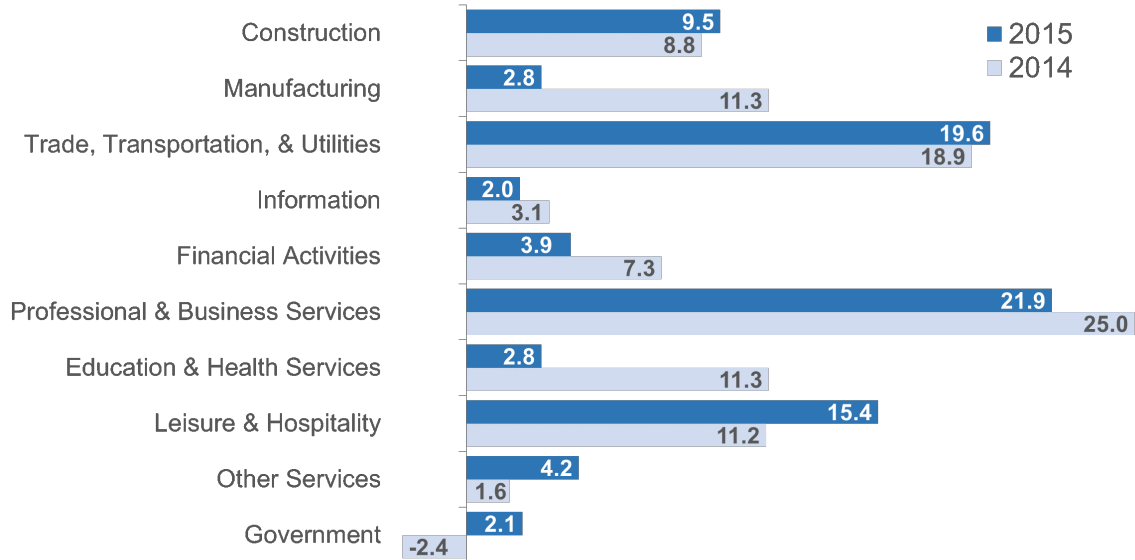


<sup>1</sup> Unless otherwise noted, all figures in this section refer to data from the Current Employment Statistics program of the Bureau of Labor Statistics.

<sup>2</sup> Based on data from the Quarterly Census of Employment and Wages.

Figure 9

**Service Industries Driving Most of Job Growth Over Past Two Years**  
Annual Change in Payroll Employment by Industry, Thousands



Source: Bureau of Labor Statistics

**Pace of Growth in Real Labor Income Has Accelerated, Especially for Older Workers**

Real median family income in North Carolina increased 1.5% between 2012 and 2014 after five straight years of decline<sup>3</sup>. One big driver of this increase has been wage and salary income, which continues to see a positive trend, as shown below. Real per capita wage and salary income in the state grew 7.7% between the first quarter of 2013 and the fourth quarter of 2015 and is at the highest level since the second quarter of 2007<sup>4</sup>.

The median North Carolina worker in 2014 and 2015 reported inflation-adjusted<sup>5</sup> weekly wages nearly four percent higher than the median worker in 2007 and 2008<sup>6</sup>. Yet, those real wage gains were not equally shared by North Carolina workers of all ages.

Older workers in North Carolina have experienced significant real wage gains during the most recent seven-year period, but their younger peers in the workforce have mostly experienced stagnant or declining real wages. As shown in the chart below, the median wage declined for workers under age 35 and was modestly higher among workers age 35-54. In sharp contrast, the real median weekly wage among workers age 55-64 was nearly ten percent higher<sup>7</sup>. Shifts in the number of hours worked per week do not explain the distribution in wage gains, as the same basic pattern holds whether one considers all workers or only full-time workers. Older workers were simply able to command stronger gains in hourly wage rates in comparison to their younger peers.

<sup>3</sup> American Community Survey (median family income, single-year estimates). Bureau of Economic Analysis (personal consumption expenditures price index).

<sup>4</sup> Bureau of Economic Analysis (wage and salary income and personal consumption expenditures price index). IHS, Inc. (quarterly population data).

<sup>5</sup> Inflation adjustment based on the chain-type price index for personal consumption expenditures produced by the Bureau of Economic Analysis.

<sup>6</sup> All figures, unless otherwise cited, are based on OSBM analysis of Current Population Survey microdata from 2007, 2008, 2014, and 2015. Respondents were grouped into two-year periods to reduce sampling error.

<sup>7</sup> The median real wage for workers age 65-74 grew by even more – 17% -- but this estimate is subject to more sampling error due to the lower representation of workers age 65 and higher in the Current Population Survey sample for North Carolina.

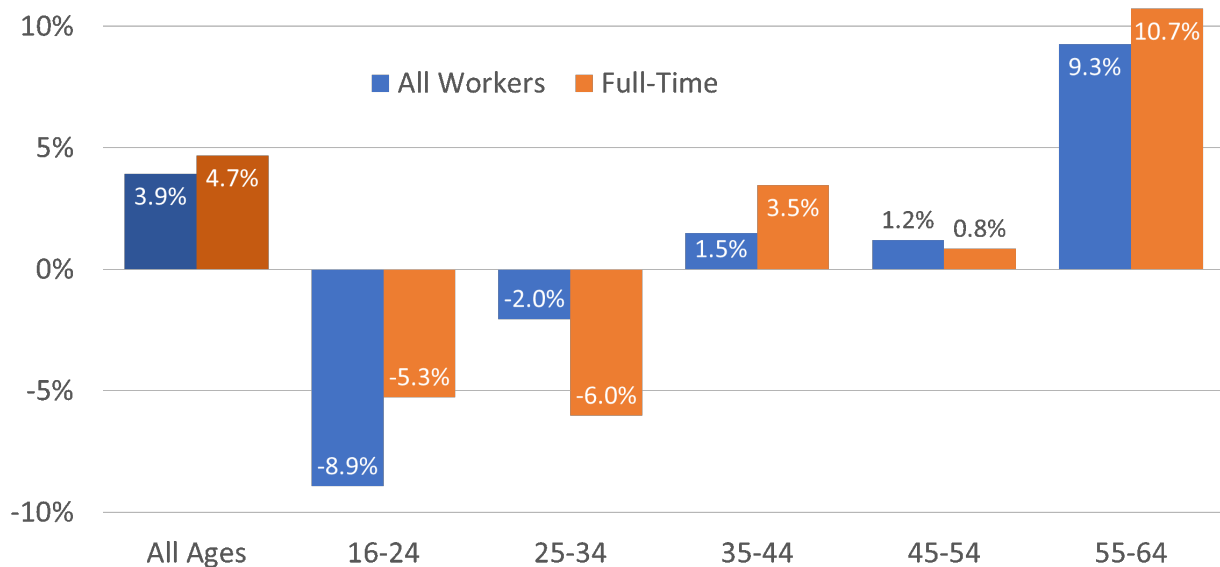


Uneven wage growth between age groups may be in part driven by diverging trends in employment rates by age. Compared to the year before the depths of the Great Recession, the employment rates of young and middle-age adults in North Carolina (including adults through their early-to-mid 40s) were lower in 2015. By contrast, the employment rates of adults in immediate pre-retirement years (55-64) held steady while employment rates among adults in the early years of the traditional retirement period (65-74) were higher in 2015 than in 2007. Thus, it is possible that competition among employers for older workers may be driving disproportionate wage gains for this age group.

If the lower employment rates among younger and middle-age adults is mostly cyclical – that is, a transitory effect of the slow recovery from the Great Recession – this would be a major factor in potential economic growth over the next few years. If steady job growth continues in the months ahead and brings even more prime-age adults into the labor force, then the economy will likely experience wage and employment growth above recent trends through, and perhaps even beyond, the next fiscal year.

Figure 10

### Post-Recession Wage Growth in North Carolina Uneven Across Age Groups Change in Real Median Usual Weekly Wages by Age and Full-Time Status, 2007-08 to 2014-15



Source: OSBM analysis of Current Population Survey microdata. Analysis limited to workers present at work the week prior to being surveyed.

<sup>8</sup>For both groups (all workers and full-time workers), the median worker reported working forty (40) hours per week in 2007-08 and 2014-15.

# 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 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.

The revisions to the consensus revenue forecast for FY 2016-17 and the remainder of FY 2015-16 reflect a cautious outlook. The consensus revenue forecast for FY 2016-17 was revised upward by \$179.2 million (0.8%) and the current fiscal year is anticipated to register over-collections of \$237.1 million (1.1%).

Specific highlights of the revisions include:

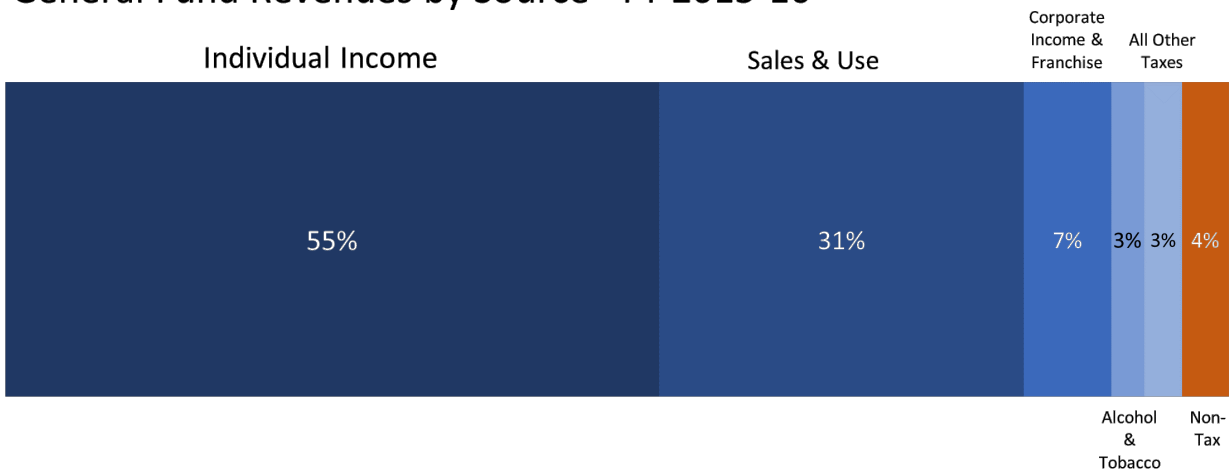
## Current Year Revenue

The revised consensus forecast projects net General Fund revenue of \$21.96 billion in FY 2015-16. This amount is 2.4% over the \$21.45 billion collected in FY 2014-15 (see table 11 and figure 12). The revised consensus projection is \$237.1 million (1.1%) higher than the budgeted amount of \$21.72 billion but is well within the median forecast error since 1987.

- **Personal income tax collections** are expected to total \$11.7 billion in FY 2015-16, an increase of 5.9% over FY 2014-15 levels. After adjusting for recommended revenue changes, the revised consensus forecast represents an increase in expected revenue of \$427 million, due primarily to higher-than-expected growth in withholding, quarterly payments, and final payments in the second half of 2015 and early 2016.
- **Sales and use tax collections**, which comprise nearly one-third of General Fund revenue, are forecast to increase 4.7% or \$295 million compared to FY 2014-15. This represents a

Figure 11

## General Fund Revenues by Source - FY 2015-16



downward revision of 2.9% or \$197 million compared to budget, driven primarily by lower-than-expected growth in taxable retail sales.

- While the FY 2015-16 forecast assumes continued economic growth, revenue volatility remains a risk. April always has the potential to be a volatile collection month where revenue from dividends, capital gains, and business income can result in sizable swings in income tax collections. Significant tax law changes enacted in recent years – and the timing of taxpayer responses to those changes – may have major impacts on income tax refunds and final payments, adding greater potential short-term forecast volatility for the remainder of FY 2015-16 than normally associated with a revenue forecast.

economic expansions. Table 11 details this forecast adjusted for recommended revenue changes.

- Personal income tax collections, North Carolina’s single largest revenue source, are expected to equal \$11.72 billion in FY 2016-17, a decrease of 0.1% compared to revised FY 2015-16 revenues. Although personal income tax collections for FY 2016-17 are revised upward by \$269 million compared to the budgeted amount, the upward revision is much lower than FY 2015-16 collections. Modest projected year-over-year growth in baseline personal income tax revenues will be almost entirely offset by the phasing in of previously enacted tax reductions during FY 2016-17.
- Growth in consumer spending is expected to remain steady over the rest of the biennium due to lower energy prices and stable consumer confidence. This economic outlook combined with growth from recently enacted revenue changes translates into 5.7% growth in sales and use tax collections, which is modestly higher than the historical average.

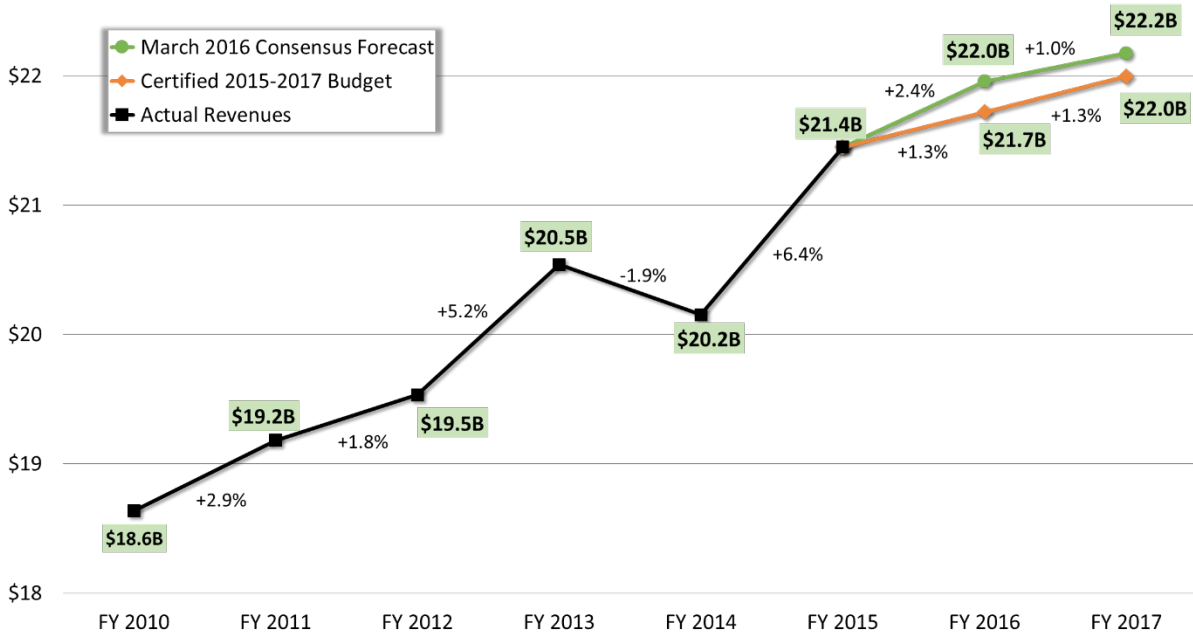
### Revenue Outlook for 2016-17 Fiscal Year

Reflecting a cautious outlook, the forecast estimates General Fund revenue will increase a modest 1.0% in FY 2016-17, which is below long-term average growth and typical growth during

Figure 12

## Consensus General Fund Revenue Forecast Revised Upward

Billions of Current-Year Dollars



Source: OSBM and NC Fiscal Research Division data and projections

- Corporate profits are expected to rebound in FY 2016-17 after a moderate decline during the current fiscal year. Corporate income tax collections are projected to decline 10.3% in FY 2016-17, primarily the result of revenue loss from corporate rate reductions and other corporate tax changes.
- While the General Fund forecast cautiously assumes below-trend growth, there are still significant risks to the forecast. Global economic turmoil, recent spikes in stock market volatility, and growing fears of a potential recession among some economic forecasters are among the significant sources of risk to the consensus forecast. In addition, state revenue volatility and responsiveness to economic changes has increased in recent years.

### Recommended Revenue Changes

- Deduction for teachers' classroom expenses: The Governor recommends conforming to a provision in the Internal Revenue Code making permanent an above-the-line deduction for up to \$250 in eligible classroom expenses of elementary and secondary school teachers.
- Adjustment of Transfer from Insurance Regulatory Fund: As required by GS 58-6-25, the Governor recommends an increase in the Insurance Regulatory Fund transfer of an amount equal to the increase in recommended appropriations to the Department of Insurance.

Table 11

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

	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget	2015-16 Revised	% Change 2015-16 Rev./ 2014-15 Act.	2016-17 Budget	2016-17 Revised	% Change 2016-17 Rev./ 2015-16 Rev.
<b>Tax Revenue</b>										
Individual Income	10,272.1	10,953.1	10,272.4	11,078.5	11,303.1	11,730.3	5.9%	11,450.8	11,718.7	-0.1%
Sales and Use	5,257.6	5,294.1	5,566.5	6,252.0	6,744.0	6,547.2	4.7%	7,156.0	6,918.4	5.7%
Corporate Income	1,132.8	1,191.7	1,356.9	1,327.7	1,085.1	1,022.2	-23.0%	823.8	916.8	-10.3%
Franchise	612.5	660.1	697.0	544.1	534.3	541.1	-0.6%	532.6	554.1	2.4%
Insurance	460.4	521.5	440.9	510.7	503.2	520.2	1.9%	515.0	527.7	1.4%
Beverage	287.4	298.6	306.0	318.7	330.5	334.0	4.8%	344.5	337.2	1.0%
Estate	58.1	111.4	19.3	3.0	0.0	2.0	-33.3%	0.0	0.0	-100.0%
Licenses	48.5	46.1	50.0	41.1	49.5	42.8	4.2%	40.2	31.7	-25.9%
Tobacco Products	270.9	255.4	255.5	248.5	243.0	257.0	3.4%	240.2	252.5	-1.8%
Real Estate	0.0	0.0	45.3	55.5	55.3	61.5	10.8%	56.8	59.7	-2.9%
White Goods	0.0	0.0	1.5	2.0	1.7	2.3	16.6%	1.7	2.3	0.0%
Scrap Tire	0.0	0.0	5.0	5.3	5.3	6.2	16.1%	5.3	6.3	1.6%
Mill Machinery	36.2	36.9	35.5	41.1	41.1	42.9	4.3%	42.4	44.8	4.4%
Solid Waste	0.0	0.0	2.1	2.3	2.3	2.2	-4.7%	2.3	2.2	0.0%
Piped Natural Gas	25.9	30.4	30.4	0.0	0.0	0.0	n.a.	0.0	0.0	n.a.
Gift	0.2	0.8	0.5	0.0	0.0	0.0	n.a.	0.0	0.0	n.a.
Miscellaneous	0.6	1.2	1.5	1.8	1.2	1.4	-22.1%	1.2	1.4	0.0%
<b>Total Tax Revenue</b>	<b>18,463.1</b>	<b>19,401.5</b>	<b>19,086.4</b>	<b>20,432.3</b>	<b>20,899.6</b>	<b>21,113.3</b>	<b>3.3%</b>	<b>21,212.8</b>	<b>21,373.8</b>	<b>1.2%</b>
<b>Nontax Revenue</b>										
Investment Income	17.8	12.5	17.3	18.3	17.1	30.8	68.1%	17.4	31.3	1.6%
Judicial Fees	258.8	249.9	235.8	234.5	252.8	243.2	3.7%	250.5	241.9	-0.5%
Insurance Department Disproportionate Share Receipts	72.3	72.6	73.4	76.3	139.0	78.5	2.8%	139.0	79.2	1.0%
Master Settlement Agreement	115.0	115.0	110.0	109.0	127.5	147.0	34.9%	127.5	147.0	0.0%
Miscellaneous	n.a.	n.a.	164.6	138.6	206.3	127.5	-8.0%	169.5	127.5	0.0%
<b>Total Nontax</b>	<b>777.0</b>	<b>891.1</b>	<b>848.0</b>	<b>801.1</b>	<b>821.1</b>	<b>843.0</b>	<b>5.2%</b>	<b>783.5</b>	<b>800.3</b>	<b>-5.1%</b>
<b>Transfers</b>										
Highway Fund	217.1	27.6	0.0	0.0	0.0	0.0	n.a.	0.0	0.0	n.a.
Highway Trust Fund	76.7	220.3	218.1	215.9	0.0	0.0	-100.0%	0.0	0.0	n.a.
<b>Total Transfers</b>	<b>293.8</b>	<b>247.9</b>	<b>218.1</b>	<b>215.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0%</b>	<b>0.0</b>	<b>0.0</b>	<b>n.a.</b>
<b>Total General Fund Revenue</b>	<b>19,533.9</b>	<b>20,540.5</b>	<b>20,152.6</b>	<b>21,449.3</b>	<b>21,720.7</b>	<b>21,956.3</b>	<b>2.4%</b>	<b>21,996.3</b>	<b>22,174.1</b>	<b>1.0%</b>

# Highway Fund Revenue Forecast

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. Table 12 shows revised forecast estimates for the Highway Fund revenue collections projected for fiscal years 2015-16 and 2016-17.

## Current Fiscal Year Update

Fiscal year 2015-16 revenue is projected to be close to the fiscal year 2014-15 level (less than 0.2% increase) and finish about \$88 million above forecast. The excise tax revenue and licenses and fees collections are anticipated to be 5% and 3% higher, respectively, than what was budgeted for the current year. The higher excise revenue is in the context of a lower excise tax rate, which has

reduced the rate's exposure to gas price volatility, and of a lower portion of the excise revenue allocated to the Highway Fund. These results highlight the increase in gasoline consumption (3.4% over last fiscal year) that is driven by continuing lower gas prices and a recovering economy.

## Fiscal Year 2016-17 Revenue Projections

Total Highway Fund revenue collections in fiscal year 2016-17 are expected to increase above current year estimates by 0.7%. However, the increase will be driven by revenue from licenses and fees, which is expected to increase 14% over the current year due to increases in DMV fees, growing population, and a continuing economic recovery. Most of this growth is expected to be cancelled out by a 6% decrease in motor fuel tax revenue in FY 2016-17, as gas prices are anticipated to stabilize and reduce fuel consumption by 1.5%.

Table 12

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

Source	2014-15 Actual	2015-16 Budget	2015-16 Revised	Percent Change	2016-17 Budget	2016-17 Revised	Percent Change
<b>Motor Fuels Tax</b>							
Motor Fuels	1,426.2	1,268.8	1,333.9	-6%	1,227.3	1,251.4	-6%
Gasoline Inspection	14.3	13.4	14.0	-2%	13.4	13.8	-1%
Highway Use Reg.	0.4	0.4	0.4	0%	0.3	0.3	-6%
Total Motor Fuel Taxes	1,440.9	1,282.6	1,348.3	-6%	1,241.1	1,265.6	-6%
<b>Licenses and Fees</b>							
Staggered Registration	208.3	239.2	238.4	14%	271.3	271.8	14%
International Registration Plan	115.3	127.1	141.1	22%	142.9	162.5	15%
Driver Licenses	142.4	155.1	165.4	16%	176.8	187.8	14%
Truck Licenses	60.8	74.2	75.1	24%	85.3	84.8	13%
Other Licenses and Fees	55.2	64.7	62.3	13%	67.2	71.4	15%
Total Licenses and Fees	582.0	660.3	682.3	17%	743.5	778.3	14%
<b>Investment Income</b>							
	9.3	4.9	5.0	-46%	5.0	5.0	0%
<b>Total Highway Fund Availability</b>	<b>2,032.2</b>	<b>1,947.8</b>	<b>2,035.6</b>	<b>0%</b>	<b>1,989.6</b>	<b>2,048.9</b>	<b>1%</b>

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

# Highway Trust Fund Revenue

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 percent 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 13 shows revised projections for the Highway Trust Fund revenue collections for fiscal years 2015-16 and 2016-17.

## Current Fiscal Year Update

Fiscal year 2015-16 revenue is expected to significantly exceed last year's level by 12%, close to \$72 million above the budgeted forecast. The surplus is primarily fueled by a notable growth in car sales, with highway use tax revenue anticipated to finish 8% over FY 2014-15 and \$43.3 million above

forecast. Motor fuel tax revenue is also expected to increase 16% over FY 2014-15 and \$23 million above forecast. This increase is due to the Highway Trust Fund receiving a higher proportion of the excise tax revenue and to lower than expected gas prices that have increased fuel consumption and boosted motor fuel tax revenue despite a lower excise rate. Fee revenue is anticipated to finish the year \$5.5 million above forecast.

## Fiscal Year 2016-17 Revenue Projections

Total Highway Trust Fund revenue is expected to decrease by 1.0% in FY 2016-17. Highway use tax revenue is anticipated to grow by 0.5% over the current year and fee revenue by 13 percent as the economy continues to recover. However, this would be offset by a decrease in motor fuel tax revenue of 6%, as gas prices are anticipated to stabilize and reduce fuel consumption by 1.5%.

Table 13

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

Source	2014-15 Actual	2015-16 Budget	2015-16 Revised	Percent Change	2016-17 Budget	2016-17 Revised	Percent Change
<b><u>Fuel Taxes and Fees</u></b>							
Motor Fuel Tax	475.0	528.3	551.2	16%	511.1	517.2	-6%
Highway Use	652.4	659.8	703.1	8%	682.7	706.6	0.5%
Certificate of Title Fees	86.7	103.8	108.4	25%	120.7	122.0	13%
Miscellaneous Title Fees	11.7	14.0	14.3	22%	17.3	16.2	14%
Lien Recording	3.7	4.7	5.3	42%	5.4	6.0	14%
Subtotal	1,229.6	1,310.5	1,382.3	12%	1,337.2	1,368.1	-1%
<b><u>Interest on Investments</u></b>							
	4.6	2.0	2.0	-57%	2.0	2.0	0%
<b>Total Highway Trust Fund Availability</b>	<b>1,234.2</b>	<b>1,312.5</b>	<b>1,384.3</b>	<b>12.2%</b>	<b>1,339.2</b>	<b>1,370.1</b>	<b>-1%</b>

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

# NC Population Dynamics

## Population growth

Rapid population growth has had a strong impact on North Carolina, with the state growing by roughly 580 thousand people between 2010 and 2016 and passing Michigan to become the 9th largest state in the US overall. By the end of the biennium, we project that the state will grow by an additional 100,000 people, from more than 10.05 million people on July 1, 2015 to over 10.26

million people by July 1, 2017. This is equivalent to adding an entire city nearly the size of Fayetteville to North Carolina over two years. In other words, the State is growing by a net 280 people every day (or about 1,995 people every week). Growth is not evenly distributed, however, with large urban areas growing the fastest and some smaller counties projected to lose population.

Figure 13

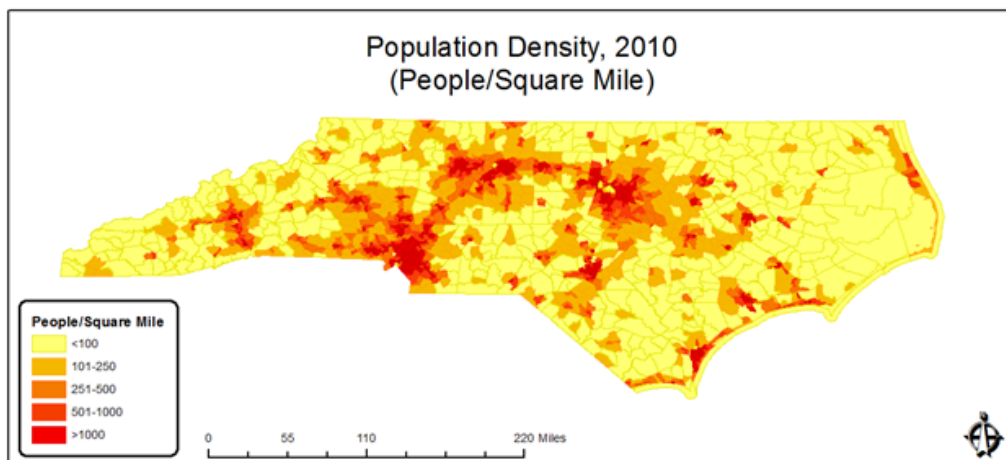


Figure 14

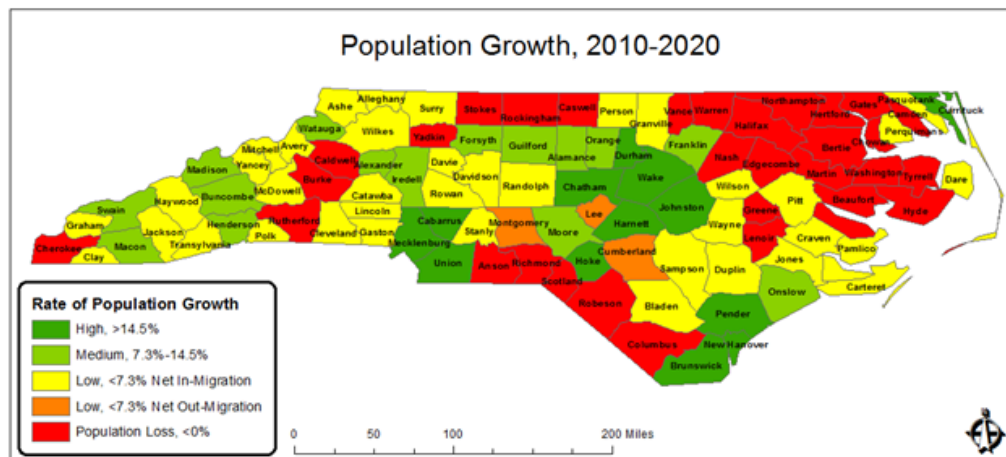
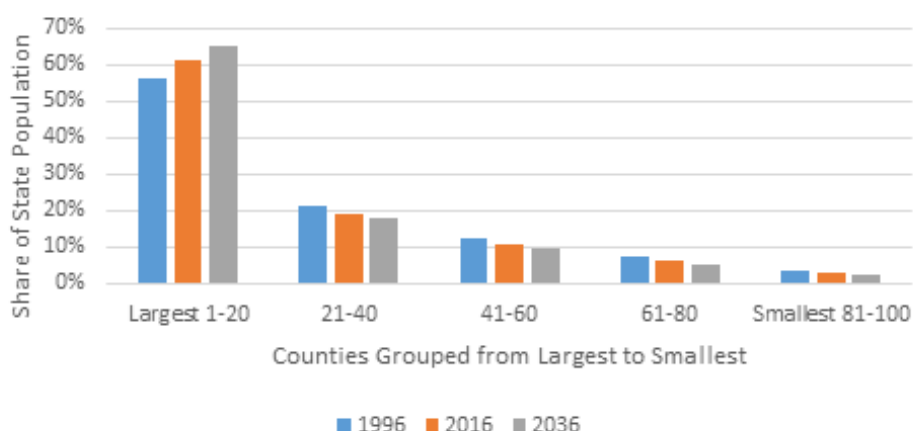




Figure 15

### North Carolina's Total Population by County, Counties Grouped by Population Size, 1996-2036



### Migration

Net-migration is a major component of population growth in North Carolina. Over the current biennium, we expect people moving into the state to account for approximately 70% of total population growth. This means that of the 285 people that are added to North Carolina's population every day, approximately 201 moved into the State from somewhere else. The majority of movers come from nearby states, with Virginia being the highest

estimate for origin of in-migration. South Carolina is the leading estimated destination for out-migration. About 40% of total migration was from people moving to North Carolina from abroad. By age group, most movers are young, with the highest number of movers into North Carolina in 2014 in the 18-24 age group, followed by adults age 25-34 and children 17 and under.

Figure 16

### Number of Movers to North Carolina in 2014 by State of Residence 1-Year Earlier

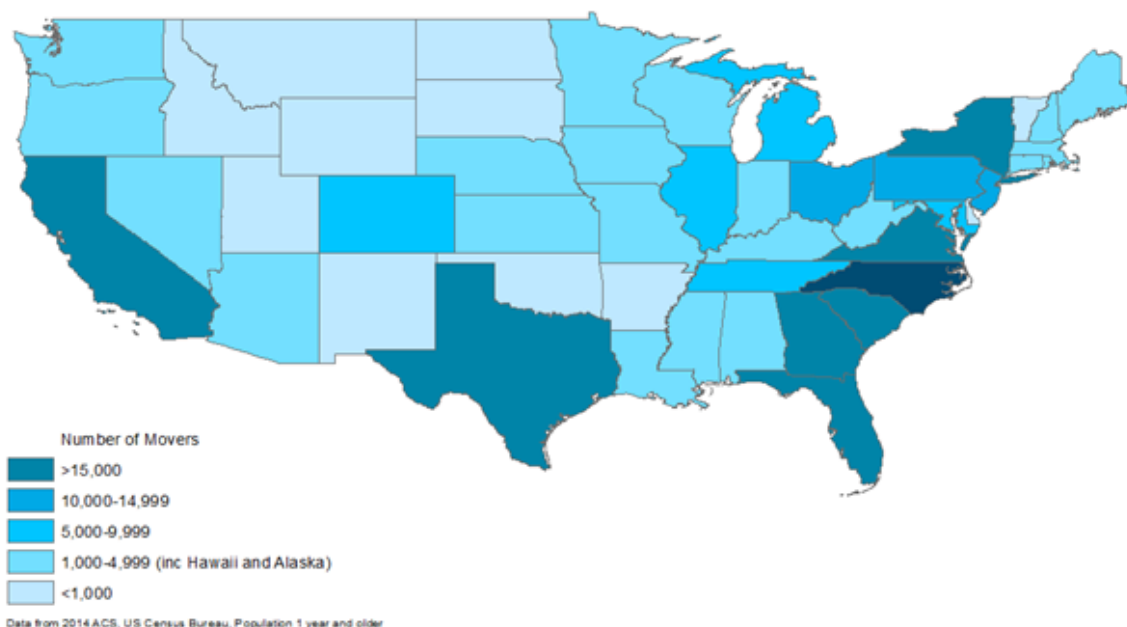
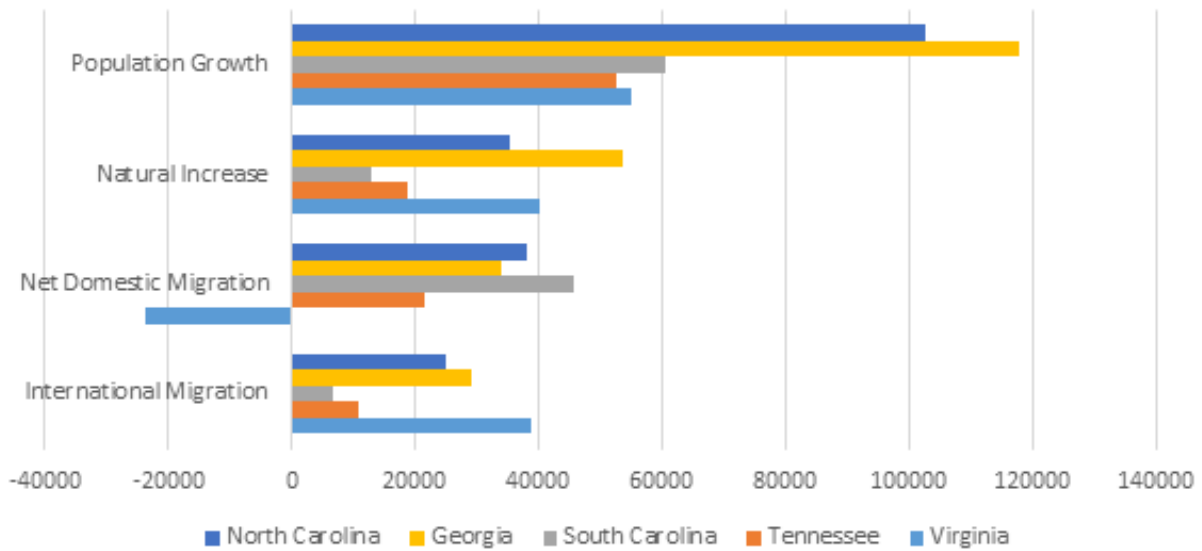




Figure 17  
 State Comparison of Population Growth and Its  
 Components, 2014-2015



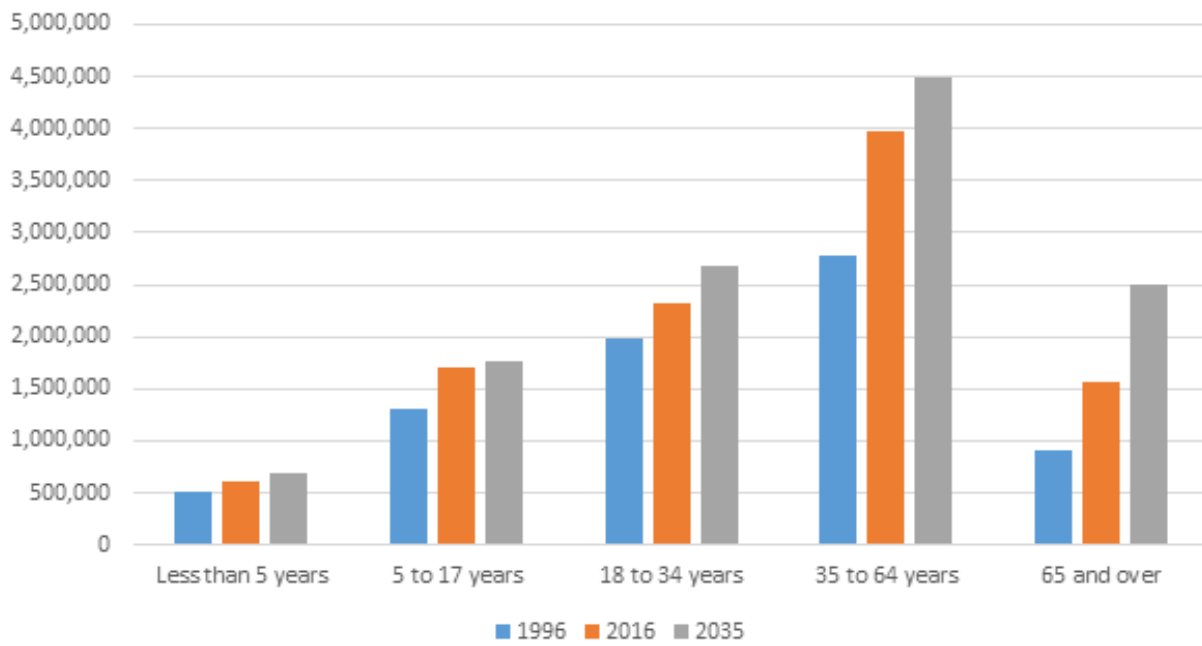
### Age

As the State's population has grown, it has also been aging. Comparing the distribution of the State's population in 1996 to projections for July 1, 2016 and July 1, 2035, the population 65+ is expected to account for an increasing share of the total population, while the percent of the population under 35 is decreasing. Overall the median age is expected to increase to 38.44 by 2016 and 40.83 by 2035.

Although the fastest growth has been among the 65+ population, every age group has grown significantly. By July 1, 2016 we expect there to be 2.3 million children under 18, an increase of 485,000 from 1996. At the other end of the age distribution, as the baby boomer generation reaches retirement age and life expectancy

increases, the population 65 and over is increasing rapidly. By 2016, we expect this group to reach almost 1.6 million, or roughly 15% of the State's population. This is an increase of nearly 645,000 people or 71% growth since 1996. By 2035, the population 65 and over is expected to reach 2.5 million, more than 20% of the State's total population. The population aged 85+ is growing even faster, with an expected 88% increase over 1996 totals by 2016. The total population aged 85 and over by July 1, 2016 is likely to exceed 176,000 people (more than 1.7% of the total population). By 2035 we expect the State to have more than 338,000 residents aged 85+, with nearly 6,000 of them being centenarians.

Figure 18  
Changing Age Distribution in North Carolina, 1996-2035



# Education Highlights

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## **Total Spend: \$12.8 billion** **57% of General Fund Budget**

### **Respecting and Rewarding Our Teachers**

Increases average teacher pay in North Carolina to more than \$50,000 for the first time in state history by providing an average 5% pay increase.

Provides an average 3.5% bonus for teachers and principals with a greater share going to veteran teachers. This will equate to a \$5,000 bonus for our veteran teachers with more than 24 years of service.

Invests \$6 million for a differentiated pay pilot for pioneering school districts to implement or sustain existing differentiated pay plans that establish leadership roles for highly-effective teachers.

### **Recruiting New Teachers**

Establishes a scholarship program by investing \$2 million to attract 300 new, highly qualified math and science teachers to earn degrees and teach math and science in the state's public schools.

### **Modernizing Classrooms**

Empowers schools to trade textbooks for tablets and builds on our commitment to position North Carolina as one of the first states in the nation to connect all classrooms to robust Wi-Fi by 2018.

### **Expanding Opportunity for Special Needs Students**

Expands funding by nearly \$6 million to provide scholarships for an additional 300 special needs students.

### **Boosting Community College Graduation**

Provides support services to ensure community college students graduate with a credential or degree.

Upgrades equipment at our community colleges needed to train students with the skills needed to succeed in today's workforce.

### **Supporting Our Universities**

Establishes a new competitive merit scholarship program for students pursuing science, math and health degrees at our universities to help fill the shortage of skilled workers in these fields.

Provides recurring funding to support the education of future health care professionals at the Brody School of Medicine at East Carolina University.

Increases funding to recruit and retain exceptional faculty at UNC system campuses.

Expands the Historically Black Colleges and Universities (HBCU) Internship Program to connect students with prospective private-sector employers.

Department of Public Instruction

	2014-15 Actual	2015 Session Law-Enacted		Net Recurring	2016 Legislative Session-Recommended Change			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
		2015-16 Certified	2016-17 Certified		Net	Recommended Adjustment				
					Non-Recurring					
Total Requirements	\$10,245,871,100	\$12,718,847,989	\$12,647,946,284	\$334,781,890	\$250,067,600	\$584,849,490	\$13,232,795,774	4.04%	4.62%	
Less Receipts	\$2,198,666,336	\$4,202,078,692	\$4,228,501,663	\$2,160,484	\$39,000,000	\$41,160,484	\$4,269,662,147	1.61%	0.97%	
Total Appropriation	\$8,047,204,764	\$8,516,769,297	\$8,419,444,621	\$332,621,406	\$211,067,600	\$543,689,006	\$8,963,133,627	5.24%	6.46%	
Total Positions	-	1,273.827	1,158.827	-	-	-	1,158.827	(9.03)%	-%	

	2016-2017 Recommended			
	Recurring Changes	Non Recurring Changes	Total Adjustments	
<b>1. Fully Meet the Need for Student Enrollment in Charter and Traditional Schools</b>	<b>Requirements</b>	\$48,941,541	-	\$48,941,541
Provides full funding for teacher and other instructional positions and supplies that are allocated to the schools per average daily membership (ADM). This funds an additional 155 teachers and 16 school administrators statewide. This will also increase funding for textbooks, testing, and other classroom-related services. Projected ADM for FY 2016-17 is 1,543,518 which includes an increase of 11,437 ADM for charter schools and a decrease of 5,562 ADM for LEAs. Additionally, this item includes increases of \$1.4 million in lottery funds for non-instructional support positions and \$758,237 of Civil Penalty and Forfeiture funds for driver's education.	<b>Less Receipts</b>	\$2,160,484	-	\$2,160,484
	<b>Appropriation</b>	\$46,781,057	-	\$46,781,057
	<b>Positions</b>	-	-	-
<b>2. Increase Average Teacher Salary to \$50,000 and Average Teacher Compensation to More Than \$66,000</b>	<b>Requirements</b>	\$246,616,051	-	\$246,616,051
Implements a new salary schedule that provides salary increases for each year of advancement on the schedule for the first 20 years. Salary increases range from \$500 to \$5,000 annually. Approximately \$1.5 billion has been invested since 2013-14 to raise the average teacher salary to \$50,000 for the first time in the state's history. When considering health and retirement benefits provided by the state, the average annual teacher compensation will surpass \$66,000.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$246,616,051	-	\$246,616,051
	<b>Positions</b>	-	-	-
<b>3. Increase Salaries for Teachers</b>	<b>Requirements</b>	\$12,695,525	-	\$12,695,525
Provides an additional \$68 million to teachers who will move to the next step on the new North Carolina Public School Salary Schedule in FY 2016-17. The net new dollars required for this investment total \$12.7 million due to offsetting retirements.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$12,695,525	-	\$12,695,525
	<b>Positions</b>	-	-	-
<b>4. Technical Adjustment for Increase in Average Teacher Salary</b>	<b>Requirements</b>	\$340,587	-	\$340,587
Adjusts budgeted average salaries using actual 2015-16 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$340,587	-	\$340,587
	<b>Positions</b>	-	-	-
<b>5. Reward Teachers and Other Certified Personnel with One-Time Bonus</b>	<b>Requirements</b>	-	\$166,074,644	\$166,074,644
Funds a \$5,000 bonus for veteran teachers with 25 years of experience or more, a \$1,100 bonus for all other teachers, and an average 3.5% bonus for other certified personnel (up to a maximum bonus of \$3,500 per employee). This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. In addition, \$6 million is included for a differentiated pay pilot for pioneering school districts to implement or sustain existing differentiated pay plans in 2016-17 that establish leadership roles for highly-effective teachers. A corresponding special provision will provide more detail.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$166,074,644	\$166,074,644
	<b>Positions</b>	-	-	-
<b>6. Increase Salaries for State Agency Teachers</b>	<b>Requirements</b>	\$286,500	-	\$286,500
Supports experience-based step increases and salary increases associated with the changes to the salary schedule, for State agency teachers and school-based administrators.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$286,500	-	\$286,500
	<b>Positions</b>	-	-	-
<b>7. Increase Salaries for School Administrators</b>	<b>Requirements</b>	\$3,612,004	-	\$3,612,004
Supports movement of principals and assistant principals, who are eligible based on years of experience, to the next step on the North Carolina Public School Salary Schedule.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$3,612,004	-	\$3,612,004
	<b>Positions</b>	-	-	-
<b>8. Reward Principals and Assistant Principals with One-Time Bonus</b>	<b>Requirements</b>	-	\$9,627,160	\$9,627,160
Provides funds for an average 3.5% bonus for school-based administrators (up to a maximum of \$3,500 per employee). This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$9,627,160	\$9,627,160
	<b>Positions</b>	-	-	-

North Carolina State Budget  
Recommended Adjustments, 2016-17

General Fund  
Public Education

<b>9. Reward Other LEA and School-Based Employees with One-Time Bonus</b>	<b>Requirements</b>	-	\$35,265,796	\$35,265,796
Provides funds for an average 3.0% bonus for employees (up to a maximum bonus of \$3,000 per employee). This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$35,265,796	\$35,265,796
	<b>Positions</b>	-	-	-
<b>10. Increase State Retirement Contributions - SPSF</b>	<b>Requirements</b>	\$20,337,256	-	\$20,337,256
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$20,337,256	-	\$20,337,256
	<b>Positions</b>	-	-	-
<b>11. Increase State Retirement Contributions - DPI</b>	<b>Requirements</b>	\$156,929	-	\$156,929
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefit, and retiree health benefit is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$156,929	-	\$156,929
	<b>Positions</b>	-	-	-
<b>12. Expand Early College Opportunities</b>	<b>Requirements</b>	\$4,038,697	-	\$4,038,697
Supports 13 new Cooperative Innovative High Schools (CIHS) approved by the State Board of Education. CIHS programs allow students who are at risk of dropping out of high school, first-generation college students, and students who would benefit from accelerated learning opportunities to earn college credit while completing their high school diploma. Currently, there are more than 100 CIHS programs across the state.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$4,038,697	-	\$4,038,697
	<b>Positions</b>	-	-	-
<b>13. Lead the Nation in School Technology</b>	<b>Requirements</b>	-	\$29,000,000	\$29,000,000
Appropriates \$29 million from lottery funds for the State Board of Education to implement the NC Digital Learning Plan. North Carolina leads the nation in networking infrastructure for schools. Building on this foundation, \$26.4 million will be used for schools to acquire digital content and instructional resources, \$1.5 million is allocated for professional learning to ensure all teachers and principals are prepared to meet the required digital teaching and learning standards, and \$1.1 million will be provided to the Friday Institute at NCSU to manage implementation of the NC Digital Learning Plan.	<b>Less Receipts</b>	-	\$29,000,000	\$29,000,000
	<b>Appropriation</b>	-	-	-
	<b>Positions</b>	-	-	-
<b>14. Increase Funding for Classroom Supplies and Equipment</b>	<b>Requirements</b>	-	\$10,000,000	\$10,000,000
Provides \$10 million from lottery receipts for classroom supplies and equipment in public schools, increasing total funding by more than 20% from FY 2015-16.	<b>Less Receipts</b>	-	\$10,000,000	\$10,000,000
	<b>Appropriation</b>	-	-	-
	<b>Positions</b>	-	-	-
<b>15. Complete Alarm Installation</b>	<b>Requirements</b>	(\$900,000)	\$100,000	(\$800,000)
Provides final funding to complete installation of panic alarms begun in FY 2013-14. S.L. 2013-360 provided \$2 million for public schools to install panic alarm systems that connect with the nearest local law enforcement agency in the event of an emergency. Nonrecurring funds are provided to complete panic alarm installations in 2016-17. The remaining recurring funds are no longer necessary.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	(\$900,000)	\$100,000	(\$800,000)
	<b>Positions</b>	-	-	-
<b>16. Improve Transparency of Agency IT Expenses</b>	<b>Requirements</b>	\$656,800	-	\$656,800
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$656,800	-	\$656,800
	<b>Positions</b>	-	-	-
<b>17. Adjustment for Reduced Price of Fuel</b>	<b>Requirements</b>	(\$2,000,000)	-	(\$2,000,000)
Reflects an adjustment to the budgeted price per gallon for fuel from \$2.17 to \$2.09 to reflect lower projected costs for diesel fuel.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	(\$2,000,000)	-	(\$2,000,000)
	<b>Positions</b>	-	-	-
<b>Net Adjustments</b>				
<b>Requirements</b>		\$334,781,890	\$250,067,600	\$584,849,490
<b>Less Receipts</b>		\$2,160,484	\$39,000,000	\$41,160,484
<b>Appropriation</b>		\$332,621,406	\$211,067,600	\$543,689,006
<b>Positions</b>		-	-	-

**Department of Public Instruction**

	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>13510</b>							
1000	DPI - Executive and Administrative Functions	8,458,379	4,146,166	4,312,213	51,990	4,312,213	-
1021	DPI - Education Innovations - 21st Century Schools	1,477,912	195,377	1,282,535	34,130	1,282,535	-
1100	DPI - Assistance to Districts and Schools	29,109,628	22,780,817	6,328,811	84,499	6,328,811	-
1300	DPI - Financial and Business Services	1,363,745	827,172	536,573	41,000	536,573	-
1330	DPI - Student and School Support Services	16,757,832	13,068,135	3,689,697	97,370	3,689,697	-
1400	Office of Early Learning	77,194,067	69,494,475	7,699,592	86,250	7,699,592	-
1410	North Carolina Center for the Advancement of Teaching	3,299,279	200	3,299,079	46,500	3,299,079	-
1450	K-3 Assessment	2,748,986	2,748,986	-	11,500	-	-
1500	DPI - Technology Services	11,333,967	3,668,123	7,665,844	94,000	8,322,644	656,800
1600	DPI - Curriculum, Instruction, Accountability and Technology	59,153,714	48,202,189	10,951,525	150,797	10,951,525	-
1640	DPI - Educator Quality and Recruitment	19,806,930	18,958,909	848,021	36,091	848,021	-
1660	DPI - Special Populations	46,938,021	43,708,664	3,229,357	76,700	3,229,357	-
1800	K-12 Classroom Instruction -SPSF	7,099,072,258	558,519,541	6,540,552,717	-	7,047,823,699	507,270,982
1808	SPSF - Statewide System Operations and Maintenance	10,258,861	-	10,258,861	-	10,258,861	-
1810	SPSF - Local Education Agency - Administration	94,781,435	-	94,781,435	-	94,931,435	150,000
1811	Assistance to Districts and Schools - SPSF	32,773,365	2,063,612,732	-	-	-	-
1821	SPSF - Education Innovations - 21st Century Schools	702,051,034	202,489,369	32,773,365	-	36,812,062	4,038,697
1830	SPSF - Student and School Support Services	459,798,944	459,798,944	499,561,665	-	522,814,871	23,253,206
1840	SPSF - Teacher Quality and Recruitment	1,647,204,991	694,936,512	952,268,479	-	-	-
1860	SPSF - Special Populations	8,507,042	237,283	8,269,759	140,000	8,269,759	-
1862	NC School for the Deaf	7,750,157	242,584	7,507,573	128,250	7,507,573	-
1863	Eastern NC School for the Deaf	5,633,038	196,114	5,436,924	79,750	5,436,924	-
1864	Governor Morehead School and Preschool	176,995,085	-	176,995,085	-	176,995,085	-
1870	SPSF - Local Education Agency - Supplemental Benefits	52,233,916	20,669,371	31,564,545	-	32,007,974	443,429
1900	Reserves and Transfers	9,630,966	-	9,630,966	-	-	-
1901	Pass-through Grants	-	-	-	-	-	-
<b>Total 1XXXX</b>		<b>12,647,946,284</b>	<b>4,228,501,663</b>	<b>8,419,444,621</b>	<b>1,158,827</b>	<b>8,963,133,627</b>	<b>543,689,006</b>

**NC Community Colleges System (16800)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change			% Change	% Change	
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment	Revised 2016-17	from 2015-16 Certified	from 2016-17 Certified
<b>Total Requirements</b>	\$1,458,163,442	\$1,475,442,941	\$1,480,340,859	(\$21,120,233)	\$37,444,242	\$16,324,009	\$1,496,664,868	1.44%	1.10%
<b>Less Receipts</b>	\$415,908,777	\$406,375,943	\$414,445,339	(\$16,476,737)	-	(\$16,476,737)	\$397,968,602	(2.07)%	(3.98)%
<b>Total Appropriation</b>	\$1,042,254,665	\$1,069,066,998	\$1,065,895,520	(\$4,643,496)	\$37,444,242	\$32,800,746	\$1,098,696,266	2.77%	3.08%
<b>Total Positions</b>	-	192.500	192.500	-	-	-	192.500	-%	-%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Enrollment Adjustment</b>			
Enrollment decline due to an improving economy yields \$26 million in savings, which are reinvested below into a number of new and expanded initiatives that encourage students to complete credentials and prepare for today's jobs. This item includes a technical adjustment of \$16.5 million to reflect the lower amount of tuition collected in 2015-16.			
	<b>Requirements</b>	(\$42,685,013)	-\$42,685,013
	<b>Less Receipts</b>	(\$16,476,737)	-\$16,476,737
	<b>Appropriation</b>	(\$26,208,276)	-\$26,208,276
	<b>Positions</b>	-	-
<b>2. Help Community College Students Succeed</b>			
Provides \$16.7 million in locally-determined support services to help ensure students graduate with a credential or degree. Such support services may include career coaches, academic advising and counseling, tutoring labs, and supplemental instruction.			
	<b>Requirements</b>	\$16,672,454	\$16,672,454
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$16,672,454	\$16,672,454
	<b>Positions</b>	-	-
<b>3. Encourage Community College Students to Pursue Jobs in Areas of Need</b>			
Encourages community college students to pursue programs that will equip them to fill jobs in areas of need and close the skills gap. These funds will be used to purchase a market-data tool that identifies what jobs are needed in a particular region or industry. This information will be provided to community college employees to advise students on which academic programs will enable them to develop the skills needed to fill those jobs.			
	<b>Requirements</b>	\$500,000	\$500,000
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$500,000	\$500,000
	<b>Positions</b>	-	-
<b>4. Train North Carolina's Workers on Today's Equipment</b>			
Provides \$7.5 million to upgrade and maintain instructional equipment at North Carolina community colleges. Community colleges train workers for North Carolina's jobs by having students use the same equipment in the classroom that they will use as employees. These funds will be in addition to the \$49 million already appropriated for 2016-17. This total of \$56.5 million is a 15% increase over the level appropriated in 2012-13.			
	<b>Requirements</b>	\$7,500,000	\$7,500,000
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$7,500,000	\$7,500,000
	<b>Positions</b>	-	-
<b>5. Promote Competency-Based Education</b>			
Supports development of a uniform system for granting academic credit for prior learning and experience. Efforts underway include the ability of military veterans to count their experiences as military medics, police, and systems operators toward community college credentials to become emergency management technicians, law enforcement officers, or information technology experts. Once a uniform system is established, these efforts can be extended to all community colleges in North Carolina.			
	<b>Requirements</b>	\$500,000	\$500,000
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$500,000	\$500,000
	<b>Positions</b>	-	-
<b>6. Increase Access to More Community College Sites</b>			
Supports increased services available at two new multi-campus locations: Mitchell Community College's Mooresville campus and Durham Technical Community College's Orange County campus. A multi-campus site must serve at least 300 full-time equivalent students (FTE) and offer one degree entirely on-site. These locations also offer the full range of student services that are available on the main campus, enabling a student to potentially complete their degree closer to home or to their workplace. The State Board of Community Colleges designated these two locations as multi-campus sites in 2015-16, the first new sites approved since 2012-13. There are currently 33 multi-campus sites with a total allocation of \$18.8 million.			
	<b>Requirements</b>	\$1,035,822	\$1,035,822
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$1,035,822	\$1,035,822
	<b>Positions</b>	-	-
<b>7. Increase Retirement System Contribution - System Office</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
	<b>Requirements</b>	\$42,435	\$42,435
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$42,435	\$42,435
	<b>Positions</b>	-	-

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<b>8. Reward Community College Faculty and Staff with One-Time Bonus</b>	<b>Requirements</b>	-	\$29,076,613	\$29,076,613
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). The State Board of Community Colleges, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$29,076,613	\$29,076,613
	<b>Positions</b>	-	-	-
<b>9. Reward Community College System Office Employees with One-Time Bonus</b>	<b>Requirements</b>	-	\$367,629	\$367,629
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). The State Board of Community Colleges, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$367,629	\$367,629
	<b>Positions</b>	-	-	-
<b>10. Improve Transparency of Agency IT Expenses</b>	<b>Requirements</b>	\$81,300	-	\$81,300
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$81,300	-	\$81,300
	<b>Positions</b>	-	-	-
<b>11. Increase Retirement Contribution - State Aid</b>	<b>Requirements</b>	\$3,232,769	-	\$3,232,769
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$3,232,769	-	\$3,232,769
	<b>Positions</b>	-	-	-
<b>Net Adjustments</b>				
<b>Requirements</b>		(\$21,120,233)	\$37,444,242	\$16,324,009
<b>Less Receipts</b>		(\$16,476,737)	-	(\$16,476,737)
<b>Appropriation</b>		(\$4,643,496)	\$37,444,242	\$32,800,746
<b>Positions</b>		-	-	-



**North Carolina Community College System**

	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>16800</b>							
1100 Executive Division	3,590,759	363,281	3,227,478	28.000	3,227,478	-	-
1200 Technology Solutions and Distance Learning	15,949,769	479,789	15,469,980	80.000	15,469,980	-	-
1300 Finance and Operations	3,593,176	486,682	3,106,494	39.500	3,106,494	-	-
1400 Academic and Student Services	6,507,648	3,762,851	2,744,797	45.000	2,744,797	-	-
1600 State Aid - Institutions	22,725,625	-	22,725,625	-	55,035,007	32,309,382	-
1620 Curriculum Instruction	706,875,096	354,290,199	352,584,897	-	365,813,636	13,228,739	-
1621 Basic Skill Instruction	73,790,394	16,242,990	57,547,404	-	50,548,963	(6,998,441)	-
1622 Continuing Education and Workforce Development	107,452,625	17,427,620	90,025,005	-	88,889,227	(1,135,778)	-
1623 Equipment and Instructional Resources	51,962,762	-	51,962,762	-	59,462,762	7,500,000	-
1624 Specialized Centers and Programs	14,259,267	3,542,792	10,716,475	-	11,216,475	500,000	-
1625 Institutional and Academic Support	514,932,950	1,011,693	513,921,257	-	500,826,737	(13,094,520)	-
1900 Reserves and Transfers	(41,299,212)	16,837,442	(58,136,654)	-	(57,645,290)	491,364	-
<b>Total 1XXXX</b>	<b>1,480,340,859</b>	<b>414,445,339</b>	<b>1,065,895,520</b>	<b>192.500</b>	<b>1,098,696,266</b>	<b>32,800,746</b>	<b>-</b>

Table 14

Six Year Expenditure History and Current Certified Budget  
 NC Community College System Budget Code 16800

	2009-2010 (Actuals)	2010-2011 (Actuals)	2011-2012 (Actuals)	2012-2013 (Actuals)	2013-2014 (Actuals)	2014-2015 (Actuals)	2015-2016 Certified Budget BD307
<b>Requirements</b>	<b>\$ 1,283,622,509</b>	<b>\$ 1,414,755,409</b>	<b>\$ 1,408,984,454</b>	<b>\$ 1,458,457,154</b>	<b>\$ 1,440,356,392</b>	<b>\$ 1,458,163,442</b>	<b>\$ 1,475,442,941</b>
Tuition Receipts	\$ 263,204,965	\$ 308,175,055	\$ 347,167,143	\$ 350,990,466	\$ 352,027,054	\$ 338,981,874	\$ 350,495,365
Federal Receipts	\$ 37,894,598	\$ 40,060,178	\$ 28,441,771	\$ 31,624,245	\$ 28,959,063	\$ 30,222,878	\$ 34,064,481
Other Receipts	\$ 37,224,104	\$ 52,710,795	\$ 31,293,932	\$ 39,589,037	\$ 43,409,627	\$ 46,704,025	\$ 21,816,097
<b>Total Receipts</b>	<b>\$ 338,323,667</b>	<b>\$ 400,946,028</b>	<b>\$ 406,902,845</b>	<b>\$ 422,203,748</b>	<b>\$ 424,395,744</b>	<b>\$ 415,908,777</b>	<b>\$ 406,375,943</b>
<b>Appropriation</b>	<b>\$ 945,298,842</b>	<b>\$ 1,013,809,381</b>	<b>\$ 1,002,081,608</b>	<b>\$ 1,036,253,406</b>	<b>\$ 1,015,960,648</b>	<b>\$ 1,042,254,665</b>	<b>\$ 1,069,066,998</b>
<b>Tuition Receipts + Appropriation</b>	<b>\$ 1,208,503,807</b>	<b>\$ 1,321,984,437</b>	<b>\$ 1,349,248,751</b>	<b>\$ 1,387,243,872</b>	<b>\$ 1,367,987,702</b>	<b>\$ 1,381,236,539</b>	<b>\$ 1,419,562,363</b>
<b>% Tuition Receipts + Appropriation</b>	<b>94.1%</b>	<b>93.4%</b>	<b>95.8%</b>	<b>95.1%</b>	<b>95.0%</b>	<b>94.7%</b>	<b>96.2%</b>
% Tuition Receipts	20.50%	21.78%	24.64%	24.07%	24.44%	23.25%	23.76%
% Federal Receipts	2.95%	2.83%	2.02%	2.17%	2.01%	2.07%	2.31%
% Other Receipts	2.90%	3.73%	2.22%	2.71%	3.01%	3.20%	1.48%
% Appropriation	73.64%	71.66%	71.12%	71.05%	70.54%	71.48%	72.46%
<b>State Authorized Tuition Receipts</b>	<b>\$ 263,204,965</b>	<b>\$ 308,175,055</b>	<b>\$ 347,167,143</b>	<b>\$ 350,990,466</b>	<b>\$ 352,027,054</b>	<b>\$ 338,981,874</b>	<b>\$ 350,495,365</b>
<b>State Authorized Appropriation</b>	<b>\$ 945,298,842</b>	<b>\$ 1,013,809,381</b>	<b>\$ 1,002,081,608</b>	<b>\$ 1,036,253,406</b>	<b>\$ 1,015,960,648</b>	<b>\$ 1,042,254,665</b>	<b>\$ 1,069,066,998</b>
<b>Subtotal State Funding</b>	<b>\$ 1,208,503,807</b>	<b>\$ 1,321,984,437</b>	<b>\$ 1,349,248,751</b>	<b>\$ 1,387,243,872</b>	<b>\$ 1,367,987,702</b>	<b>\$ 1,381,236,539</b>	<b>\$ 1,419,562,363</b>
Annual \$ Change	\$ 113,480,630	\$ 27,264,314	\$ 37,995,122	\$ (19,256,170)	\$ 13,248,837	\$ 38,325,824	
Annual % Change	9.4%	2.1%	2.8%	-1.4%	1.0%	2.8%	
\$ Increase from 2009-10	\$ 113,480,630	\$ 140,744,944	\$ 178,740,066	\$ 159,483,895	\$ 172,732,732	\$ 211,058,556	
% Increase from 2009-10	9.4%	11.6%	14.8%	13.2%	14.3%	17.5%	

Source: Actuals from June 29 BD701 Reports.

**The University of North Carolina (160xx)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change				% Change	% Change
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$ 4,354,969,838	\$ 4,463,610,618	\$ 4,400,355,967	\$80,676,970	\$54,544,209	\$135,221,179	\$ 4,535,577,146	1.61%	3.07%
<b>Less Receipts</b>	\$ 1,737,265,893	\$ 1,717,048,040	\$ 1,717,048,040	\$30,312,070	\$4,000,000	\$34,312,070	\$1,751,360,110	2.00%	2.00%
<b>Total Appropriation</b>	\$ 2,617,703,945	\$ 2,746,562,578	\$ 2,683,307,927	\$50,364,900	\$50,544,209	\$100,909,109	\$ 2,784,217,036	1.37%	3.76%
<b>Total Positions</b>	-	34,763.580	34,763.580	-	-	-	34,763.580	0.00%	0.00%

	2016-2017 Recommended		
	Recurring Changes	Nonrecurring Changes	Total Adjustments
<b>1. Fully Meet the Need for UNC Student Enrollment</b>			
Fully funds 2016-17 regular term and distance education enrollment at all University of North Carolina institutions. Total enrollment is projected to be 206,139 full-time equivalent students (FTE). This is an increase of 3,125 FTE (or 1.5%) above 2015-16's total enrollment of 203,014 FTE. This item includes an additional \$17.5 million in anticipated tuition receipts collected from the increased student enrollment.			
	Requirements	\$50,484,603	\$50,484,603
	Less Receipts	\$17,512,070	\$17,512,070
	Appropriation	\$32,972,533	\$32,972,533
	Positions	-	-
<b>2. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). The UNC Board of Governors, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	\$58,544,209	\$58,544,209
	Less Receipts	-	-
	Appropriation	\$58,544,209	\$58,544,209
	Positions	-	-
<b>3. Increase Salaries for NC School of Science &amp; Math Teachers and Administrators</b>			
Supports experience-based step increases and salary increases associated with the changes to the salary schedule for State agency teachers and school-based administrators at the North Carolina School of Science and Mathematics.			
	Requirements	\$192,711	\$192,711
	Less Receipts	-	-
	Appropriation	\$192,711	\$192,711
	Positions	-	-
<b>4. Increase Funding for K-12 Special Education Scholarships</b>			
Expands the Special Education Scholarship Program by 300 students and ensures adequate funding to provide the maximum scholarship award of \$4,000 per semester for a total of 1,065 students. Scholarship funds allow parents of students with special needs to pay for private school tuition, therapy, necessary adaptive educational equipment, and other related services. This \$5.8 million from lottery receipts more than doubles the 2015-16 funding for the program and brings total funding to \$10 million.			
	Requirements	\$5,800,000	\$5,800,000
	Less Receipts	\$5,800,000	\$5,800,000
	Appropriation	-	-
	Positions	-	-
<b>5. Establish a New Math, Science and Health Degree Merit Scholarship</b>			
Establishes a new, merit-based scholarship program to encourage academically gifted and highly sought-after undergraduate math, science and health degree-seeking in-state students to attend UNC institutions. Lottery funds of \$5 million will provide at least 1,000 scholarships at an average award of \$5,000.			
	Requirements	\$5,000,000	\$5,000,000
	Less Receipts	\$5,000,000	\$5,000,000
	Appropriation	-	-
	Positions	-	-
<b>6. Support Long-Term Investment in ECU Brody School of Medicine</b>			
Provides recurring funding to the Brody School of Medicine at East Carolina University to stabilize operations.			
	Requirements	\$8,000,000	(\$8,000,000)
	Less Receipts	-	-
	Appropriation	\$8,000,000	(\$8,000,000)
	Positions	-	-
<b>7. New Math and Science Teacher Recruitment Program</b>			
Establishes a scholarship program to recruit and train new, highly qualified math and science teachers. The program will support scholarships in the amount of \$6,500 for 300 prospective teachers to attend in-state universities, earn degrees in education, and ultimately teach math and science in the state's public schools.			
	Requirements	\$2,000,000	\$2,000,000
	Less Receipts	-	-
	Appropriation	\$2,000,000	\$2,000,000
	Positions	-	-
<b>8. Expand HBCU Internship Program</b>			
Expands the internship program established in 2014-15 to provide internships and career-based opportunities for students attending Historically Black Colleges and Universities. With these additional funds, the total funding for this program will be \$500,000.			
	Requirements	\$183,000	\$183,000
	Less Receipts	-	-
	Appropriation	\$183,000	\$183,000
	Positions	-	-

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<b>9. Recruit and Retain Exceptional Faculty</b>	<b>Requirements</b>	\$3,000,000	-	\$3,000,000
Replenishes the UNC Faculty Recruitment and Retention Fund which supports the UNC System's ability to recruit and retain the highest and best qualified faculty. Appropriation supporting this fund has not increased since 2012-13. Since 2007, the program has had a 75% success rate in recruitment and 92% success rate in the retention of the most qualified faculty.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$3,000,000	-	\$3,000,000
	<b>Positions</b>	-	-	-
<b>10. Leveraging Technology for Part-Way Home Students</b>	<b>Requirements</b>	\$700,000	\$2,300,000	\$3,000,000
Provides Lottery funding to develop flexible academic pathways that improve efforts to recruit, retain, and graduate "part-way home," military-affiliated, and other non-traditional students, especially in high-demand fields. This funding will allow universities to collect data on preferences and unique needs of these students; provide specialized tutoring and advising; further develop online and competency-based degree programs; and develop assessments to award credit for prior learning.	<b>Less Receipts</b>	\$700,000	\$2,300,000	\$3,000,000
	<b>Appropriation</b>	-	-	-
	<b>Positions</b>	-	-	-
<b>11. Improve Student Success with Data-Centric Systems</b>	<b>Requirements</b>	\$1,300,000	\$1,700,000	\$3,000,000
Provides Lottery funds to improve overall student success and completion rates through predictive analytics, targeted evaluations, and programs focused on high impact practices. Funding in the amount of \$1.3 million is for the purpose of acquiring multi-year contracts for student success data analytic systems. Remaining funding will be used for in-house programming, coding, and coordination efforts associated with this initiative.	<b>Less Receipts</b>	\$1,300,000	\$1,700,000	\$3,000,000
	<b>Appropriation</b>	-	-	-
	<b>Positions</b>	-	-	-
<b>12. Improve Transparency of Agency IT Expenses</b>	<b>Requirements</b>	\$36,300	-	\$36,300
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$36,300	-	\$36,300
	<b>Positions</b>	-	-	-
<b>13. Increase State Retirement Contributions</b>	<b>Requirements</b>	\$3,980,356	-	\$3,980,356
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits. For the Optional Retirement Program in FY 2016-17, the State will contribute an amount equal to 12.85% of each employee's salary for these benefits.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$3,980,356	-	\$3,980,356
	<b>Positions</b>	-	-	-
<b>Net Adjustments</b>				
<b>Requirements</b>		\$80,676,970	\$54,544,209	\$135,221,179
<b>Less Receipts</b>		\$30,312,070	\$4,000,000	\$34,312,070
<b>Appropriation</b>		\$50,364,900	\$50,544,209	\$100,909,109
<b>Positions</b>		-	-	-

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	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>16010</b>							
1141	Center for Public Television	39,049	9,074,482	87,050	9,074,482	-	-
1144	MCNC Contract (NCREN)	-	4,900,000	-	4,900,000	-	-
1145	NC Center for School Leadership Development	7,850	1,657,084	14,400	1,657,084	-	-
1170	Institutional Support	-	21,625,140	145,288	21,625,140	-	-
<b>16011</b>							
1260	Board of Governors Reserve	21,444,745	18,964,886	-	117,873,995	98,909,109	-
1261	University Cancer Research Fund	-	16,020,000	-	16,020,000	-	-
1262	College Foundation of North Carolina	-	1,000,000	-	1,000,000	-	-
<b>16012</b>							
100X	Math Sci Teacher Recruit	-	-	-	2,000,000	2,000,000	-
1241	Regional Education Program	204,997	204,997	-	204,997	-	-
1248	UNC Need Based Financial Aid	48,031,975	77,898,523	-	77,898,523	-	-
1248	Distinguished Professor Endowment	-	8,000,000	-	8,000,000	-	-
124D	Principal Fellow School Loan	-	3,258,000	-	3,258,000	-	-
124R	National Guard - Tuition Assistance	-	2,112,815	-	2,112,815	-	-
124S	National Board Professional Teacher Standards	-	100,000	-	100,000	-	-
124U	Forgivable Education Loans for Service (FELS)	-	16,594,166	-	16,594,166	-	-
<b>16015</b>							
124T	Private College Need Base	-	88,351,588	-	88,351,588	-	-
124V	Institute for Regenerative Medicine at Wake Forest	-	7,000,000	-	7,000,000	-	-
124W	Opportunity Scholarship Grants	-	24,840,000	2,000	24,840,000	-	-
124X	Special Education Scholarship Grant	-	4,228,166	-	4,228,166	-	-
124Y	Western Governors University	-	2,000,000	-	2,000,000	-	-
124Z	Principal Preparation	-	1,000,000	-	1,000,000	-	-
<b>16020</b>							
1101	Regular Term Instruction	599,080	232,396,766	2,027,986	232,396,766	-	-
1102	Summer Term Instruction	6,297,701	-	56,050	-	-	-
1103	Non-Credit and Receipts	54,139,786	-	78,520	-	-	-
1105	School of Government	8,617,851	9,629,633	147,150	9,629,633	-	-
1110	Organized Research	39,391	3,484,912	42,640	3,484,912	-	-
1142	Community Services	153,998	1,103,017	26,070	1,103,017	-	-
1151	Libraries	27,197,512	26,953,184	238,740	26,953,184	-	-
1152	General Academic Support	45,708,573	45,448,690	421,930	45,448,690	-	-
1160	Student Services	13,356,516	12,718,155	165,920	12,718,155	-	-
1170	Institutional Support	45,945,389	45,090,114	393,350	45,090,114	-	-
1180	Physical Plant Operation	71,283,485	70,700,321	540,090	70,700,321	-	-

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Net Position
					Appropriation	Changes
1230	Student Financial Aid	91,500	72,407,793	-	72,407,793	-
1990	Multi-Activity	267,666,724	(267,666,724)	-	(267,666,724)	-
<b>16021</b>						
1101	Regular Term Instruction	16,145,940	177,776,749	1,466,400	177,776,749	-
1110	Organized Research	780,722	4,543,565	63,120	4,543,565	-
1151	Libraries	136,929	7,020,903	46,750	7,020,903	-
1170	Institutional Support	-	351,226	2,740	351,226	-
1180	Physical Plant Operation	1,200	67,416,326	330,110	67,416,326	-
1230	Student Financial Aid	-	20,365,489	-	20,365,489	-
1990	Multi-Activity	89,694,353	(89,694,353)	-	(89,694,353)	-
<b>16022</b>						
1191	Operations	-	29,164,182	-	29,164,182	-
1192	Residency Training	-	4,095,390	-	4,095,390	-
1193	Health Sciences Support	-	8,023,106	77,900	8,023,106	-
1252	Other Reserves	-	8,000,000	-	8,000,000	-
<b>16030</b>						
1101	Instruction	892,640	322,797,753	3,003,945	322,797,753	-
1102	Summer Term Instruction	9,600,000	-	81,220	-	-
1103	Non-Credit and Receipts Supported Instruction	7,549,761	-	45,650	-	-
1106	NC State University - Veterinary Medicine	55,011,393	18,988,000	629,140	36,023,393	-
1110	Organized Research	18,034,858	2,096,934	15,937,924	15,937,924	-
1142	Community Services	8,327,371	1,423,695	6,903,676	6,903,676	-
1151	Libraries	30,823,244	126,500	30,696,744	30,696,744	-
1152	General Academic Support	19,333,889	1,916,985	17,416,904	17,416,904	-
1160	Student Services	9,991,543	1,250,048	8,741,495	8,741,495	-
1170	Institutional Support	68,976,012	6,323,363	62,652,649	62,652,649	-
1180	Physical Plant Operation	106,892,110	24,571,697	82,320,413	82,320,413	-
1230	Student Financial Aid	63,495,874	-	63,495,874	63,495,874	-
1990	Multi-Activity	-	254,737,534	-	(254,737,534)	-
<b>16031</b>						
1121	Administration	19,849	6,943,987	86,860	6,943,987	-
1122	Research	2,840,948	48,197,729	571,180	48,197,729	-
1123	Research Stations	10,076,165	2,965,233	139,020	7,110,932	-
1990	Multi-Activity	-	9,153,316	-	(9,153,316)	-
<b>16032</b>						
1131	State Administration	4,537,024	40,410	4,496,614	4,496,614	-
1132	State Program Operations	22,057,503	625,110	21,432,393	21,432,393	-
1133	County Program Operation	28,044,915	377,639	27,667,276	27,667,276	-
1990	Multi-Activity	-	15,000,356	-	(15,000,356)	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes	
<b>16040</b>									
1101	Instruction	122,177,353	-	122,177,353	1,152,802	122,177,353	122,177,353	-	-
1102	Summer Term Instruction	4,208,712	4,208,712	-	32,740	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	660,515	660,515	-	5,340	-	-	-	-
1151	Libraries	10,396,775	59,000	10,337,775	89,570	10,337,775	10,337,775	-	-
1152	General Academic Support	13,607,644	36,000	13,571,644	127,500	13,571,644	13,571,644	-	-
1160	Student Services	13,797,796	119,798	13,677,998	166,340	13,677,998	13,677,998	-	-
1170	Institutional Support	21,706,573	113,875	21,592,698	217,350	21,592,698	21,592,698	-	-
1180	Physical Plant Operation	28,501,857	3,077,507	25,424,350	277,810	25,424,350	25,424,350	-	-
1230	Student Financial Aid	13,670,345	-	13,670,345	-	13,670,345	13,670,345	-	-
1990	Multi-Activity	-	76,992,736	(76,992,736)	-	(76,992,736)	(76,992,736)	-	-
<b>16050</b>									
1101	Instruction	174,229,447	131,000	174,098,447	1,721,758	174,098,447	174,098,447	-	-
1102	Summer Term Instruction	7,541,667	7,541,667	-	47,710	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	3,949,527	3,949,527	-	18,310	-	-	-	-
1140	Organized Research	2,153,749	-	2,153,749	19,320	2,153,749	2,153,749	-	-
1142	Community Services	1,889,792	-	1,889,792	17,490	1,889,792	1,889,792	-	-
1151	Libraries	11,426,293	7,000	11,419,293	87,750	11,419,293	11,419,293	-	-
1152	General Academic Support	16,874,284	60,000	16,814,284	129,330	16,814,284	16,814,284	-	-
1160	Student Services	18,452,908	363,000	18,089,908	211,530	18,089,908	18,089,908	-	-
1170	Institutional Support	35,566,858	119,500	35,447,358	313,470	35,447,358	35,447,358	-	-
1180	Physical Plant Operation	49,973,213	3,575,000	46,398,213	454,040	46,398,213	46,398,213	-	-
1230	Student Financial Aid	12,492,261	-	12,492,261	-	12,492,261	12,492,261	-	-
1252	Other Reserves	83,066	-	83,066	-	83,066	83,066	-	-
1990	Multi-Activity	286,644	120,201,410	(119,914,766)	-	(119,914,766)	(119,914,766)	-	-
<b>16055</b>									
1101	Instruction	25,797,394	200,270	25,597,124	274,107	25,597,124	25,597,124	-	-
1102	Summer Term Instruction	670,237	670,237	-	0,300	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	173,000	173,000	-	-	-	-	-	-
1142	Community Services	142,658	-	142,658	3,750	142,658	142,658	-	-
1151	Libraries	1,982,637	30,000	1,952,637	15,005	1,952,637	1,952,637	-	-
1152	General Academic Support	2,421,261	-	2,421,261	27,770	2,421,261	2,421,261	-	-
1160	Student Services	3,521,109	26,190	3,494,919	42,110	3,494,919	3,494,919	-	-
1170	Institutional Support	10,282,611	20,865	10,261,746	106,650	10,261,746	10,261,746	-	-
1180	Physical Plant Operation	8,849,721	368,112	8,481,609	116,020	8,481,609	8,481,609	-	-
1230	Student Financial Aid	3,234,135	-	3,234,135	-	3,234,135	3,234,135	-	-
1990	Multi-Activity	-	17,993,806	(17,993,806)	-	(17,993,806)	(17,993,806)	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>16060</b>									
1101	Instruction	98,420,584	-	98,420,584	986,358		98,420,584	-	-
1102	Summer Term Instruction	4,550,626	4,550,626	-	40,410		-	-	-
1103	Non-Credit and Receipts Supported Instruction	329,551	329,551	-	1,670		-	-	-
1110	Organized Research	3,977,042	4,390	3,972,652	45,862		3,972,652	-	-
1142	Community Services	522,864	72,497	450,367	6,590		450,367	-	-
1151	Libraries	6,090,706	41,300	6,049,406	47,690		6,049,406	-	-
1152	General Academic Support	6,950,918	-	6,950,918	94,060		6,950,918	-	-
1160	Student Services	6,829,948	75,075	6,754,873	104,350		6,754,873	-	-
1170	Institutional Support	22,606,347	71,242	22,535,105	227,770		22,535,105	-	-
1180	Physical Plant Operation	24,785,576	2,437,744	22,347,832	256,960		22,347,832	-	-
1230	Student Financial Aid	9,692,498	-	9,692,498	-		9,692,498	-	-
1990	Multi-Activity	-	75,700,822	(75,700,822)	-		(75,700,822)	-	-
<b>16065</b>									
1101	Instruction	154,605,997	77,130	154,528,867	1,563,144		154,528,867	-	-
1102	Summer Term Instruction	7,407,087	7,407,087	-	9,910		-	-	-
1103	Non-Credit and Receipts Supported Instruction	594,857	594,857	-	5,600		-	-	-
1104	East Carolina University Division of Health Services	34,596,441	392,750	34,203,691	336,056		34,203,691	-	-
1110	Organized Research	3,456,664	-	3,456,664	17,460		3,456,664	-	-
1142	Community Services	1,634,647	-	1,634,647	14,640		1,634,647	-	-
1151	Libraries	13,761,478	40,000	13,721,478	114,630		13,721,478	-	-
1152	General Academic Support	9,411,142	-	9,411,142	80,750		9,411,142	-	-
1160	Student Services	11,113,301	2,405,310	8,707,991	163,730		8,707,991	-	-
1170	Institutional Support	57,119,007	1,053,239	56,065,768	421,930		56,065,768	-	-
1180	Physical Plant Operation	57,263,299	7,104,640	50,158,659	483,760		50,158,659	-	-
1230	Student Financial Aid	24,182,979	-	24,182,979	-		24,182,979	-	-
1990	Multi-Activity	-	145,332,328	(145,332,328)	-		(145,332,328)	-	-
<b>16066</b>									
1101	Instruction	59,860,908	81,900	59,779,008	404,291		59,779,008	-	-
1104	East Carolina University - Dental School	17,389,223	74,250	17,314,973	120,800		17,314,973	-	-
1151	Libraries	2,551,383	45,000	2,506,383	27,440		2,506,383	-	-
1230	Student Financial Aid	2,178,194	-	2,178,194	-		2,178,194	-	-
1990	Multi-Activity	-	8,250,872	(8,250,872)	-		(8,250,872)	-	-
<b>16070</b>									
1101	Instruction	72,446,182	318,082	72,128,100	724,594		72,128,100	-	-
1102	Summer Term Instruction	3,582,817	3,582,817	-	35,255		-	-	-
1103	Non-Credit and Receipts Supported Instruction	115,296	115,296	-	1,680		-	-	-
1110	Organized Research	10,469,467	-	10,469,467	125,290		10,469,467	-	-
1142	Community Services	79,169	-	79,169	2,000		79,169	-	-
1151	Libraries	4,617,724	14,481	4,603,243	48,500		4,603,243	-	-



		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Changes to Net Position	Changes
1152	General Academic Support	9,021,267	-	9,021,267	98,420	9,021,267	9,021,267	-	-
1160	Student Services	8,027,809	181,699	7,846,110	93,000	7,846,110	7,846,110	-	-
1170	Institutional Support	18,951,060	1,802,086	17,148,974	168,645	17,148,974	17,148,974	-	-
1180	Physical Plant Operation	19,885,382	1,784,999	18,100,383	223,930	18,100,383	18,100,383	-	-
1230	Student Financial Aid	8,632,194	-	8,632,194	-	8,632,194	8,632,194	-	-
1990	Multi-Activity	-	57,130,886	(57,130,886)	-	(57,130,886)	(57,130,886)	-	-
<b>16075</b>									
1101	Instruction	61,561,438	9,478	61,551,960	627,031	61,551,960	61,551,960	-	-
1102	Summer Term Instruction	2,609,681	2,609,681	-	20,090	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	1,662,762	1,662,762	-	16,130	-	-	-	-
1110	Organized Research	407,606	102,904	304,702	4,230	304,702	304,702	-	-
1142	Community Services	203,365	-	203,365	1,800	203,365	203,365	-	-
1146	NC Arboretum at Western Carolina University	2,199,253	25,244	2,174,009	24,470	2,174,009	2,174,009	-	-
1151	Libraries	4,771,153	26,285	4,744,868	49,500	4,744,868	4,744,868	-	-
1152	General Academic Support	9,912,423	1,188	9,911,235	100,229	9,911,235	9,911,235	-	-
1160	Student Services	5,687,620	133,301	5,554,319	78,853	5,554,319	5,554,319	-	-
1170	Institutional Support	18,724,283	286,743	18,437,540	152,840	18,437,540	18,437,540	-	-
1180	Physical Plant Operation	17,264,750	1,248,958	16,015,792	204,410	16,015,792	16,015,792	-	-
1230	Student Financial Aid	5,365,500	-	5,365,500	-	5,365,500	5,365,500	-	-
1990	Multi-Activity	-	38,457,473	(38,457,473)	-	(38,457,473)	(38,457,473)	-	-
<b>16080</b>									
1101	Instruction	115,133,688	417,342	114,716,346	1,199,260	114,716,346	114,716,346	-	-
1102	Summer Term Instruction	5,441,168	5,441,168	-	55,990	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	83,843	83,843	-	-	-	-	-	-
1110	Organized Research	2,938	-	2,938	-	2,938	2,938	-	-
1142	Community Services	703,416	-	703,416	9,200	703,416	703,416	-	-
1151	Libraries	9,148,290	139,009	9,009,281	78,670	9,009,281	9,009,281	-	-
1152	General Academic Support	17,189,073	18,990	17,170,083	196,420	17,170,083	17,170,083	-	-
1160	Student Services	7,833,972	370,767	7,463,205	100,000	7,463,205	7,463,205	-	-
1170	Institutional Support	23,773,281	277,317	23,495,964	195,730	23,495,964	23,495,964	-	-
1180	Physical Plant Operation	26,596,600	1,301,181	25,295,419	260,900	25,295,419	25,295,419	-	-
1230	Student Financial Aid	12,754,382	-	12,754,382	-	12,754,382	12,754,382	-	-
1990	Multi-Activity	-	82,775,452	(82,775,452)	-	(82,775,452)	(82,775,452)	-	-
<b>16082</b>									
1101	Instruction	33,849,419	-	33,849,419	353,733	33,849,419	33,849,419	-	-
1102	Summer Term Instruction	2,865,295	2,865,295	-	5,800	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	131,889	131,889	-	1,090	-	-	-	-
1142	Community Services	155,748	-	155,748	1,230	155,748	155,748	-	-
1151	Libraries	3,096,134	22,800	3,073,334	28,000	3,073,334	3,073,334	-	-
1152	General Academic Support	7,913,695	-	7,913,695	53,456	7,913,695	7,913,695	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Appropriation	Net Changes to	Net Position
								Appropriation	Changes
1160	Student Services	5,438,575	119,533	5,319,042	64,050	5,319,042	5,319,042	-	-
1170	Institutional Support	10,060,013	47,013	10,013,000	98,730	10,013,000	10,013,000	-	-
1180	Physical Plant Operation	11,515,954	213,917	11,302,037	130,200	11,302,037	11,302,037	-	-
1230	Student Financial Aid	3,231,306	-	3,231,306	-	3,231,306	3,231,306	-	-
1990	Multi-Activity	-	21,665,476	(21,665,476)	-	(21,665,476)	(21,665,476)	-	-
<b>16084</b>									
1101	Instruction	45,041,877	-	45,041,877	477,125	45,041,877	45,041,877	-	-
1102	Summer Term Instruction	1,998,827	1,998,827	-	15,688	-	-	-	-
1103	Non-Credit and Receipts Supported Instruction	50,000	50,000	-	-	-	-	-	-
1142	Community Services	-	-	-	-	-	-	-	-
1151	Libraries	3,627,007	36,000	3,591,007	1,000	-	-	-	-
1152	General Academic Support	4,758,124	-	4,758,124	22,720	3,591,007	3,591,007	-	-
1160	Student Services	4,264,909	205,000	4,059,909	48,000	4,758,124	4,758,124	-	-
1170	Institutional Support	11,797,692	55,100	11,742,592	56,389	4,059,909	4,059,909	-	-
1180	Physical Plant Operation	11,965,290	738,394	11,226,896	129,909	11,742,592	11,742,592	-	-
1230	Student Financial Aid	4,669,596	-	4,669,596	159,485	11,226,896	11,226,896	-	-
1990	Multi-Activity	-	20,470,877	(20,470,877)	-	(20,470,877)	(20,470,877)	-	-
<b>16086</b>									
1101	Instruction	15,036,459	-	15,036,459	143,077	15,036,459	15,036,459	-	-
1102	Summer Term Instruction	754,353	754,353	-	4,000	-	-	-	-
1142	Community Services	405,274	-	405,274	6,000	405,274	405,274	-	-
1151	Libraries	1,419,791	2,686	1,417,105	12,000	1,417,105	1,417,105	-	-
1152	General Academic Support	1,600,318	-	1,600,318	14,153	1,600,318	1,600,318	-	-
1160	Student Services	5,145,991	86,310	5,059,681	27,146	5,059,681	5,059,681	-	-
1170	Institutional Support	8,056,324	97,916	7,958,408	67,727	7,958,408	7,958,408	-	-
1180	Physical Plant Operation	7,542,222	228,081	7,314,141	76,510	7,314,141	7,314,141	-	-
1230	Student Financial Aid	4,158,012	-	4,158,012	-	4,158,012	4,158,012	-	-
1990	1990-	-	9,190,170	(9,190,170)	-	(9,190,170)	(9,190,170)	-	-
<b>16088</b>									
1101	Instruction	34,392,584	281,552	34,111,032	365,120	34,111,032	34,111,032	-	-
1102	Summer Term Instruction	2,415,754	2,190,408	225,346	21,500	225,346	225,346	-	-
1103	Non-Credit and Receipts Supported Instruction	28,210	28,210	-	-	-	-	-	-
1142	Community Services	96,392	2,000	94,392	2,000	94,392	94,392	-	-
1151	Libraries	2,345,699	5,500	2,340,199	26,000	2,340,199	2,340,199	-	-
1152	General Academic Support	4,146,130	-	4,146,130	39,512	4,146,130	4,146,130	-	-
1160	Student Services	3,365,916	76,870	3,289,046	50,850	3,289,046	3,289,046	-	-
1170	Institutional Support	8,648,015	-	8,648,015	98,950	8,648,015	8,648,015	-	-
1180	Physical Plant Operation	8,586,765	45,051	8,541,714	100,910	8,541,714	8,541,714	-	-
1230	Student Financial Aid	4,606,577	-	4,606,577	-	4,606,577	4,606,577	-	-
1990	Multi-Activity	-	17,260,921	(17,260,921)	-	(17,260,921)	(17,260,921)	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes	
<b>16090</b>									
1101	Instruction	2,500	65,453,723	650,758		65,453,723	-	-	
1102	Summer Term Instruction	3,426,972	-	40,412		-	-	-	
1103	Non-Credit and Receipts Supported Instruction	8,102	-	-		-	-	-	
1110	Organized Research	68,267	68,267	1,400		68,267	-	-	
1142	Community Services	631,947	631,947	9,060		631,947	-	-	
1151	Libraries	6,164,088	6,140,562	51,500		6,140,562	-	-	
1152	General Academic Support	9,491,802	9,491,802	107,786		9,491,802	-	-	
1160	Student Services	3,541,392	3,176,857	57,500		3,176,857	-	-	
1170	Institutional Support	19,882,897	19,864,645	226,424		19,864,645	-	-	
1180	Physical Plant Operation	13,264,978	12,423,930	113,500		12,423,930	-	-	
1230	Student Financial Aid	8,592,336	8,592,336	-		8,592,336	-	-	
1990	Multi-Activity	-	(43,711,221)	-		(43,711,221)	-	-	
<b>16092</b>									
1101	Instruction	500	13,570,683	156,940		13,570,683	-	-	
1102	Summer Term Instruction	203,796	-	4,000		-	-	-	
1103	Non-Credit and Receipts Supported Instruction	872,515	-	7,000		-	-	-	
1142	Community Services	180,173	-	-		-	-	-	
1151	Libraries	1,275,716	1,263,916	15,000		1,263,916	-	-	
1152	General Academic Support	4,087,560	4,087,560	49,100		4,087,560	-	-	
1160	Student Services	1,226,077	1,215,007	15,000		1,215,007	-	-	
1170	Institutional Support	9,067,370	9,054,205	73,050		9,054,205	-	-	
1180	Physical Plant Operation	9,057,568	9,014,410	115,600		9,014,410	-	-	
1230	Student Financial Aid	3,850,505	3,850,505	-		3,850,505	-	-	
1990	Multi-Activity	-	(13,386,988)	-		(13,386,988)	-	-	
<b>16094</b>									
1111	General Administration	407,610	3,651,783	45,100		3,651,783	-	-	
1211	General Instruction	439,410	9,331,686	93,750		9,331,686	-	-	
1311	Library Services	465,587	410,785	5,000		410,785	-	-	
1411	Student Services	3,765,231	3,745,668	46,500		3,745,668	-	-	
1511	Plant Facilities	2,654,232	2,647,639	29,000		2,647,639	-	-	
<b>Total 1XXXX</b>		<b>1,717,048,040</b>	<b>2,683,307,927</b>	<b>34,763,579</b>		<b>2,784,217,036</b>	<b>100,909,109</b>		

Table 15

Six Year Expenditure History and Current Certified Budget  
University of North Carolina Budget Codes 16010-16095

	2009-2010 (Actuals)	2010-2011 (Actuals)	2011-2012 (Actuals)	2012-2013 (Actuals)	2013-2014 (Actuals)	2014-2015 (Actuals)	2015-2016 Certified Budget BD 307
<b>Requirements Total</b>	\$ 4,063,031,174	\$ 4,242,018,735	\$ 4,081,856,595	\$ 4,256,834,231	\$ 4,275,146,894	\$ 4,354,932,384	\$ 4,463,610,618
Tuition Receipts	\$ 959,392,692	\$ 1,129,797,558	\$ 1,208,768,560	\$ 1,326,817,472	\$ 1,397,358,748	\$ 1,454,595,852	\$ 1,488,285,700
Federal Receipts	\$ 159,104,141	\$ 139,019,253	\$ 20,752,453	\$ 19,955,206	\$ 21,250,136	\$ 18,147,332	\$ 14,269,720
Other Receipts	\$ 344,137,329	\$ 382,391,461	\$ 301,380,047	\$ 258,214,204	\$ 283,780,770	\$ 264,522,708	\$ 214,492,620
<b>Total Receipts</b>	\$ 1,462,634,162	\$ 1,651,208,272	\$ 1,530,901,060	\$ 1,604,986,881	\$ 1,702,389,653	\$ 1,737,265,893	\$ 1,717,048,040
<b>Appropriation</b>	\$ 2,600,397,013	\$ 2,590,810,462	\$ 2,550,935,536	\$ 2,651,847,350	\$ 2,572,757,241	\$ 2,617,666,491	\$ 2,746,562,578
<b>Tuition Receipts + Appropriation</b>	\$ 3,559,789,704	\$ 3,720,608,020	\$ 3,759,704,096	\$ 3,978,664,822	\$ 3,970,115,988	\$ 4,072,262,343	\$ 4,234,848,278
<b>% Tuition Receipts + Appropriation</b>	87.6%	87.7%	92.1%	93.5%	92.9%	93.5%	94.9%
% Tuition Receipts	23.61%	26.63%	29.61%	31.17%	32.69%	33.40%	33.34%
% Federal Receipts	3.92%	3.28%	0.51%	0.47%	0.50%	0.42%	0.32%
% Other Receipts	8.47%	9.01%	7.38%	6.07%	6.64%	6.07%	4.81%
% Appropriation	64.00%	61.07%	62.49%	62.30%	60.18%	60.11%	61.53%
<b>State Authorized Tuition Receipts</b>	\$ 959,392,692	\$ 1,129,797,558	\$ 1,208,768,560	\$ 1,326,817,472	\$ 1,397,358,748	\$ 1,454,595,852	\$ 1,488,285,700
<b>State Authorized Appropriation</b>	\$ 2,600,397,013	\$ 2,590,810,462	\$ 2,550,935,536	\$ 2,651,847,350	\$ 2,572,757,241	\$ 2,617,666,491	\$ 2,746,562,578
<b>Subtotal State Funding</b>	\$ 3,559,789,704	\$ 3,720,608,020	\$ 3,759,704,096	\$ 3,978,664,822	\$ 3,970,115,988	\$ 4,072,262,343	\$ 4,234,848,278

Annual \$ Change	\$ 160,818,316	\$ 39,096,075	\$ 218,960,726	\$ (8,548,833)	\$ 102,146,355	\$ 162,585,935
Annual % Change	4.52%	1.05%	5.82%	-0.21%	2.57%	3.99%
\$ Increase from 2009-10	\$ 160,818,316	\$ 199,914,392	\$ 418,875,118	\$ 410,326,284	\$ 512,472,639	\$ 675,058,574
% Increase from 2009-10	4.52%	5.62%	11.77%	11.53%	14.40%	18.96%

Source: Actuals from June 29 BD701 Reports

Table 16  
North Carolina State General Fund Operating Appropriation For Public Schools, Community Colleges, and Higher Education, 1981-82 to 2016-17  
(Including Carry-Forwards for Encumbrances)

Year	General Fund Total Current Operations#		Public Schools		Community Colleges		Higher Education		Percent of Total Education	Other
	Operations#	Amount	Amount	Percent	Amount	Percent	Amount	Percent		
1981-82	\$ 3,401,694,904	\$ 1,495,263,953	\$ 1,495,263,953	44.0	\$ 194,452,082	5.7	\$ 567,573,821	16.7	66.4	\$ 1,144,405,048
1982-83	\$ 3,561,142,890	\$ 1,515,742,033	\$ 1,515,742,033	42.6	\$ 205,585,837	5.8	\$ 599,235,054	16.8	65.2	\$ 1,240,579,966
1983-84	\$ 3,812,808,921	\$ 1,620,044,340	\$ 1,620,044,340	42.5	\$ 232,195,091	6.1	\$ 653,091,405	17.1	65.7	\$ 1,307,478,085
1984-85	\$ 4,319,568,173	\$ 1,886,700,077	\$ 1,886,700,077	43.7	\$ 259,101,105	6.0	\$ 746,998,910	17.3	67.0	\$ 1,426,768,081
1985-86	\$ 4,877,060,744	\$ 2,185,803,123	\$ 2,185,803,123	44.8	\$ 281,875,727	5.8	\$ 840,311,094	17.2	67.8	\$ 1,569,070,800
1986-87	\$ 5,233,578,633	\$ 2,346,139,866	\$ 2,346,139,866	44.8	\$ 307,102,490	5.9	\$ 909,134,150	17.4	68.1	\$ 1,671,202,127
1987-88	\$ 5,805,245,729	\$ 2,639,237,658	\$ 2,639,237,658	45.5	\$ 326,296,294	5.6	\$ 980,746,492	16.9	68.0	\$ 1,858,965,285
1988-89	\$ 6,302,733,865	\$ 2,930,643,886	\$ 2,930,643,886	46.5	\$ 332,064,381	5.3	\$ 1,039,510,499	16.5	68.3	\$ 2,000,515,099
1989-90	\$ 6,883,003,393	\$ 3,134,428,205	\$ 3,134,428,205	45.5	\$ 365,537,274	5.3	\$ 1,109,917,895	16.1	67.0	\$ 2,273,120,019
1990-91	\$ 7,249,549,110	\$ 3,329,171,720	\$ 3,329,171,720	45.9	\$ 387,611,956	5.3	\$ 1,143,216,957	15.8	67.0	\$ 2,389,548,477
1991-92	\$ 7,350,501,134	\$ 3,293,699,663	\$ 3,293,699,663	44.8	\$ 344,131,858	4.7	\$ 1,121,976,740	15.3	64.8	\$ 2,590,692,873
1992-93	\$ 7,881,908,182	\$ 3,435,634,234	\$ 3,435,634,234	43.6	\$ 398,689,471	5.1	\$ 1,170,947,533	14.9	63.5	\$ 2,876,636,944
1993-94	\$ 8,674,510,752	\$ 3,632,087,114	\$ 3,632,087,114	41.9	\$ 423,253,702	4.9	\$ 1,229,449,670	14.2	60.9	\$ 3,389,720,266
1994-95	\$ 9,595,509,023	\$ 3,962,959,317	\$ 3,962,959,317 b)	41.3	\$ 455,651,184	4.7	\$ 1,296,558,991	13.5	59.6	\$ 3,880,339,531
1995-96	\$ 9,793,062,378	\$ 3,998,978,216	\$ 3,998,978,216	40.8	\$ 470,880,697	4.8	\$ 1,301,040,079	13.3	58.9	\$ 4,022,163,386
1996-97	\$ 10,450,411,229	\$ 4,301,626,282	\$ 4,301,626,282	41.2	\$ 501,802,184	4.8	\$ 1,385,611,961	13.3	59.2	\$ 4,261,370,802
1997-98	\$ 11,258,582,548	\$ 4,697,892,305	\$ 4,697,892,305	41.7	\$ 534,873,175	4.8	\$ 1,489,866,397	13.2	59.7	\$ 4,535,950,671
1998-99	\$ 12,327,025,974	\$ 5,068,634,951	\$ 5,068,634,951	41.1	\$ 587,542,475	4.8	\$ 1,628,888,154	13.2	59.1	\$ 5,041,960,394
1999-00	\$ 13,441,610,285	\$ 5,497,075,780	\$ 5,497,075,780	40.9	\$ 589,634,008	4.4	\$ 1,682,143,914	12.5	57.8	\$ 5,672,756,583
2000-01	\$ 13,785,142,760	\$ 5,851,733,197	\$ 5,851,733,197 f)	42.4	\$ 651,456,631	4.7	\$ 1,778,278,150	12.9	60.1	\$ 5,503,674,782
2001-02	\$ 14,309,884,168	\$ 5,922,505,768	\$ 5,922,505,768 f)	41.4	\$ 650,089,707	4.5	\$ 1,802,904,395	12.6	58.5	\$ 5,934,384,298
2002-03	\$ 14,323,937,462	\$ 5,946,490,760	\$ 5,946,490,760 f)	41.5	\$ 669,281,390	4.7	\$ 1,768,097,109	12.3	58.5	\$ 5,940,068,203
2003-04	\$ 14,835,621,783	\$ 6,114,518,997	\$ 6,114,518,997 f,d)	41.2	\$ 665,027,719	4.5	\$ 1,792,141,661	12.1	57.8	\$ 6,263,933,406
2004-05	\$ 15,873,167,528	\$ 6,287,744,646	\$ 6,287,744,646 f)	39.6	\$ 691,811,541	4.4	\$ 1,878,813,497	11.8	55.8	\$ 7,014,797,844
2005-06	\$ 17,126,460,791	\$ 6,721,053,466	\$ 6,721,053,466 f,d)	39.2	\$ 817,427,539	4.8	\$ 2,126,803,399	12.4	56.4	\$ 7,461,176,387
2006-07	\$ 18,659,616,984	\$ 7,096,499,112	\$ 7,096,499,112 f,d)	38.0	\$ 893,085,886	4.8	\$ 2,365,613,366	12.7	55.5	\$ 8,304,418,620
2007-08	\$ 20,428,846,612	\$ 7,949,900,491	\$ 7,949,900,491 f,d)	38.9	\$ 938,106,160	4.6	\$ 2,626,271,017	12.9	56.4	\$ 8,914,568,944
2008-09	\$ 21,226,885,372	\$ 7,993,668,839	\$ 7,993,668,839 f,d)	37.7	\$ 961,282,701	4.5	\$ 2,756,110,358	13.0	55.2	\$ 9,515,823,474
2009-10	\$ 19,010,057,199	\$ 7,458,261,240	\$ 7,458,261,240 f,d)	39.2	\$ 999,833,122	5.3	\$ 2,706,834,335	14.1	58.7	\$ 7,845,128,502
2010-11	\$ 19,898,013,097	\$ 7,085,588,912	\$ 7,085,588,912 f,d)	37.4	\$ 1,055,135,961	5.6	\$ 2,666,935,206	14.1	57.0	\$ 8,140,060,693
2011-12	\$ 20,378,817,261	\$ 7,572,712,912	\$ 7,572,712,912 f,d)	38.1	\$ 1,016,629,522	5.1	\$ 2,657,835,835	13.4	56.5	\$ 8,650,834,828
2012-13	\$ 20,602,828,645	\$ 7,598,568,534	\$ 7,598,568,534 f,d)	37.3	\$ 1,022,312,530	5.0	\$ 2,670,455,384	13.1	55.4	\$ 9,087,480,813
2013-14	\$ 21,068,550,145	\$ 8,104,976,608	\$ 8,104,976,608 f,d)	38.2	\$ 1,021,295,467	5.0	\$ 2,583,048,270	12.5	55.7	\$ 9,130,524,259
2014-15	\$ 21,717,958,405	\$ 8,516,769,297	\$ 8,516,769,297 f,d)	39.3	\$ 1,069,066,998	4.8	\$ 2,746,562,578	12.6	56.8	\$ 9,385,559,532
2015-16	\$ 22,319,268,926	\$ 8,963,133,627	\$ 8,963,133,627 f,d)	40.2	\$ 1,098,696,266	4.9	\$ 2,784,217,036	12.5	57.6	\$ 9,473,221,997

Note: Figures in all categories include compensation increases.  
# Operating budget excludes capital and local government appropriations.  
a) 1993-94 and 1994-95 excludes \$214 million (1993-94) and \$120 million (1994-95) for payroll restoration.  
b) 1994-95 includes \$42 million for education technology equipment.  
c) 1999-00 includes all appropriation as of June 30, 2000.  
d) Amounts include Compensation Increase Reserve.  
e) Amounts include Compensation Increase, Health Plan Increase, and Retirement Rate Adjustment.  
f) Encumbrance carryforwards for 11th and 12th month are no longer included.



# *General Government and Information Technology*

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**Total Spend: \$397 million**  
**2% of General Fund Budget**

## **Encouraging Job Growth and Promoting Innovation**

Leverages our university research advantage to attract venture capital and a new generation of entrepreneurs, as well as help retain North Carolina's home-grown talent through the University Innovation Commercialization Grant Program, as recommended by the Governor's Innovation to Jobs initiative.

Establishes the Rallying Investors and Skilled Entrepreneurs for NC (NC RISE) program to develop and leverage existing entrepreneurial management talent and recruit world-class investors and skilled entrepreneurs to the state, as recommended by the Governor's Innovation to Jobs initiative

Connects our military veterans with jobs by establishing a new disabled veteran cyber security apprenticeship program with the Department of Information Technology.

## **Leveraging Technology to Promote Transparency and Security**

Promotes transparency and accountability by implementing an updated and integrated online education program for individuals covered under the State Ethics Act.

Protects the public against identity theft and data loss by providing tools to create a multilayer identity verification platform in the Department of Revenue.

## **Serving North Carolina**

Increases access to permanent, community-based integrated housing for individuals with disabilities by appropriating funds transferred from the Department of Health and Human Services for the Community Living Housing Fund.

Honors the sacrifice of our veterans by ensuring North Carolina's Veterans Cemeteries are adequately staffed to maintain cemetery grounds and meet the growing demand for burials.

Increases transparency of voter and campaign finance data by implementing a new campaign finance program and establishing five positions to improve voter outreach and ensure application of federal and state laws.

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

**General Assembly (11000)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15	2015-16	2016-17	Net		Recommended			
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment			
<b>Total Requirements</b>	\$60,127,611	\$58,626,304	\$58,225,706	\$2,414,133	\$1,172,713	\$3,586,846	\$61,812,552	5.43%	6.16%
<b>Less Receipts</b>	\$7,635,023	\$1,216,655	\$1,216,655	-	\$2,267,571	\$2,267,571	\$3,484,226	186.38%	186.38%
<b>Total Appropriation</b>	\$52,492,588	\$57,409,649	\$57,009,051	\$2,414,133	(\$1,094,858)	\$1,319,275	\$58,328,326	1.60%	2.31%
<b>Total Positions</b>	-	315.250	315.250	-	-	-	315.250	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	\$1,172,713	\$1,172,713
	Less Receipts	-	-
	Appropriation	\$1,172,713	\$1,172,713
	Positions	-	-
<b>2. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
	Requirements	\$10,900	\$10,900
	Less Receipts	-	-
	Appropriation	\$10,900	\$10,900
	Positions	-	-
<b>3. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
	Requirements	\$135,662	\$135,662
	Less Receipts	-	-
	Appropriation	\$135,662	\$135,662
	Positions	-	-
<b>4. Realign Operating Budget</b>			
Realigns the General Assembly's structural operating budget to account for differences in expenditures between Short Session and Long Session.			
	Requirements	\$2,267,571	\$2,267,571
	Less Receipts	-	\$2,267,571
	Appropriation	\$2,267,571	(\$2,267,571)
	Positions	-	-
<b>Net Adjustments</b>			
Requirements	\$2,414,133	\$1,172,713	\$3,586,846
Less Receipts	-	\$2,267,571	\$2,267,571
Appropriation	\$2,414,133	(\$1,094,858)	\$1,319,275
Positions	-	-	-



**General Assembly**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>11000</b>							
1110 Senate	9,909,066	-	9,909,066	46.000	10,442,183	533,117	-
1120 House of Representatives	14,804,645	-	14,804,645	26.000	16,456,893	1,652,248	-
1211 Administrative Division	8,791,033	6,000	8,785,033	41.000	10,125,820	1,340,787	-
1212 Bill Drafting Division	3,026,682	-	3,026,682	16.000	3,061,094	34,412	-
1213 Legislative Analysis	5,206,225	-	5,206,225	48.000	5,209,415	3,190	-
1214 Fiscal Research Division	4,782,066	-	4,782,066	39.000	4,788,660	6,594	-
1215 Building Maintenance	2,355,867	-	2,355,867	24.000	2,372,365	16,498	-
1216 Food Service	1,786,699	1,053,600	733,099	20.250	733,099	-	-
1217 Information Systems	5,905,342	-	5,905,342	38.000	5,905,342	-	-
1219 Program Evaluation Division	1,466,751	-	1,466,751	15.000	1,466,751	-	-
1900 Committees and Other Reserves	191,330	157,055	34,275	2.000	(2,233,296)	(2,267,571)	-
<b>Total 1XXXX</b>	<b>58,225,706</b>	<b>1,216,655</b>	<b>57,009,051</b>	<b>315.250</b>	<b>58,328,326</b>	<b>1,319,275</b>	-

**Office of the Governor (13000)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change				% Change	% Change
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment	Revised 2016-17	from 2015-16 Certified	from 2016-17 Certified
Total Requirements	\$7,201,600	\$6,376,772	\$6,120,837	\$11,550	\$103,354	\$114,904	\$6,235,741	(2.21)%	1.88%
Less Receipts	\$1,686,718	\$554,663	\$554,663	-	-	-	\$554,663	-%	-%
Total Appropriation	\$5,514,882	\$5,822,109	\$5,566,174	\$11,550	\$103,354	\$114,904	\$5,681,078	(2.42)%	2.06%
Total Positions	-	54.201	54.201	-	-	-	54.201	-%	-%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	Requirements	\$103,354	\$103,354
	Less Receipts	-	-
	Appropriation	\$103,354	\$103,354
	Positions	-	-
<b>2. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	Requirements	\$11,550	\$11,550
	Less Receipts	-	-
	Appropriation	\$11,550	\$11,550
	Positions	-	-
<b>Net Adjustments</b>			
Requirements	\$11,550	\$103,354	\$114,904
Less Receipts	-	-	-
Appropriation	\$11,550	\$103,354	\$114,904
Positions	-	-	-

**Office of the Governor**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>13000</b>							
1110 Administration	5,460,791	436,366	5,024,425	51,201	5,139,329	114,904	-
1631 Raleigh Executive Residence	644,587	111,297	533,290	3,000	533,290	-	-
1632 Western Executive Residence	15,459	7,000	8,459	-	8,459	-	-
<b>13001</b>							
1A15 Education and Workforce Innovation Program	2,000,000	-	2,000,000	0.200	2,000,000	-	-
1R30 Governor's Special Projects	334,447	334,447	-	3.190	-	-	-
<b>Total 1XXXX</b>	<b>8,455,284</b>	<b>889,110</b>	<b>7,566,174</b>	<b>57,591</b>	<b>7,681,078</b>	<b>114,904</b>	<b>-</b>

**Office of State Budget and Management (13005)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			<u>Revised</u> <u>2016-17</u>	<u>% Change</u> <u>from</u> <u>2015-16</u>	<u>% Change</u> <u>from</u> <u>2016-17</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>		<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$11,683,419	\$8,255,832	\$8,103,291	\$157,656	\$162,674	\$320,330	\$8,423,621	2.03%	3.95%
<b>Less Receipts</b>	\$3,889,065	\$571,883	\$571,883	-	-	-	\$571,883	-%	-%
<b>Total Appropriation</b>	\$7,794,354	\$7,683,949	\$7,531,408	\$157,656	\$162,674	\$320,330	\$7,851,738	2.18%	4.25%
<b>Total Positions</b>	-	69.310	69.310	-	-	-	69.310	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	-	\$162,674
	Less Receipts	-	-
	Appropriation	-	\$162,674
	Positions	-	-
<b>2. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
	Requirements	\$17,456	-
	Less Receipts	-	-
	Appropriation	\$17,456	-
	Positions	-	-
<b>3. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
	Requirements	\$140,200	-
	Less Receipts	-	-
	Appropriation	\$140,200	-
	Positions	-	-
<b>Net Adjustments</b>			
Requirements	\$157,656	\$162,674	\$320,330
Less Receipts	-	-	-
Appropriation	\$157,656	\$162,674	\$320,330
Positions	-	-	-

**Office of State Budget and Management**

	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>								
<b>13005</b>								
1310 Office of State Budget and Management	7,797,082	265,674	7,531,408	65,310	7,851,738	320,330	-	-
1322 NC GEAR	306,209	306,209	-	4,000	-	-	-	-
<b>13085</b>								
1022 Special Appropriations	2,000,000	-	2,000,000	-	4,500,000	2,500,000	-	-
1900 Reserves and Transfers	-	-	-	-	2,500,000	2,500,000	-	-
<b>Total 1XXXX</b>	<b>10,103,291</b>	<b>571,883</b>	<b>9,531,408</b>	<b>69,310</b>	<b>14,851,738</b>	<b>5,320,330</b>	<b>-</b>	<b>-</b>

**OSBM - Reserve for Special Appropriation (13085)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>	<u>Revised</u> <u>2016-17</u>	<u>from</u> <u>2015-16</u> <u>Certified</u>	<u>from</u> <u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$1,575,000	\$14,781,688	\$2,000,000	-	\$6,000,000	\$6,000,000	\$8,000,000	(45.88)%	300.00%
<b>Less Receipts</b>	\$333,557	-	-	-	\$1,000,000	\$1,000,000	\$1,000,000	-%	-%
<b>Total Appropriation</b>	\$1,241,443	\$14,781,688	\$2,000,000	-	\$5,000,000	\$5,000,000	\$7,000,000	(52.64)%	250.00%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Innovation to Jobs - Rallying Investors and Skilled Entrepreneurs for NC (RISE NC)</b>			
Creates a statewide network that develops and leverages existing North Carolina entrepreneurial management talent, and recruits world-class investors, skilled entrepreneurs, and managers to NC. Coordinated components include the statewide expansion of the successful Blackstone Entrepreneurs Network, an entrepreneurial fellowship program, recruiting targeted professionals with NC ties, and a campaign targeting professionals in high-cost technology states. Funds will be leveraged 1:2 by private sources.			
<b>Requirements</b>	-	\$2,500,000	\$2,500,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$2,500,000	\$2,500,000
<b>Positions</b>	-	-	-
<b>2. Innovation to Jobs - Establish the University Innovation Commercialization Grant Program</b>			
Provides \$2.5 million in 2016-17 for the University Innovation Commercialization Grant Program. The program would use NC's community of industry and commercialization experts, organized and funded through two hosting nonprofit or other relevant entities, to: 1)select university technologies based on commercial potential, 2) create a development plan of key activities to make the technologies more attractive to investors, and 3) guide implementation of these activities to assure efficient development of funds and commercial-quality results.			
<b>Requirements</b>	-	\$2,500,000	\$2,500,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$2,500,000	\$2,500,000
<b>Positions</b>	-	-	-
<b>3. School Facility Needs Assessment</b>			
Lottery funds in the amount of \$1 million is provided for the Department of Administration to conduct or contract with an outside entity to complete a public school construction needs assessment for the 50 counties determined by the low-wealth school funding formula to have the lowest ability to pay for school facilities.			
<b>Requirements</b>	-	\$1,000,000	\$1,000,000
<b>Less Receipts</b>	-	\$1,000,000	\$1,000,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	-	\$6,000,000	\$6,000,000
<b>Less Receipts</b>	-	\$1,000,000	\$1,000,000
<b>Appropriation</b>	-	\$5,000,000	\$5,000,000
<b>Positions</b>	-	-	-

**North Carolina Housing Finance Agency (13010)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>	<u>Revised</u> <u>2016-17</u>	<u>from</u> <u>2015-16</u> <u>Certified</u>	<u>from</u> <u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$18,241,954	\$21,618,739	\$25,660,000	-	\$5,519,750	\$5,519,750	\$31,179,750	44.23%	21.51%
<b>Less Receipts</b>	-	-	-	-	\$5,519,750	\$5,519,750	\$5,519,750	-%	-%
<b>Total Appropriation</b>	\$18,241,954	\$21,618,739	\$25,660,000	-	-	-	\$25,660,000	18.69%	-%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Appropriate Community Living Housing Funds</b>			
Requirements	-	\$5,519,750	\$5,519,750
Less Receipts	-	\$5,519,750	\$5,519,750
Appropriation	-	-	-
Positions	-	-	-
<b>Net Adjustments</b>			
Requirements	-	\$5,519,750	\$5,519,750
Less Receipts	-	\$5,519,750	\$5,519,750
Appropriation	-	-	-
Positions	-	-	-

**North Carolina Housing Finance Agency**

1XXXX  
 13010  
 1100 Housing Finance Agency - Appropriations  
 Total 1XXXX

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
	25,660,000	-	25,660,000	-	25,660,000	-	-
<b>Total</b>	<b>25,660,000</b>	<b>-</b>	<b>25,660,000</b>	<b>-</b>	<b>25,660,000</b>	<b>-</b>	<b>-</b>



**Department of Military and Veterans Affairs (13050)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change from 2015-16 Certified</u>	<u>% Change from 2016-17 Certified</u>
	<u>2014-15 Actual</u>	<u>2015-16 Certified</u>	<u>2016-17 Certified</u>	<u>Net Recurring</u>	<u>Net Non-Recurring</u>	<u>Recommended Adjustment</u>	<u>Revised 2016-17</u>		
<b>Total Requirements</b>	-	\$9,536,995	\$7,806,254	\$411,098	\$103,619	\$514,717	\$8,320,971	(12.75)%	6.59%
<b>Less Receipts</b>	-	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	-	\$9,536,995	\$7,806,254	\$411,098	\$103,619	\$514,717	\$8,320,971	(12.75)%	6.59%
<b>Total Positions</b>	-	77.900	77.900	8.000	-	8.000	85.900	10.27%	10.27%

	<u>2016-2017 Recommended</u>		
	<u>Recurring Changes</u>	<u>Non Recurring Changes</u>	<u>Total Adjustments</u>
<b>1 Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$103,619	\$103,619
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$103,619	\$103,619
<b>Positions</b>	-	-	-
<b>2 Honor Our Veterans</b>			
Establishes eight positions to support North Carolina's Veterans Cemeteries. These positions will help to meet growing demand for burials, implement the action plan required by federal audit, and accommodate weekend burials.			
<b>Requirements</b>	\$400,000	-	\$400,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$400,000	-	\$400,000
<b>Positions</b>	8.000	-	8.000
<b>3 State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$11,098	-	\$11,098
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$11,098	-	\$11,098
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$411,098	\$103,619	\$514,717
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$411,098	\$103,619	\$514,717
<b>Positions</b>	-	-	-

**Department of Military and Veterans Affairs**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>13050</b>							
1000 Military and Veterans Affairs - GF Control Fund	-	-	-	77,900	-	-	-
1100 Administration	7,806,254	-	7,806,254	-	7,920,971	114,717	-
1500 VA Cemeteries	-	-	-	-	400,000	400,000	8,000
<b>Total 1XXXX</b>	<b>7,806,254</b>	<b>-</b>	<b>7,806,254</b>	<b>77,900</b>	<b>8,320,971</b>	<b>514,717</b>	<b>8,000</b>

**Office of the Lieutenant Governor (13100)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>	<u>Revised</u> <u>2016-17</u>	<u>from</u> <u>2015-16</u> <u>Certified</u>	<u>from</u> <u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$689,901	\$682,875	\$677,972	\$7,179	\$14,018	\$21,197	\$699,169	2.39%	3.13%
<b>Less Receipts</b>	\$16,589	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	\$673,312	\$682,875	\$677,972	\$7,179	\$14,018	\$21,197	\$699,169	2.39%	3.13%
<b>Total Positions</b>	-	6.000	6.000	-	-	-	6.000	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$14,018	\$14,018
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$14,018	\$14,018
<b>Positions</b>	-	-	-
<b>2. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$5,500	-	\$5,500
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$5,500	-	\$5,500
<b>Positions</b>	-	-	-
<b>3. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$1,679	-	\$1,679
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,679	-	\$1,679
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$7,179	\$14,018	\$21,197
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$7,179	\$14,018	\$21,197
<b>Positions</b>	-	-	-

**Office of the Lieutenant Governor**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX							
13100							
1110 Administration	677,972	-	677,972	6,000	699,169	21,197	-
<b>Total 1XXXX</b>	<b>677,972</b>	<b>-</b>	<b>677,972</b>	<b>6,000</b>	<b>699,169</b>	<b>21,197</b>	<b>-</b>

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

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$11,803,767	\$11,950,316	\$11,812,320	\$659,018	\$241,246	\$900,264	\$12,712,584	6.38%	7.62%
<b>Less Receipts</b>	\$315,844	\$61,625	\$61,625	-	-	-	\$61,625	-%	-%
<b>Total Appropriation</b>	\$11,487,924	\$11,888,691	\$11,750,695	\$659,018	\$241,246	\$900,264	\$12,650,959	6.41%	7.66%
<b>Total Positions</b>	-	169.883	169.883	6.000	-	6.000	175.883	3.53%	3.53%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$241,246	\$241,246
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$241,246	\$241,246
<b>Positions</b>	-	-	-
<b>2. Streamline Business Formation and Improve Access to Capital</b>			
Provides six positions to improve business efforts to obtain capital resulting from avoidable securities transaction mistakes and to reduce the time necessary to resolve complaints involving the sale of financial securities. Due to recent Federal regulatory reforms, the pool of eligible North Carolina businesses and eligible North Carolina investors who can engage in the offer, purchase, and sale of the more complex securities products has increased dramatically. Funds will support implementation of pending legislation to authorize intrastate crowdfunding.			
<b>Requirements</b>	\$632,615	-	\$632,615
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$632,615	-	\$632,615
<b>Positions</b>	6.000	-	6.000
<b>3. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$26,403	-	\$26,403
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$26,403	-	\$26,403
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$659,018	\$241,246	\$900,264
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$659,018	\$241,246	\$900,264
<b>Positions</b>	6.000	-	6.000

**Department of Secretary of State**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			Net Position Changes
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	
<b>13200</b>							
1110 General Administration	3,239,053	1,000	3,238,053	34.100	3,505,702	267,649	-
1120 Publications Division	226,352	21,700	204,652	2.733	204,652	-	-
1150 Lobbyist Registration	326,523	-	326,523	5.000	326,523	-	-
1210 Corporations Division	3,178,785	2,100	3,176,685	57.870	3,176,685	-	-
1220 Certification and Filing Division	2,446,347	34,825	2,411,522	40.000	2,411,522	-	-
1230 Securities Division	1,682,769	2,000	1,680,769	20.750	2,313,384	632,615	6,000
1600 Charitable Fundraising Licensure	712,491	-	712,491	9.430	712,491	-	-
<b>Total 1XXXX</b>	<b>11,812,320</b>	<b>61,625</b>	<b>11,750,695</b>	<b>169.883</b>	<b>12,650,959</b>	<b>900,264</b>	<b>6,000</b>

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

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>	<u>Revised</u> <u>2016-17</u>	<u>from</u> <u>2015-16</u> <u>Certified</u>	<u>from</u> <u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$16,295,883	\$17,675,408	\$17,576,536	\$99,565	\$269,130	\$368,695	\$17,945,231	1.53%	2.10%
<b>Less Receipts</b>	\$6,216,694	\$5,571,745	\$5,571,745	-	-	-	\$5,571,745	-%	-%
<b>Total Appropriation</b>	\$10,079,189	\$12,103,663	\$12,004,791	\$99,565	\$269,130	\$368,695	\$12,373,486	2.23%	3.07%
<b>Total Positions</b>	-	168.000	168.000	1.000	-	1.000	169.000	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$261,824	\$261,824
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$261,824	\$261,824
<b>Positions</b>	-	-	-
<b>2. Establish a Full-Time Security Presence at Secretary of State/State Auditor Building</b>			
Ensure the safety of the public and state employees working and visiting the Old Revenue state building.			
<b>Requirements</b>	\$55,065	\$7,306	\$62,371
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$55,065	\$7,306	\$62,371
<b>Positions</b>	1.000	-	1.000
<b>3. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to reflect Department of Information Technology shared services rate increases.			
<b>Requirements</b>	\$13,500	-	\$13,500
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$13,500	-	\$13,500
<b>Positions</b>	-	-	-
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$31,000	-	\$31,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$31,000	-	\$31,000
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$99,565	\$269,130	\$368,695
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$99,565	\$269,130	\$368,695
<b>Positions</b>	1.000	-	1.000

**Office of the State Auditor**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXX							
13300							
1110 Administration	2,567,022	-	2,567,022	23,000	2,873,346	306,324	-
1210 Field Audit Division	15,009,514	5,571,745	9,437,769	145,000	9,500,140	62,371	1,000
<b>Total 1XXX</b>	<b>17,576,536</b>	<b>5,571,745</b>	<b>12,004,791</b>	<b>168,000</b>	<b>12,373,486</b>	<b>368,695</b>	<b>1,000</b>



**Department of State Treasurer (13410)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$49,539,111	\$52,380,334	\$51,609,807	\$759,623	\$248,453	\$1,008,076	\$52,617,883	0.45%	1.95%
<b>Less Receipts</b>	\$40,875,231	\$42,117,423	\$41,261,423	\$715,000	-	\$715,000	\$41,976,423	(0.33)%	1.73%
<b>Total Appropriation</b>	\$8,663,879	\$10,262,911	\$10,348,384	\$44,623	\$248,453	\$293,076	\$10,641,460	3.69%	2.83%
<b>Total Positions</b>	-	373.750	373.750	-	-	-	373.750	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$23,453	\$23,453
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$23,453	\$23,453
<b>Positions</b>	-	-	-
<b>2. Implement the Achieving a Better Life Experience (NC ABLE) Program Trust</b>			
Appropriates funding for marketing, communications, and other essential informational materials produced and distributed by the Department of State Treasurer among the target population served by the NC ABLE Program Trust. The fund will enable the department to promptly and effectively reach out to potentially eligible individuals with disabilities within North Carolina.			
<b>Requirements</b>	-	\$225,000	\$225,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$225,000	\$225,000
<b>Positions</b>	-	-	-
<b>3. Fund Operating Expenses for New Facility</b>			
Supports new and incremental expenditures for utilities and other facility costs as a result of the change in office location.			
<b>Requirements</b>	\$751,000	-	\$751,000
<b>Less Receipts</b>	\$715,000	-	\$715,000
<b>Appropriation</b>	\$36,000	-	\$36,000
<b>Positions</b>	-	-	-
<b>4. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$5,200	-	\$5,200
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$5,200	-	\$5,200
<b>Positions</b>	-	-	-
<b>5. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$3,423	-	\$3,423
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$3,423	-	\$3,423
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$759,623	\$248,453	\$1,008,076
<b>Less Receipts</b>	\$715,000	-	\$715,000
<b>Appropriation</b>	\$44,623	\$248,453	\$293,076
<b>Positions</b>	-	-	-

**Department of State Treasurer - Retirement for Fire and Rescue Workers (13412)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from	% Change from
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$20,664,274	\$22,041,299	\$21,691,299	-	-	-	\$21,691,299	(1.59)%	-%
<b>Less Receipts</b>	-	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	\$20,664,274	\$22,041,299	\$21,691,299	-	-	-	\$21,691,299	(1.59)%	-%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

**Department of State Treasurer**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>13410</b>							
1110 General Administration	1,934,493	1,934,493	-	21,200	5,200	5,200	-
1130 Escheat Fund - Administration	3,515,218	3,515,218	-	29,700	-	-	-
1150 Information Services	8,479,380	8,479,380	-	48,000	-	-	-
1210 Investment Management	9,089,958	2,996,563	6,093,395	37,900	6,095,895	2,500	-
1310 Local Government - Operations	5,180,471	4,981,607	198,864	37,000	198,864	-	-
1410 Retirement Operations	17,895,552	17,895,552	-	162,250	-	-	-
1450 ABLE	595,000	-	595,000	4,000	820,000	225,000	-
1510 Financial Operations Division	4,919,735	1,458,610	3,461,125	33,700	3,521,501	60,376	-
<b>13412</b>							
1414 General Fund Contribution to National Guard	7,066,299	-	7,066,299	-	7,066,299	-	-
1415 General Fund Contribution to Fire and Rescue Squad	13,900,000	-	13,900,000	-	13,900,000	-	-
1432 Line of Duty Death Benefits	725,000	-	725,000	-	725,000	-	-
<b>19420</b>							
1000 Debt Service Requirement	720,502,810	18,653,595	701,849,215	-	701,849,215	-	-
<b>Total 1XXXX</b>	<b>793,803,916</b>	<b>59,915,018</b>	<b>733,888,898</b>	<b>373,750</b>	<b>734,181,974</b>	<b>293,076</b>	<b>-</b>

**Department of Insurance (13900)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15	2015-16	2016-17	Net	Net	Recommended			
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment			
<b>Total Requirements</b>	\$45,992,709	\$49,847,320	\$49,550,287	\$393,855	\$709,230	\$1,103,085	\$50,653,372	1.62%	2.23%
<b>Less Receipts</b>	\$10,241,737	\$11,195,041	\$11,195,041	\$158,000	-	\$158,000	\$11,353,041	1.41%	1.41%
<b>Total Appropriation</b>	\$35,750,972	\$38,652,279	\$38,355,246	\$235,855	\$709,230	\$945,085	\$39,300,331	1.68%	2.46%
<b>Total Positions</b>	-	422.680	422.680	-	-	-	422.680	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$709,230	\$709,230
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$709,230	\$709,230
<b>Positions</b>	-	-	-
<b>2. Increase Staff to Support North Carolina's Captive Insurance Market</b>			
Appropriates funding for the actuary position authorized under Session Law 2015-241. The position will provide customer service to the captive insurance industry and will continue to market and promote the NC captive insurance program.			
<b>Requirements</b>	\$146,887	-	\$146,887
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$146,887	-	\$146,887
<b>Positions</b>	-	-	-
<b>3. Continue State Fire Protection Program</b>			
Continues to transfer funds from the Department of Transportation to the Department of Insurance for the State Fire Protection Fund, which underwent a continuation review in 2015-16.			
<b>Requirements</b>	\$158,000	-	\$158,000
<b>Less Receipts</b>	\$158,000	-	\$158,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>4. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$9,200	-	\$9,200
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$9,200	-	\$9,200
<b>Positions</b>	-	-	-
<b>5. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$79,768	-	\$79,768
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$79,768	-	\$79,768
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$393,855	\$709,230	\$1,103,085
<b>Less Receipts</b>	\$158,000	-	\$158,000
<b>Appropriation</b>	\$235,855	\$709,230	\$945,085
<b>Positions</b>	-	-	-

**Department of Insurance**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>13900</b>							
1100 Administration	7,273,829	117,916	7,155,913	62.170	7,165,113	9,200	-
1200 Company Services Group	10,183,922	31,160	10,152,762	102.080	10,299,649	146,887	-
1400 Producers, Fraud and Products Group	8,778,957	2,919,461	5,859,496	95.000	5,859,496	-	-
1500 Office of State Fire Marshal	16,206,131	5,258,794	10,947,337	95.430	10,947,337	-	-
1600 Consumer Assistance Group	6,420,339	2,867,710	3,552,629	68.000	3,552,629	-	-
1900 Reserves and Transfers	687,109	-	687,109	-	1,476,107	788,998	-
<b>Total 1XXXX</b>	<b>49,550,287</b>	<b>11,195,041</b>	<b>38,355,246</b>	<b>422.680</b>	<b>39,300,331</b>	<b>945,085</b>	<b>-</b>

**Department of Insurance - Special Fund - Interest-bearing (23900)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment			
<b>Total Requirements</b>	\$45,133,645	\$47,028,407	\$45,571,476	\$1,456,931	-	\$1,456,931	\$47,028,407	-%	3.20%
<b>Less Receipts</b>	\$44,076,924	\$47,028,407	\$45,571,476	\$1,456,931	-	\$1,456,931	\$47,028,407	-%	3.20%
<b>Δ Fund Balance</b>	-	-	-	-	-	-	-	%-	%-
<b>Total Positions</b>	-	2.900	2.900	-	-	-	2.900	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Continue Funding for Rescue Squad Workers' Relief</b>			
Continues to transfer funds from the Highway Fund to the Department of Insurance for the Rescue Squad Workers' Relief Fund, which was under continuation review in 2015-16.			
<b>Requirements</b>	\$1,456,931	-	\$1,456,931
<b>Less Receipts</b>	\$1,456,931	-	\$1,456,931
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$1,456,931	-	\$1,456,931
<b>Less Receipts</b>	\$1,456,931	-	\$1,456,931
<b>Change in Fund Balance</b>	-	-	-
<b>Positions</b>	-	-	-

**Department of Insurance - Special Fund - Non-Interest-bearing (23901)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment			
<b>Total Requirements</b>	\$1,218,324	\$1,303,585	\$346,233	\$957,352	-	\$957,352	\$1,303,585	-%	276.51%
<b>Less Receipts</b>	\$1,369,185	\$1,303,585	\$346,233	\$957,352	-	\$957,352	\$1,303,585	-%	276.51%
<b>Δ Fund Balance</b>	-	-	-	-	-	-	-	%-	%-
<b>Total Positions</b>	-	3.500	3.500	-	-	-	3.500	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Continue Volunteer Rescue/EMS Grants</b>			
Continues to transfer funds from the Highway Fund to the Department of Insurance for the Volunteer Rescue/EMS Grant Program, which was under continuation review in 2015-16.			
<b>Requirements</b>	\$957,352	-	\$957,352
<b>Less Receipts</b>	\$957,352	-	\$957,352
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$957,352	-	\$957,352
<b>Less Receipts</b>	\$957,352	-	\$957,352
<b>Change in Fund Balance</b>	-	-	-
<b>Positions</b>	-	-	-

## Department of Administration (14100)

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net		Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$116,881,653	\$118,712,801	\$117,513,117	\$1,386,368	\$1,957,938	\$3,344,306	\$120,857,423	1.81%	2.85%
<b>Less Receipts</b>	\$53,739,586	\$57,371,889	\$58,848,632	-	-	-	\$58,848,632	2.57%	-%
<b>Total Appropriation</b>	\$63,142,066	\$61,340,912	\$58,664,485	\$1,386,368	\$1,957,938	\$3,344,306	\$62,008,791	1.09%	5.70%
<b>Total Positions</b>	-	452.156	445.956	14.200	-	14.200	460.156	1.77%	3.18%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	\$691,838	\$691,838
	Less Receipts	-	-
	Appropriation	\$691,838	\$691,838
	Positions	-	-
<b>2. Department Legal Services</b>			
Provides nonrecurring funding to pay legal fees for litigation involving the State.			
	Requirements	\$408,000	\$408,000
	Less Receipts	-	-
	Appropriation	\$408,000	\$408,000
	Positions	-	-
<b>3. Increase Human Relations Commission Resources</b>			
Appropriates \$545,407 in recurring funding for the Human Relations Commission, which was funded with non-recurring appropriation in 2015-16 while it underwent a continuation review. Also provides \$242,669 for an additional 4 positions for intake, investigation, and conciliation of equal employment opportunity complaints.			
	Requirements	\$788,076	\$788,076
	Less Receipts	-	-
	Appropriation	\$788,076	\$788,076
	Positions	10.200	10.200
<b>4. State Ethics Commission - Improve Transparency and Accountability in Ethics Requirements</b>			
Appropriates funding to design, develop, implement and maintain a new application for individuals covered under the State Ethics Act to electronically file and amend Statements of Economic Interests. The application will include a searchable database, comprehensive management tools, and an updated online education program.			
	Requirements	\$20,000	\$870,000
	Less Receipts	-	-
	Appropriation	\$20,000	\$870,000
	Positions	-	-
<b>5. State Ethics Commission - Host the International Ethics Conference in North Carolina</b>			
Provides recurring funding to participate in the annual Council on Governmental Ethics Laws (COGEL) conference and non-recurring fund to prepare to host the 2018 International Ethics Conference in North Carolina.			
	Requirements	\$2,300	\$10,400
	Less Receipts	-	-
	Appropriation	\$2,300	\$10,400
	Positions	-	-
<b>6. Office of State Human Resources - Additional Positions to Help Close State Employee Workers' Compensation Claims</b>			
Establishes four positions to help close out open cases and reduce abuse and fraud within the workers' compensation system.			
	Requirements	\$378,497	\$378,497
	Less Receipts	-	-
	Appropriation	\$378,497	\$378,497
	Positions	4.000	4.000
<b>7. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
	Requirements	\$129,600	\$129,600
	Less Receipts	-	-
	Appropriation	\$129,600	\$129,600
	Positions	-	-
<b>8. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
	Requirements	\$67,895	\$67,895
	Less Receipts	-	-
	Appropriation	\$67,895	\$67,895
	Positions	-	-
<b>Net Adjustments</b>			
Requirements	\$1,386,368	\$1,957,938	\$3,344,306
Less Receipts	-	-	-
Appropriation	\$1,386,368	\$1,957,938	\$3,344,306
Positions	14.200	-	14.200

**Department of Administration**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>14100</b>							
1111 Office of the Secretary	1,471,523	120,843	1,350,680	11,000	1,888,280	537,600	-
1121 Department of Administration - Fiscal Management	1,760,027	690,025	1,070,002	24,000	1,070,002	-	-
1122 Department of Administration - Personnel	767,226	186,804	580,422	10,000	580,422	-	-
1123 Office for Historically Underutilized Businesses	522,910	1,000	521,910	8,000	521,910	-	-
1230 Non-Public Education	442,174	-	442,174	5,750	442,174	-	-
1241 Management Information Systems	1,192,539	375,994	816,545	10,000	816,545	-	-
1311 Office of State Personnel	7,974,654	113,506	7,861,148	65,000	8,239,645	378,497	4,000
1411 State Construction Office	5,935,846	684,911	5,250,935	55,000	5,250,935	-	-
1412 State Property Office	2,138,934	1,207,688	931,246	27,001	931,246	-	-
1421 Facilities Management Division	31,531,658	4,030,404	27,501,254	154,250	27,501,254	-	-
1511 Purchase and Contract	3,058,659	1,476,743	1,581,916	33,100	1,581,916	-	-
1731 NC Council for Women and Domestic Violence Commission	716,417	-	716,417	9,000	716,417	-	-
1734 Sexual Assault Program	2,894,972	-	2,894,972	0.360	2,894,972	-	-
1741 Human Relations Commission	-	-	-	0.038	788,076	788,076	10,200
1742 Martin Luther King Commission	23,378	-	23,378	-	23,378	-	-
1761 Youth Advocacy and Involvement Office	475,941	-	475,941	4,000	475,941	-	-
1772 State Veterans Home Program	45,864,689	45,864,689	-	8,770	-	-	-
1781 Domestic Violence Program	5,086,099	-	5,086,099	4,640	5,086,099	-	-
1782 Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	-
1810 State Ethics Commission	1,230,025	56,679	1,173,346	13,000	2,053,746	880,400	-
1851 Pension - Surviving Spouse	12,000	-	12,000	-	12,000	-	-
1861 Commission on Indian Affairs	302,850	-	302,850	3,047	302,850	-	-
1900 Reserves and Transfers	197,384	126,134	71,250	-	830,983	759,733	-
<b>Total 1XXXX</b>	<b>117,513,117</b>	<b>58,848,632</b>	<b>58,664,485</b>	<b>445,956</b>	<b>62,008,791</b>	<b>3,344,306</b>	<b>14,200</b>



**Office of the State Controller (14160)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$23,990,391	\$23,782,197	\$23,654,804	\$897,743	\$341,020	\$1,238,763	\$24,893,567	4.67%	5.24%
<b>Less Receipts</b>	\$2,474,605	\$928,418	\$928,418	\$496,578	-	\$496,578	\$1,424,996	53.49%	53.49%
<b>Total Appropriation</b>	\$21,515,786	\$22,853,779	\$22,726,386	\$401,165	\$341,020	\$742,185	\$23,468,571	2.69%	3.27%
<b>Total Positions</b>	-	169.009	169.009	-	-	-	169.009	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	-	\$341,020
	Less Receipts	-	-
	Appropriation	-	\$341,020
	Positions	-	-
<b>2. Continue BEACON Positions</b>			
Continues to transfer funds from the Department of Transportation to the State Controller for BEACON positions, which were under continuation review in 2015-16.			
	Requirements	\$496,578	-
	Less Receipts	\$496,578	-
	Appropriation	-	-
	Positions	-	-
<b>3. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
	Requirements	\$362,400	-
	Less Receipts	-	-
	Appropriation	\$362,400	-
	Positions	-	-
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
	Requirements	\$38,765	-
	Less Receipts	-	-
	Appropriation	\$38,765	-
	Positions	-	-
<b>Net Adjustments</b>			
Requirements	\$897,743	\$341,020	\$1,238,763
Less Receipts	\$496,578	-	\$496,578
Appropriation	\$401,165	\$341,020	\$742,185
Positions	-	-	-

**Office of the State Controller**

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 14160  
 1000 Office of the State Controller  
**Total 1XXXX**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments				
	Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes
	23,654,804	928,418	22,726,386	169,009	23,468,571	742,185	-	-
<b>Total</b>	<b>23,654,804</b>	<b>928,418</b>	<b>22,726,386</b>	<b>169,009</b>	<b>23,468,571</b>	<b>742,185</b>	<b>-</b>	<b>-</b>

**Department of Information Technology (14660)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	-	-	-	\$478	\$7,742	\$8,220	-	-%	-%
<b>Less Receipts</b>	-	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	-	-	-	\$478	\$7,742	\$8,220	-	-%	-%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

14660	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$7,742	\$7,742
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$7,742	\$7,742
<b>Positions</b>	-	-	-
<b>2. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$478	-	\$478
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$478	-	\$478
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$478	\$7,742	\$8,220
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$478	\$7,742	\$8,220
<b>Positions</b>	-	-	-

**19044**

<b>1. IT Fund - Reward State Employees One-Time Bonus</b>	<b>Requirements</b>	-	\$290,723	\$290,723
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$290,723	\$290,723
	<b>Positions</b>	-	-	-
<b>2. IT Fund - Improve Geolocating and Address Data for Emergency Management and 2020 Census</b>	<b>Requirements</b>	\$180,000	\$520,000	\$700,000
Supports emergency management, 2020 Census operations, and state business processes reliant on address information. The AddressNC database will be a foundation for reducing duplicative effort and increasing the efficiency of address data management for state and local governments.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$180,000	\$520,000	\$700,000
	<b>Positions</b>	-	-	-
<b>3. IT Fund - State Retirement Contribution Rate Increase Department of Information Technology</b>	<b>Requirements</b>	\$33,516	-	\$33,516
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefit, and retiree health benefit is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$33,516	-	\$33,516
	<b>Positions</b>	-	-	-
<b>4. IT Fund - Continue Implementation of Data Systems to Connect Student Outcomes and Employment</b>	<b>Requirements</b>	\$460,000	-	\$460,000
Provides \$190,000 to maintain the Common Follow-Up System and \$270,000 to maintain the P-20 SchoolWorks System within the Government Data Analytics Center (GDAC). These systems are used to track performance measures related to current and former participants in state job training, education, and placement programs, as well as to maintain the statewide student longitudinal database.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$460,000	-	\$460,000
	<b>Positions</b>	-	-	-
<b>5. IT Fund - Begin to Plan and Design an Enterprise Resource Planning system (ERP)</b>	<b>Requirements</b>	-	\$500,000	\$500,000
Provides funding to begin planning and design of an enterprise resource planning system (ERP) through business process reengineering. The Department of Information Technology (DIT), in coordination with the Office of the State Controller (OSC) and the Office of State Budget and Management (OSBM), will begin planning for the implementation of an ERP system that addresses, at a minimum, core financial management, grants, asset and inventory, fleet management and human resources management.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	-	\$500,000	\$500,000
	<b>Positions</b>	-	-	-
<b>6. IT Fund - Establish a Cybersecurity Apprenticeship Program for Disabled Veterans</b>	<b>Requirements</b>	\$600,000	-	\$600,000
Establishes a disabled veteran cybersecurity apprenticeship program within the Department of Information Technology. This two-year program will train five disabled veterans in cybersecurity governance while allowing them to work toward their Information Systems Security Professional certification (CISSP). At the conclusion the program, each veteran will be prepared for a permanent role within state government or private sector.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$600,000	-	\$600,000
	<b>Positions</b>	5.000	-	5.000
<b>7. IT Fund - Improve Transparency in IT Budget</b>	<b>Requirements</b>	\$8,300,000	-	\$8,300,000
Supports operating functions of the new Department of Information Technology which include costs for facility management, finance, administration, human resources, and in-kind services. These costs are currently billed to other agencies as a subscription charge. Removal of these costs from the service rate structure provides greater accountability and transparency into the actual costs of providing IT services to the state.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$8,300,000	-	\$8,300,000
	<b>Positions</b>	68.000	-	68.000
<b>8. IT Fund - Develop IT Security Risk Management Tool</b>	<b>Requirements</b>	\$150,000	\$400,000	\$550,000
Provides funding to the Network Simplification Program to develop an enterprise security risk management (SRM) tool. The SRM tool will allow the Department of Information Technology to perform seamless reviews of network security devices and ensure compliance with state security policies. The tool will ensure a consistent and standardized approach to the management of all security boundary devices.	<b>Less Receipts</b>	-	-	-
	<b>Appropriation</b>	\$150,000	\$400,000	\$550,000
	<b>Positions</b>	-	-	-
<b>Net Adjustments</b>				
<b>Requirements</b>		\$9,723,516	\$1,710,723	\$11,434,239
<b>Less Receipts</b>		-	-	-
<b>Appropriation</b>		\$9,723,516	\$1,710,723	\$11,434,239
<b>Positions</b>		73.000	-	73.000

**Department of Information Technology**

1XXXX  
 14660  
 1245 HIE Network  
 Total 1XXXX

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
	-	-	-	-	8,220	8,220	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,220</b>	<b>8,220</b>	<b>-</b>

**Department of Revenue (14700)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$116,057,196	\$135,818,190	\$133,915,718	\$3,883,863	\$2,426,207	\$6,310,070	\$140,225,788	3.25%	4.71%
<b>Less Receipts</b>	\$35,982,549	\$54,758,651	\$53,458,039	-	-	-	\$53,458,039	(2.38)%	-%
<b>Total Appropriation</b>	\$80,074,647	\$81,059,539	\$80,457,679	\$3,883,863	\$2,426,207	\$6,310,070	\$86,767,749	7.04%	7.84%
<b>Total Positions</b>	-	1,470.250	1,471.250	-	-	-	1,471.250	0.07%	-%

**2016-2017 Recommended**

	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$1,493,407	\$1,493,407
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$1,493,407	\$1,493,407
<b>Positions</b>	-	-	-
<b>2. Combat Taxpayer Identity Theft</b>			
Protect the public from identity theft and data loss through creation of a multilayer identity verification platform to assist in protecting personal identifying information, and prevent the issuance of erroneous refunds to identity thieves.			
<b>Requirements</b>	\$3,000,000	-	\$3,000,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$3,000,000	-	\$3,000,000
<b>Positions</b>	-	-	-
<b>3. Streamline Business Functions</b>			
Provides funding to identify opportunities to lower operational costs through automation or outsourcing of paper-driven processes.			
<b>Requirements</b>	-	\$350,000	\$350,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$350,000	\$350,000
<b>Positions</b>	-	-	-
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$165,563	-	\$165,563
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$165,563	-	\$165,563
<b>Positions</b>	-	-	-
<b>5. Implementation of New Tax Types</b>			
Provides funding for programming the insurance and liquid nicotine tax types to enable automated collection. Liquid Nicotine (Other Tobacco Product - OTP) taxing legislation was part of S.L. 2014-3 and Energy Severance Tax - Energy Modernization Act was part of S.L. 2014-4.			
<b>Requirements</b>	-	\$582,800	\$582,800
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$582,800	\$582,800
<b>Positions</b>	-	-	-
<b>6. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$718,300	-	\$718,300
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$718,300	-	\$718,300
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$3,883,863	\$2,426,207	\$6,310,070
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$3,883,863	\$2,426,207	\$6,310,070
<b>Positions</b>	-	-	-

## Department of Revenue

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>14700</b>							
1600 Administration	3,618,680	-	3,618,680	29,000	7,336,980	3,718,300	-
1601 Enterprise Project Management Office	780,186	-	780,186	8,000	780,186	-	-
1603 Human Resources	1,522,319	-	1,522,319	20,000	1,522,319	-	-
1605 Information Technology	15,983,036	406,374	15,576,662	99,250	16,159,462	582,800	-
1607 Revenue Research	429,658	-	429,658	7,000	429,658	-	-
1609 Criminal Investigations	911,367	-	911,367	10,000	911,367	-	-
1624 Income tax division	2,079,237	-	2,079,237	22,000	2,079,237	-	-
1625 Excise Tax Division	200,724	-	200,724	2,000	200,724	-	-
1627 Sales and Use Taxes	1,315,833	-	1,315,833	14,000	1,315,833	-	-
1629 Local Government Division	5,167,717	5,167,717	-	33,000	-	-	-
1643 Taxpayer Assistance	8,672,798	294,830	8,377,968	144,000	8,377,968	-	-
1660 Collection	259,611	-	259,611	2,000	259,611	-	-
1661 Project Collect Tax	26,347,464	26,347,464	-	266,000	-	-	-
1662 Taxpayer Call Center	10,154,241	10,154,241	-	137,000	-	-	-
1663 Examination	24,414,627	-	24,414,627	328,000	24,414,627	-	-
1670 Unauthorized Substance Tax	1,520,211	-	1,520,211	20,000	1,520,211	-	-
1681 Business Operations	8,113,860	47,740	8,066,120	18,000	8,066,120	-	-
1683 Financial Services	836,692	-	836,692	11,000	836,692	-	-
1685 Documents and Payments Processing	11,568,447	1,206,014	10,362,433	202,000	10,712,433	350,000	-
1700 Motor Fuels	4,994,370	4,994,370	-	50,000	-	-	-
1708 International Registration	229,020	229,020	-	3,000	-	-	-
1710 Fuel Tax Compliance	1,604,094	1,604,094	-	17,000	-	-	-
1711 Federal Grant - Joint Operations Center	590,791	590,791	-	2,000	-	-	-
1800 White Goods - Disposal Tax	425,000	425,000	-	6,000	-	-	-
1820 Scrap Tire Disposal Tax	425,000	425,000	-	6,000	-	-	-
1830 Public Transit Tax	715,384	715,384	-	8,000	-	-	-
1840 Dry Cleaning Solvent Tax	125,000	125,000	-	-	-	-	-
1870 Solid Waste Disposal Tax	225,000	225,000	-	1,000	-	-	-
1880 911 - Service Charge	500,000	500,000	-	6,000	-	-	-
1900 Reserves and Transfers	185,351	-	185,351	-	1,844,321	1,658,970	-
<b>Total 1XXXX</b>	<b>133,915,718</b>	<b>53,458,039</b>	<b>80,457,679</b>	<b>1,471,250</b>	<b>86,767,749</b>	<b>6,310,070</b>	<b>-</b>

**Department of Revenue - IT Projects (24708)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment			
<b>Total Requirements</b>	\$11,225,269	\$20,862,540	\$2,047,600	-	\$12,000,000	\$12,000,000	\$14,047,600	(32.67)%	586.05%
<b>Less Receipts</b>	\$7,549,000	\$10,047,600	\$2,047,600	-	-	-	\$2,047,600	(79.62)%	-%
<b>Δ Fund Balance</b>	-	-	-	-	(\$12,000,000)	-	-	-%	-%
<b>Total Positions</b>	-	7.000	7.000	-	-	-	7.000	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Fund Critical IT Operations</b>			
Authorizes the Department of Revenue to spend up to \$12 million from the ITAS replacement fund 2478 for operations and maintenance of critical tax systems including Enterprise Tax Management (ETM), Portfolio Warehouse (DTax), and Modernize eFile (MeF). These funds may be utilized only after receiving approval from the Department of Information Technology and Office of State Budget and Management of a Department of Revenue IT spending plan.			
<b>Requirements</b>	-	\$12,000,000	\$12,000,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	(\$12,000,000)	(\$12,000,000)
<b>Positions</b>	-	-	-

**Net Adjustments**

<b>Requirements</b>	-	\$12,000,000	\$12,000,000
<b>Less Receipts</b>	-	-	-
<b>Change in Fund Balance</b>	-	(\$12,000,000)	(\$12,000,000)
<b>Positions</b>	-	-	-



### State Board of Elections (18025)

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$6,651,781	\$6,869,377	\$6,617,898	\$985,182	\$115,069	\$1,100,251	\$7,718,149	12.36%	16.63%
<b>Less Receipts</b>	\$905,525	\$104,535	\$104,535	-	-	-	\$104,535	-%	-%
<b>Total Appropriation</b>	\$5,746,256	\$6,764,842	\$6,513,363	\$985,182	\$115,069	\$1,100,251	\$7,613,614	12.55%	16.89%
<b>Total Positions</b>	-	61.000	61.000	8.000	-	8.000	69.000	13.11%	13.11%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$115,069	\$115,069
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$115,069	\$115,069
<b>Positions</b>	-	-	-
<b>2. Expand Elections Outreach</b>			
Establishes five elections outreach positions to help ensure fair elections, protect constitutional rights of voters and candidates through equal application of federal and state laws, and promote voter registration and participation.			
<b>Requirements</b>	\$336,030	-	\$336,030
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$336,030	-	\$336,030
<b>Positions</b>	5.000	-	5.000
<b>3. Implement New Campaign e-Filing and Improve Data Accuracy</b>			
Provides funding for three positions and new campaign finance software to meet the new e-filing requirements of GS 163-278.9(j) and improve data accuracy.			
<b>Requirements</b>	\$592,687	-	\$592,687
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$592,687	-	\$592,687
<b>Positions</b>	3.000	-	3.000
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$12,565	-	\$12,565
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$12,565	-	\$12,565
<b>Positions</b>	-	-	-
<b>5. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$43,900	-	\$43,900
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$43,900	-	\$43,900
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$985,182	\$115,069	\$1,100,251
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$985,182	\$115,069	\$1,100,251
<b>Positions</b>	8.000	-	8.000

**State Board of Elections**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>18025</b>							
1100 Administration	995,627	102,000	893,627	7,000	1,029,345	135,718	1,000
1200 Campaign Reporting	1,400,604	2,535	1,398,069	18,000	1,398,069	-	-
1201 Ethics and Campaign Reform	96,945	-	96,945	-	396,945	300,000	-
1300 Voter Registration and Voting Systems	3,117,696	-	3,117,696	29,000	3,294,239	176,543	2,000
1400 Voter Information Verification Act (VIVA)	1,007,026	-	1,007,026	7,000	1,379,947	372,921	5,000
1900 Reserves and Transfers	-	-	-	-	115,069	115,069	-
<b>Total 1XXXX</b>	<b>6,617,898</b>	<b>104,535</b>	<b>6,513,363</b>	<b>61,000</b>	<b>7,613,614</b>	<b>1,100,251</b>	<b>8,000</b>

**Office of Administrative Hearings (18210)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>	<u>Revised</u> <u>2016-17</u>	<u>from</u> <u>2015-16</u> <u>Certified</u>	<u>from</u> <u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$6,089,142	\$6,962,676	\$6,925,905	\$44,292	\$99,093	\$143,385	\$7,069,290	1.53%	2.07%
<b>Less Receipts</b>	\$1,726,780	\$1,782,492	\$1,782,492	-	-	-	\$1,782,492	-%	-%
<b>Total Appropriation</b>	\$4,362,362	\$5,180,184	\$5,143,413	\$44,292	\$99,093	\$143,385	\$5,286,798	2.06%	2.79%
<b>Total Positions</b>	-	45.000	45.000	-	-	-	45.000	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$99,093	\$99,093
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$99,093	\$99,093
<b>Positions</b>	-	-	-
<b>2. Improve Transparency of IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$33,200	-	\$33,200
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$33,200	-	\$33,200
<b>Positions</b>	-	-	-
<b>3. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$11,092	-	\$11,092
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$11,092	-	\$11,092
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$44,292	\$99,093	\$143,385
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$44,292	\$99,093	\$143,385
<b>Positions</b>	-	-	-

**Office of Administrative Hearings**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX							
18210							
1100 Administration and Operations	6,925,905	1,782,492	5,143,413	45,000	5,286,798	143,385	-
<b>Total 1XXXX</b>	<b>6,925,905</b>	<b>1,782,492</b>	<b>5,143,413</b>	<b>45,000</b>	<b>5,286,798</b>	<b>143,385</b>	<b>-</b>

# Health and Human Services

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**Total Spend: \$5 billion**

**23% of General Fund Budget**

## **Improving the Lives of People with Mental Illness and Substance Use Disorders**

Invests \$30 million to implement the recommendations of the Governor's Task Force on Mental Health and Substance Use, including transitional housing, case management, mental health first aid training, child crisis centers and tools to combat the heroin and opioid epidemic.

## **Expanding Medicaid and State Services for Older Adults, Including Those with Alzheimer's**

Provides \$3 million to expand Medicaid services for older adults, including those with Alzheimer's disease, by adding 320 new slots to the Community Alternatives Program for Disabled Adults.

Increases funding by \$1 million for family caregiver support services, including respite care for caregivers.

## **Expanding Medicaid Services for People with Developmental Disabilities**

Invests \$2.5 million to expand Medicaid services for people with developmental disabilities. This investment supports an additional 250 Medicaid Innovations Waiver slots providing the needed services to help individuals with developmental disabilities live successful lives in the community.

## **Investing in Education and Safety of Children**

Continues the commitment to providing high quality early childhood programs by investing \$4 million in Pre-K to serve up to an additional 800 at-risk 4 year olds, bringing the total budget to \$148 million.

Invests \$8.6 million to implement a Federal Improvement Plan to strengthen the state's child protection system.

## **Preparing North Carolina to respond to the Zika Virus and Other Vector Borne Diseases**

Provides \$750,000 to support surveillance across the state to identify and track the primary carrier of the Zika virus and other vector borne diseases.

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

**Health and Human Services (144xx)**

	2014-15 Actual	2015 Session Law-Enacted		2016 Legislative Session-Recommended Change			Revised 2016-17	% Change	% Change
		2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		from 2015-16 Certified	from 2016-17 Certified
<b>Total Requirements</b>	\$18,953,234,738	\$19,638,246,062	\$20,169,173,124	(\$575,575,402)	\$65,672,621	(\$509,902,781)	\$19,659,270,343	0.11%	-2.53%
<b>Less Receipts</b>	\$13,942,468,267	\$14,507,696,536	\$14,901,577,516	(\$320,262,359)	\$34,260,537	(\$286,001,822)	\$14,615,575,694	0.74%	-1.92%
<b>Total Appropriation</b>	\$5,010,766,471	\$5,130,549,526	\$5,267,595,608	(\$255,313,043)	\$31,412,084	(\$223,900,959)	\$5,043,694,649	-1.69%	-4.25%
<b>Total Positions</b>	-	17,037.785	17,039.785	123.000	-	123.000	17,162.785	0.73%	0.72%

**Division of Central Management and Support (14410)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$149,775,999	\$203,222,094	\$216,674,084	\$4,907,823	\$24,472,621	\$29,380,444	\$246,054,528	21.08%	13.56%
<b>Less Receipts</b>	\$57,916,823	\$80,755,508	\$86,640,831	-	\$14,560,537	\$14,560,537	\$101,201,368	25.29%	16.81%
<b>Total Appropriation</b>	\$91,859,176	\$122,466,586	\$130,033,253	\$4,907,823	\$9,912,084	\$14,819,907	\$144,853,160	18.28%	11.40%
<b>Total Positions</b>	-	743.750	745.750	-	-	-	745.750	0.27%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average of 3% bonus for state employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. This excludes bonuses for the Division of Medical Assistance staff, which are considered in the Medicaid Workforce Retention and Stabilization request.			
<b>Requirements</b>	-	\$7,993,260	\$7,993,260
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$7,993,260	\$7,993,260
<b>Positions</b>	-	-	-
<b>2. State Employees and Teacher Retirement Contribution</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Annual Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
<b>Requirements</b>	\$1,052,900	-	\$1,052,900
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,052,900	-	\$1,052,900
<b>Positions</b>	-	-	-
<b>3. State Agency Teachers and School-Based Administrators Salary Increases</b>			
Supports experience-based step increases and salary increases associated with the changes to the North Carolina Public School Salary Schedule for state agency teachers and school-based administrators.			
<b>Requirements</b>	\$354,923	-	\$354,923
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$354,923	-	\$354,923
<b>Positions</b>	-	-	-
<b>4. Enhance Data Analytics and Performance - Client Services Data Warehouse</b>			
Continues the State's investment in its data analytics capabilities. The Client Services Data Warehouse is a department-wide client data system that provides extensive data reporting for business users, including the department, federal government, General Assembly, and GDAC. An aging system, which was acquired in FY 2009-10, demands of the business users, and incorporating sizable systems, e.g., Health Information System (HIS) and NC FAST, challenges the current configuration. Replacing the current hardware will move the Department toward an enterprise solution with enhanced performance and technical support. The total 2016-17 budget will be \$4.5 million.			
<b>Requirements</b>	-	\$2,253,089	\$2,253,089
<b>Less Receipts</b>	-	\$334,265	\$334,265
<b>Appropriation</b>	-	\$1,918,824	\$1,918,824
<b>Positions</b>	-	-	-
<b>5. Invest in Rural Health Care - Graduate Medical Education (GME)</b>			
More than 70 of North Carolina's counties are designated health professionals shortage areas (HPSA). Physician shortages in primary care, general surgery, and psychiatry services are a fundamental challenge to access to care and the well-being of citizens. This proposal would provide funding for residency programs in rural and underserved areas of the state.			
<b>Requirements</b>	\$3,500,000	-	\$3,500,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$3,500,000	-	\$3,500,000
<b>Positions</b>	-	-	-
<b>6. Fund Federally-Required Next Phase of NC FAST</b>			
Continues the State's investment in technology that supports client services. The Affordable Care Act requires increased client self-service functionality, including secure inbox, document upload, renewals, and online appeals (Project 9). Additionally, to enhance project management, CMS has requested a dedicated Quality Assurance Manager and increased reporting. For these eligibility and enrollment system improvements, the Department will be able to finance these measures through the A87 Cost Waiver, with the state share supported by prior year earned revenue.			
<b>Requirements</b>	-	\$14,226,272	\$14,226,272
<b>Less Receipts</b>	-	\$14,226,272	\$14,226,272
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$4,907,823	\$24,472,621	\$29,380,444
<b>Less Receipts</b>	-	\$14,560,537	\$14,560,537
<b>Appropriation</b>	\$4,907,823	\$9,912,084	\$14,819,907
<b>Positions</b>	-	-	-

**Division of Aging and Adult Services (14411)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15	2015-16	2016-17	Net		Recommended			
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment			
<b>Total Requirements</b>	\$103,883,885	\$105,646,211	\$105,473,473	\$1,000,000	-	\$1,000,000	\$106,473,473	0.78%	0.95%
<b>Less Receipts</b>	\$61,558,422	\$61,830,874	\$61,658,136	-	-	-	\$61,658,136	-0.28%	-%
<b>Total Appropriation</b>	\$42,325,463	\$43,815,337	\$43,815,337	\$1,000,000	-	\$1,000,000	\$44,815,337	2.28%	2.28%
<b>Total Positions</b>	-	76.500	76.500	-	-	-	76.500	-%	-%

	<u>2016-2017 Recommended</u>			
	Recurring Changes	Non Recurring Changes	Total Adjustments	
<b>1. Expand Support for Alzheimer's Patients and Their Families Through Project CARE</b>	Requirements	\$1,000,000	-	\$1,000,000
Increases funding to support families acting as caregivers for family members with Alzheimer's disease. Project CARE is a nationally recognized best practice model providing family consultation and respite services to persons who are caring at home for a family member with Alzheimer's disease or related dementia. Project CARE is the only state funded dementia specific community based program and funds three full time family consultants. This increased funding would provide vouchers for respite services and three additional full-time family consultants for Project CARE.	Less Receipts	-	-	-
	Appropriation	\$1,000,000	-	\$1,000,000
	Positions	-	-	-

The budget for Project CARE in 2016-2017 is \$300,000 and this adjustment would increase the budget by an additional \$1 million. This investment will provide for respite care and result in an additional 225-250 families receiving family support services.

<b>Net Adjustments</b>			
Requirements	\$1,000,000	-	\$1,000,000
Less Receipts	-	-	-
Appropriation	\$1,000,000	-	\$1,000,000
Positions	-	-	-



**Division of Child Development and Early Education (14420)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$676,387,627	\$671,404,190	\$671,468,663	\$4,663,435	-	\$4,663,435	\$676,132,098	0.70%	0.69%
<b>Less Receipts</b>	\$459,123,582	\$438,941,361	\$428,434,687	\$4,663,435	-	\$4,663,435	\$433,098,122	(1.33)%	1.09%
<b>Total Appropriation</b>	\$217,264,044	\$232,462,829	\$243,033,976	-	-	-	\$243,033,976	4.55%	-%
<b>Total Positions</b>	-	298.750	298.750	10.000	-	10.000	308.750	3.35%	3.35%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Serve More Four-Year-Olds Through NC Pre-K</b>			
Continues the Governor's commitment to high quality early childhood programs through NC Pre-K. This investment of additional lottery receipts will increase access for at-risk 4 year olds to high quality educational experiences. At an estimated \$5,000 per slot, the total \$148 million will enable more than 29,400 four-year-olds to participate in Pre-K, an increase of 15.6% compared to FY 2012-13.	<b>Requirements</b> \$4,000,000	-	\$4,000,000
	<b>Less Receipts</b> \$4,000,000	-	\$4,000,000
	<b>Appropriation</b> -	-	-
	<b>Positions</b> -	-	-
<b>2. Improve Quality of Child Care in NC</b>			
Continues North Carolina's investment in quality child care through additional resources for criminal background checks, enhanced training, and improved fraud prevention and detection. Federal CCFD Block Grants require that an increasing proportion of these funds be used towards quality initiatives and activities. Eligible quality activities, along with the requested positions would: expand criminal records verifications for child care staff by three FTEs, increase training for licensing staff and consumer education to the public with an additional two FTEs, provide enhanced oversight and the development of training opportunities and verifications for child care staff with one FTE and augment fraud prevention and detection efforts with the addition of four FTEs.	<b>Requirements</b> \$663,435	-	\$663,435
	<b>Less Receipts</b> \$663,435	-	\$663,435
	<b>Appropriation</b> -	-	-
	<b>Positions</b> 10.000	-	10.000

The budget for the CCDF block grant in 2016-2017 is \$187.81 million. The increased focus on quality activities and initiatives benefit all NC children participating in regulated child care programs. The positions are 100% receipt supported.

**Net Adjustments**

<b>Requirements</b>	\$4,663,435	-	\$4,663,435
<b>Less Receipts</b>	\$4,663,435	-	\$4,663,435
<b>Appropriation</b>	-	-	-
<b>Positions</b>	10.000	-	10.000

**Division of Public Health (14430)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Net</u>	<u>Net</u>	<u>Recommended</u>	<u>Revised</u>	<u>from</u>	<u>from</u>
	<u>Actual</u>	<u>Certified</u>	<u>Certified</u>	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Adjustment</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
<b>Total Requirements</b>	\$751,095,536	\$834,426,461	\$837,742,111	\$847,597	\$17,000,000	\$17,847,597	\$855,589,708	2.54%	2.13%
<b>Less Receipts</b>	\$616,745,454	\$693,049,241	\$689,443,683	(\$6,702,403)	(\$2,500,000)	(\$9,202,403)	\$680,241,280	(1.85)%	(1.33)%
<b>Total Appropriation</b>	\$134,350,082	\$141,377,220	\$148,298,428	\$7,550,000	\$19,500,000	\$27,050,000	\$175,348,428	24.03%	18.24%
<b>Total Positions</b>	-	1,916.110	1,916.110	6.000	-	6.000	1,922.110	0.31%	0.31%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u>	<u>Non Recurring</u>	<u>Total</u>
	<u>Changes</u>	<u>Changes</u>	<u>Adjustments</u>
<b>1. Invest in State Laboratory</b>			
Continues the investment in children and families by funding the difference between the direct cost of the Newborn Screening (NBS) test and the Newborn Screening fee. The current NBS fee is \$24, and the direct cost of administering the test is \$44. This recommendation would fund the difference to support all families with newborns. The remaining \$4.4 million would support core Public Health laboratory functions. This funding replaces lost federal receipts.			
	Requirements	-	-
	Less Receipts	(\$6,800,000)	(\$6,800,000)
	Appropriation	\$6,800,000	\$6,800,000
	Positions	-	-
<b>2. Support Children's Developmental Services Agencies</b>			
Maintains the investment in children and families by providing funds to support the Children's Development Services Agencies (CDSA). CDSAs serve children who have developmental disabilities between the ages of 0 and 3. The 16 regional agencies work with the Division of Medical Assistance to cost-settle services provided to Medicaid-eligible children, and a change in Medicaid cost-settlement methodology will result in an estimated decrease of \$2.5 million in revenue for the CDSAs. Medicaid cost-settlement revenue comprises about 28% of the CDSAs' budgets. The budget for the CDSAs is \$67.6 million.			
	Requirements	-	-
	Less Receipts	(\$2,500,000)	(\$2,500,000)
	Appropriation	\$2,500,000	\$2,500,000
	Positions	-	-
<b>3. Support Local Health Department Efforts and Ease Transition to New State Funding</b>			
Continues the investment in public health by providing funds to support the local health departments as they adjust to new Medicaid reimbursement rates. All 85 local health departments (LHDs) work with the Division of Medical Assistance to cost-settle services provided to Medicaid-eligible clients, and a change in Medicaid cost-settlement methodology will decrease the amount of Medicaid funds available to the majority of departments. This expansion distributes \$17 million to local health departments to maintain current service levels. LHDs serve about 550,000 low-income residents per year, and offer an array of services that range from health care to disease prevention.			
	Requirements	\$17,000,000	\$17,000,000
	Less Receipts	-	-
	Appropriation	\$17,000,000	\$17,000,000
	Positions	-	-
<b>4. Detect and Prevent Zika and Related Viruses</b>			
Provides funding to ensure North Carolina is prepared to respond to the Zika virus and other vector-borne illnesses. Funds the establishment of infrastructure for mosquito surveillance, control and education. This expansion will provide \$355,000 in aid to counties statewide and fund four new full-time positions — three doctoral level entomologists and one position in the state lab — to develop and direct the effort. This funding is recurring.			
	Requirements	\$750,000	\$750,000
	Less Receipts	-	-
	Appropriation	\$750,000	\$750,000
	Positions	4.000	4.000
<b>5. Reduce Infant Mortality</b>			
Funds two new positions that support the work of the Maternal and Child Health (MCH) Block Grant in reducing infant mortality. The positions will make the programs more data-driven, outcome-focused, and accountable for the block grant dollars. One epidemiology position will develop and maintain data related to the health of women and children; and one program manager position will administer and evaluate a competitive block grant process for county health departments to increase access to prenatal care and improve birth outcomes. The state match will come from existing resources.			
	Requirements	\$97,597	\$97,597
	Less Receipts	\$97,597	\$97,597
	Appropriation	-	-
	Positions	2.000	2.000
<b>Net Adjustments</b>			
Requirements	\$847,597	\$17,000,000	\$17,847,597
Less Receipts	(\$6,702,403)	(\$2,500,000)	(\$9,202,403)
Appropriation	\$7,550,000	\$19,500,000	\$27,050,000
Positions	6.000	-	6.000

**Division of Social Services (14440)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change				% Change	% Change
	2014-15	2015-16	2016-17	Net		Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$1,753,717,655	\$1,725,303,927	\$1,726,742,478	\$11,743,504	-	\$11,743,504	\$1,738,485,982	0.76%	0.68%
<b>Less Receipts</b>	\$1,572,023,888	\$1,542,120,664	\$1,541,209,215	\$2,876,805	-	\$2,876,805	\$1,544,086,020	0.13%	0.19%
<b>Total Appropriation</b>	\$181,693,767	\$183,183,263	\$185,533,263	\$8,866,699	-	\$8,866,699	\$194,399,962	6.12%	4.78%
<b>Total Positions</b>	-	397.000	397.000	23.000	-	23.000	420.000	5.79%	5.79%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Enhance Child Safety Through Child Fatality Reviews</b>			
Continues the significant investment to strengthen Child Welfare Services, consisting of Family Support and Preservation, Child Protective Services, Adoption and Foster Care. This is one of three investments in Child Welfare. GS 143B 150-20 requires the Division of Social Services to review the circumstances when a child dies under suspicious circumstances and when a county social service agency provided services to the deceased family within the 12 months preceding the death. The increase would provide for five positions and their associated operating costs to ensure more timely reviews and develop the system capacity to effectively utilize the results and implement these recommendations, often requiring complex policy and best practices changes across agencies.			
	<b>Requirements</b>	\$412,791	- \$412,791
	<b>Less Receipts</b>	\$309,593	- \$309,593
	<b>Appropriation</b>	\$103,198	- \$103,198
	<b>Positions</b>	5.000	- 5.000
<b>2. Enhance Child Safety Through Strengthened Oversight Accountability of County Child Welfare Services</b>			
Continues the significant investment to strengthen Child Welfare Services, consisting of Family Support and Preservation, Child Protective Services, Adoption and Foster Care. This is the second of three investments in Child Welfare and the additional investment will: 1) enhance the state capacity to ensure a competent and well-trained county-based child welfare workforce by increasing the availability of localized, mobile trainings tailored for specific training needs with seven positions, 2) provide technical assistance to counties in the development and implementation of their performance improvement plan, track and measure these improvements, quantify county outcomes and aggregate the data at a state level in order to ensure consistency in practices across counties with four new positions, and 3) improve the foster care licensing process, recruitment and retention of available and viable out of home placement options with those additional four positions.			
	<b>Requirements</b>	\$1,046,879	- \$1,046,879
	<b>Less Receipts</b>	\$343,300	- \$343,300
	<b>Appropriation</b>	\$703,579	- \$703,579
	<b>Positions</b>	15.000	- 15.000
<b>3. Enhance Child Safety Through Federal Improvement Plan Implementation</b>			
Continues the significant investment to strengthen Child Welfare Services consisting, of Family Support and Preservation, Child Protective Services, Adoption and Foster Care. This is the third of three investments in Child Welfare. North Carolina is developing a two-year improvement plan to address the deficiencies identified in the Child and Family Review. The additional resources will be used: 1) to provide approximately \$3.8 million funding targeted to developing a competent and well-trained child welfare workforce by establishing professional development opportunities and educational incentives to attract and retain individuals interested in pursuing employment in county government. Professional development opportunities will be available to augment skills of supervisors and other leadership, 2) the additional funding of approximately \$6.7 million will increase the availability and expansion of evidenced based services to families in their own homes in order to reduce maltreatment and the likelihood of children entering care, and 3) establish state level capability with the three requested positions to analyze the identified specific programmatic areas not meeting desired outcomes and develop a targeted statewide approach to positively impact the safety and wellbeing of children.			
	<b>Requirements</b>	\$10,697,323	- \$10,697,323
	<b>Less Receipts</b>	\$2,097,323	- \$2,097,323
	<b>Appropriation</b>	\$8,600,000	- \$8,600,000
	<b>Positions</b>	3.000	- 3.000
<b>4. Provide Rental Assistance Benefit for Vulnerable Citizens (State County Special Assistance)</b>			
Adjusts the State and County Special Assistance program by providing a cash supplement to help low income, elderly and disabled individuals remain in their homes or live in a licensed adult day care home. This program is cost shared at a 50% participation rate between the state and the county. The projections developed for the biennium budget assumed a Cost of Living Adjustment (COLA) for Supplemental Security Income. The COLA was not awarded, resulting in a need for increased funding to ensure the living assistance benefit is available for this vulnerable population. Total State funding is \$123 million.			
	<b>Requirements</b>	\$919,844	- \$919,844
	<b>Less Receipts</b>	\$459,922	- \$459,922
	<b>Appropriation</b>	\$459,922	- \$459,922
	<b>Positions</b>	-	-

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5. **Technical Adjustment - Adjusts Adoption based on Participation**

Adjusts the budget based upon projected enrollment. Adoption Services are designed to find permanent homes for children and provide support to the families who adopt them. This includes the monthly maintenance payments for eligible children until they reach the age of 21. It was initially projected that adoption would increase at a rate of 6% in FY 2016-17 and the more up-to-date projections are indicating the rate of growth will be less, resulting in a projected savings to the program. In 2012-13 the budget for Adoption Services was \$125.19 million. The budget for Adoption Services in 2016-17 is \$133.12 million and this technical adjustment would decrease the budget by \$1.33 million.

<b>Requirements</b>	(\$1,333,333)	-	(\$1,333,333)
<b>Less Receipts</b>	(\$333,333)	-	(\$333,333)
<b>Appropriation</b>	(\$1,000,000)	-	(\$1,000,000)
<b>Positions</b>	-	-	-

**Net Adjustments**

<b>Requirements</b>	\$11,743,504	-	\$11,743,504
<b>Less Receipts</b>	\$2,876,805	-	\$2,876,805
<b>Appropriation</b>	\$8,866,699	-	\$8,866,699
<b>Positions</b>	23.000	-	23.000

**Division of Medical Assistance (14445)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change			Revised 2016-17	% Change	% Change
	2014-15	2015-16	2016-17	Net	Net	Adjustment		from	from
	Actual	Certified	Certified	Recurring	Non-Recurring			2015-16	2016-17
<b>Total Requirements</b>	\$13,744,373,932	\$14,330,198,161	\$14,896,932,911	(\$613,559,787)	\$4,000,000	(\$609,559,787)	\$14,287,373,124	(0.30)%	(4.09)%
<b>Less Receipts</b>	\$10,186,684,468	\$10,593,623,218	\$10,980,695,639	(\$303,633,886)	\$2,000,000	(\$301,633,886)	\$10,679,061,753	0.81%	(2.75)%
<b>Total Appropriation</b>	\$3,557,689,464	\$3,736,574,943	\$3,916,237,272	(\$309,925,901)	\$2,000,000	(\$307,925,901)	\$3,608,311,371	(3.43)%	(7.86)%
<b>Total Positions</b>	-	400.510	400.510	45.000	-	45.000	445.510	11.24%	11.24%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Medicaid Rebase</b>	<b>Requirements</b>	(\$636,493,272)	- (\$636,493,272)
Adjusts Medicaid funding to continue the program at the current level of service. Each year, the Medicaid program is evaluated to estimate the funding required to continue services and benefits without changes to state policy, which is referred to as the Medicaid "forecast." Factors taken into consideration in developing the forecast include changes in enrollment, anticipated costs per recipient, and utilization of services, as well as federal matching funds. The forecast is then compared to the Medicaid base budget to determine the Medicaid "rebase" for a particular state fiscal year. The forecast and rebase estimates included in the Governor's Recommended Adjustments are based on forecasting and analysis by the Department of Health and Human Services using actual expenditures through February 29, 2016. Total requirements for Medicaid in 2012-13 equaled \$13.4 billion. Total requirements in the Medicaid budget for 2016-17 equal \$14.3 billion.	<b>Less Receipts</b>	(\$317,912,000)	- (\$317,912,000)
	<b>Appropriation</b>	(\$318,581,272)	- (\$318,581,272)
	<b>Positions</b>	-	-
<b>2. Expand Support for Alzheimer's Patients and Their Families Through Community Alternatives Program for Disabled Adults (CAP/DA) Waiver Slots</b>	<b>Requirements</b>	\$9,014,423	- \$9,014,423
Expand the CAP/DA program for individuals who qualify for institutional level care due to a disability, but can be served under a community alternatives program in their homes. Currently there are 11,214 slots in the CAP/DA program. It is estimated that up to 20% of the individuals on the wait list for CAP/DA services have Alzheimer's disease or related dementia. The Community Alternatives Program for Disabled Adults (CAP/DA) covers services including adult day care, personal care, and caregiver respite services that are well suited to support individuals with Alzheimer's disease or related dementia, as well as their families.	<b>Less Receipts</b>	\$6,014,423	- \$6,014,423
	<b>Appropriation</b>	\$3,000,000	- \$3,000,000
	<b>Positions</b>	-	-
<b>3. Reduce Backlog and Expand Medicaid Services for Individuals with Developmental Disabilities</b>	<b>Requirements</b>	\$7,800,000	- \$7,800,000
Adds 250 slots under the NC Innovations 1915(c) Waiver for individuals who qualify for institutional level care due to intellectual or developmental disabilities, but can be served under a community alternatives program in their homes. There are currently 12,448 slots on the NC Innovations Waiver for individuals with intellectual or developmental disabilities. Additional slots will decrease the number of individuals waiting for Innovations Waiver funding. Funding assumes a January 1, 2017 effective date.	<b>Less Receipts</b>	\$5,204,160	- \$5,204,160
	<b>Appropriation</b>	\$2,595,840	- \$2,595,840
	<b>Positions</b>	-	-
<b>4. Retain and Train Medicaid Workforce</b>	<b>Requirements</b>	- \$4,000,000	\$4,000,000
Provides funding to retain and train critical Division of Medical Assistance (DMA) personnel during the transition to Medicaid managed care, with the goals of preventing interruptions in DMA operations and loss of critical personnel during the transition, and preparing the Division's high performers for new roles under managed care. Includes \$341,122 for a non-recurring 3.0% bonus.	<b>Less Receipts</b>	- \$2,000,000	\$2,000,000
	<b>Appropriation</b>	- \$2,000,000	\$2,000,000
	<b>Positions</b>	-	-
<b>5. Medicaid Critical Personnel</b>	<b>Requirements</b>	\$4,119,062	- \$4,119,062
Provides necessary funding and personnel for the Division to adequately staff and operate three critical organizational units (Business Information Office, Clinical Management, and Operations). Staff will 1) support systems automation, 2) conduct data retrieval/analytics for the Division of Medical Assistance and outside stakeholders, 3) provide oversight and management of DMA policies, vendors, and other stakeholders, including quality management, and 4) continue provider and recipient customer service, including appeals and claims resolution. As the Division of Health Benefits becomes operational, these staff will be transferred to the new Division.	<b>Less Receipts</b>	\$2,059,531	- \$2,059,531
	<b>Appropriation</b>	\$2,059,531	- \$2,059,531
	<b>Positions</b>	45.000	- 45.000

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**6. Invest in Medicaid Reform**

Increase funding for transfer to the Division of Health Benefits. The increase allows the division to continue its administrative efforts to transform the North Carolina Medicaid and Health Choice programs. State appropriations for the Division in 2015-16 totaled \$5 million. The budget for the Division's Medicaid reform and transformation for 2016-17 totals \$6 million in state appropriations.

<b>Requirements</b>	\$2,000,000	-	\$2,000,000
<b>Less Receipts</b>	\$1,000,000	-	\$1,000,000
<b>Appropriation</b>	\$1,000,000	-	\$1,000,000
<b>Positions</b>	-	-	-

**Net Adjustments**

<b>Requirements</b>	(\$613,559,787)	\$4,000,000	(\$609,559,787)
<b>Less Receipts</b>	(\$303,633,886)	\$2,000,000	(\$301,633,886)
<b>Appropriation</b>	(\$309,925,901)	\$2,000,000	(\$307,925,901)
<b>Positions</b>	45.000	-	45.000

**NC Health Choice (14446)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15	2015-16	2016-17	Net	Net	Recommended			
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment			
<b>Total Requirements</b>	\$175,150,489	\$199,247,331	\$202,808,764	(\$17,917,314)	-	(\$17,917,314)	\$184,891,450	(7.21)%	(8.83)%
<b>Less Receipts</b>	\$133,486,328	\$186,690,989	\$202,062,006	(\$18,265,376)	-	(\$18,265,376)	\$183,796,630	(1.55)%	(9.04)%
<b>Total Appropriation</b>	\$41,664,162	\$12,556,342	\$746,758	\$348,062	-	\$348,062	\$1,094,820	(91.28)%	46.61%
<b>Total Positions</b>	-	5.000	5.000	-	-	-	5.000	-%	-%

	<u>2016-2017 Recommended</u>		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Health Choice Rebase</b>			
Adjusts Health Choice funding to continue the program at the current level of service. Each year, the Health Choice program is evaluated to estimate the funding required to continue services and benefits without changes to state policy, which is referred to as the Health Choice "forecast." Factors taken into consideration in developing the forecast include changes in enrollment, anticipated costs per recipient, and utilization of services, as well as federal matching funds. The forecast is then compared to the Health Choice base budget to determine the Health Choice "rebase" for a particular state fiscal year. The forecast and rebase estimates included in the Governor's Recommended Adjustments are based on forecasting and analysis by the Department of Health and Human Services using actual expenditures through February 29, 2016. Total requirements in the Health Choice budget for 2016-17 total \$184.9 million.			
<b>Requirements</b>	(\$17,917,314)	-	(\$17,917,314)
<b>Less Receipts</b>	(\$18,265,376)	-	(\$18,265,376)
<b>Appropriation</b>	\$348,062	-	\$348,062
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	(\$17,917,314)	-	(\$17,917,314)
<b>Less Receipts</b>	(\$18,265,376)	-	(\$18,265,376)
<b>Appropriation</b>	\$348,062	-	\$348,062
<b>Positions</b>	-	-	-

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

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	<u>% Change</u>	<u>% Change</u>
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		from 2015-16 Certified	from 2016-17 Certified
<b>Total Requirements</b>	\$29,032,140	\$33,630,274	\$33,630,274	-	-	-	\$33,630,274	-%	-%
<b>Less Receipts</b>	\$21,169,774	\$25,457,067	\$25,457,067	-	-	-	\$25,457,067	-%	-%
<b>Total Appropriation</b>	\$7,862,366	\$8,173,207	\$8,173,207	-	-	-	\$8,173,207	-%	-%
<b>Total Positions</b>	-	312.840	312.840	-	-	-	312.840	-%	-%



**Division of Mental Health (14460)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change			Revised 2016-17	% Change	% Change
	2014-15	2015-16	2016-17	Net		Recommended		from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment		2015-16	2016-17
<b>Total Requirements</b>	\$1,380,743,926	\$1,323,910,069	\$1,266,437,595	\$32,739,340	\$20,200,000	\$52,939,340	\$1,319,376,935	(0.34)%	4.18%
<b>Less Receipts</b>	\$695,008,652	\$727,827,649	\$728,576,287	\$799,066	\$20,200,000	\$20,999,066	\$749,575,353	2.99%	2.88%
<b>Total Appropriation</b>	\$685,735,274	\$596,082,420	\$537,861,308	\$31,940,274	-	\$31,940,274	\$569,801,582	(4.41)%	5.94%
<b>Total Positions</b>	-	11,330.580	11,330.580	39.000	-	39.000	11,369.580	0.34%	0.34%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Hire and Train New Broughton Hospital Staff</b>			
The construction of the new Broughton Hospital (Morganton) is anticipated to be completed in June 2017. To prepare for the transition to the new hospital, additional staff must be hired, trained on the more advanced technology systems (information, mechanical and electrical), and manage the transition of clients and staff. Of the positions being requested, 25.6 FTEs will be supported by state appropriations and 10.4 FTEs will be supported by receipts.			
<b>Requirements</b>	\$2,739,340	-	\$2,739,340
<b>Less Receipts</b>	\$799,066	-	\$799,066
<b>Appropriation</b>	\$1,940,274	-	\$1,940,274
<b>Positions</b>	36.000	-	36.000
<b>2. Implement Governor's Task Force for Mental Health and Substance Use Recommendations</b>			
Continues Governor McCrory's commitment to mental health and substance use treatment and recovery. Executive Order Number 76 created the Governor's Task Force on Mental Health and Substance Use. The Task Force includes representation from each branch of government, county leadership, the provider community, and consumers. Three workgroups - Adults; Opioid Abuse and Heroin Resurgence; and Children, Youth, and Families - in a comprehensive manner, assessed issues surrounding access to mental health and substance use treatment and recovery services. The workgroups developed recommendations to combat the state's heroin and prescription drug use (\$9 million), support therapeutic courts and diversion from the justice system to treatment (\$5 million), case management (\$13 million), and emergency housing for those with mental illness transitioning out of emergency departments and correctional facilities (\$3 million).			
<b>Requirements</b>	\$30,000,000	-	\$30,000,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$30,000,000	-	\$30,000,000
<b>Positions</b>	3.000	-	3.000
<b>3. Mental Health Investments through the Dorothea Dix Trust Fund</b>			
Continues the commitment to enhancing the community mental health system. This request funds a series of initiatives to train people in our communities to identify symptoms of mental illness and to render assistance (\$2.5 million); fund 6 scholarships for individuals proficient in American Sign Language to serve those with mental illness and substance use issues (\$150,000); divert people with behavioral health issues from the justice system to treatment (\$3 million); build local in-patient bed capacity for children (\$2 million) and rural hospital bed construction and/or conversion (\$12 million); and, as informed by the Task Force on Mental Health and Substance Use, support the development of psychiatric advance directives (\$300,000) to communicate an individual's preferences regarding treatment, and support a veterans' outreach initiative to connect vets to housing (\$250,000).			
<b>Requirements</b>	-	\$20,200,000	\$20,200,000
<b>Less Receipts</b>	-	\$20,200,000	\$20,200,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$32,739,340	\$20,200,000	\$52,939,340
<b>Less Receipts</b>	\$799,066	\$20,200,000	\$20,999,066
<b>Appropriation</b>	\$31,940,274	-	\$31,940,274
<b>Positions</b>	39.000	-	39.000

**Division of Health Service Regulation (14470)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment	Revised 2016-17	from 2015-16 Certified	from 2016-17 Certified
<b>Total Requirements</b>	\$57,756,870	\$66,795,465	\$66,800,892	-	-	-	\$66,800,892	0.01%	-%
<b>Less Receipts</b>	\$43,108,289	\$50,690,218	\$50,690,218	-	-	-	\$50,690,218	-%	-%
<b>Total Appropriation</b>	\$14,648,581	\$16,105,247	\$16,110,674	-	-	-	\$16,110,674	0.03%	-%
<b>Total Positions</b>	-	563.500	563.500	-	-	-	563.500	-%	-%

**Division of Vocational Rehabilitation Services (14480)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	<u>% Change</u>	<u>% Change</u>
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		from 2015-16 Certified	from 2016-17 Certified
<b>Total Requirements</b>	\$131,316,679	\$144,461,879	\$144,461,879	-	-	-	\$144,461,879	-%	-%
<b>Less Receipts</b>	\$95,642,587	\$106,709,747	\$106,709,747	-	-	-	\$106,709,747	-%	-%
<b>Total Appropriation</b>	\$35,674,091	\$37,752,132	\$37,752,132	-	-	-	\$37,752,132	-%	-%
<b>Total Positions</b>	-	993.245	993.245	-	-	-	993.245	-%	-%

**Department of Health and Human Services**

	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>14410</b>							
1119	Service Support - Administration	6,470,066	1,480,029	4,990,037	66,000	4,990,037	-
1120	Service Support - Central Management	17,958,289	3,485,403	14,472,886	101,750	14,472,886	-
1121	Service Support - Controller's Office	17,597,670	7,845,098	9,752,572	245,000	9,752,572	-
1122	DIRM - Information System Services	73,231,074	50,650,213	22,580,861	235,000	24,499,685	1,918,824
1123	DIRM - Planning and Development	454,508	396,457	58,051	-	58,051	-
1124	NC Council on Developmental Disabilities	2,312,533	2,233,612	78,921	11,000	78,921	-
1125	Service Support - Medicaid Management Information System	480,610	1,134	479,476	-	479,476	-
1126	Central Regional Maintenance - Dix	9,399,644	1,703,636	7,696,008	108,000	7,696,008	-
1161	Rural Hospital - Assistance	2,302,301	2,302,301	-	1,500	-	-
1162	Rural Health Capacity Building	4,486,426	2,884,384	1,602,042	5,000	1,602,042	-
1163	Primary Care Safety Net Infrastructure	7,709,288	22,119	7,687,169	1,000	7,687,169	-
1164	Rural Health Centers	3,726,657	437,702	3,288,955	9,000	3,288,955	-
1168	Telemedicine	2,054,070	48,663	2,005,407	1,000	2,005,407	-
1320	Prescription Assistance	3,386,926	859,175	2,527,751	6,000	2,527,751	-
1371	NC Farmworker Health	2,442,623	2,441,399	1,224	6,000	1,224	-
1372	Community Care of NC	4,141,894	4,053,165	88,729	3,500	88,729	-
1373	Services for the Uninsured	219,025	67,242	151,783	3,000	151,783	-
1910	Reserves and Transfers	56,423,881	3,852,500	52,571,381	-57,000	65,472,464	12,901,083
1991	Indirect Cost - Reserve	116,418	116,418	-	-	-	-
1992	Prior Year - Earned Revenue	1,760,181	1,760,181	-	-	-	-
<b>14411</b>							
1110	Service Support	2,849,382	1,709,350	1,140,032	18,000	1,140,032	-
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-
1167	Emergency Shelter	4,803,739	4,803,739	-	2,000	-	-
1260	Access Outreach - Aging Adults	2,405,916	1,065,132	1,340,784	3,000	1,340,784	-
1270	Quality Improvement - Wellness and Health Promotion	798,384	732,012	66,372	1,000	66,372	-
1370	Senior Nutrition/ Fan Programs	10,733,138	10,313,685	419,453	-	419,453	-
1410	Case Management and Counseling	82,206	60,359	21,847	1,000	21,847	-
1451	Community Based Services and Supports	61,391,239	29,200,409	32,190,830	9,500	32,190,830	-
1452	Alzheimer's and Dementia Support Services Support	4,581,367	3,989,691	591,676	2,000	1,591,676	1,000,000
1453	At-Risk Case Management	82,743	52,373	30,370	1,000	30,370	-
1454	Key Program	6,183,669	68,037	6,115,632	11,000	6,115,632	-
1480	Senior Community Services Employment Services	2,437,963	2,431,225	6,738	1,000	6,738	-
1510	Adult Protective Services and Guardianship	4,441,357	3,933,704	507,653	14,000	507,653	-
1550	Long Term Care - Ombudsman Services	3,707,706	2,622,422	1,085,284	5,000	1,085,284	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1570	State/County Special Assistance Administration	677,552	378,886	298,666	8,000	298,666	298,666	-	-
1991	Indirect Cost - Reserve	78,306	78,306	-	-	-	-	-	-
<b>14420</b>									
1110	Service Support	4,067,011	2,175,811	1,891,200	34,000	1,891,200	1,891,200	-	-
1151	Child Care - Regulation	14,069,271	14,069,271	-	202,750	-	-	-	2,000
1152	DHHS - Criminal Record Checks	1,964,117	1,349,480	614,637	18,000	614,637	614,637	-	3,000
1161	Child Care - Capacity Building	15,113,882	15,076,903	36,979	12,000	36,979	36,979	-	1,000
1162	Smart Start - Child Care Related Activities	52,371,075	-	52,371,075	-	52,371,075	52,371,075	-	-
1271	Smart Start - Family Support Activities	18,434,178	-	18,434,178	-	18,434,178	18,434,178	-	-
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	-	-
1330	Pre-Kindergarten Program	144,178,390	91,286,091	52,892,299	8,000	52,892,299	52,892,299	-	-
1380	Subsidized Child Care	342,191,924	294,606,516	47,585,408	24,000	47,585,408	47,585,408	-	4,000
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	63,680,616	63,680,616	-	-
14A0	Smart Start - Health Related Activities	5,527,584	-	5,527,584	-	5,527,584	5,527,584	-	-
<b>14430</b>									
1110	Service Support	18,905,855	9,907,433	8,998,422	124,000	8,998,422	8,998,422	-	-
1151	Forensic Tests for Alcohol	3,363,551	3,362,183	1,368	29,000	1,368	1,368	-	-
1152	Asbestos and Lead-based Paint - Hazard Management	1,945,190	1,684,452	260,738	23,000	260,738	260,738	-	-
1153	Environmental Health Regulation	7,728,522	4,460,559	3,267,963	57,000	3,267,963	3,267,963	-	-
1161	Public Health - Capacity Building	14,733,037	1,692,635	13,040,402	27,000	13,040,402	30,040,402	17,000,000	-
1171	State Center for Health Statistics	5,388,639	2,603,972	2,784,667	56,500	2,784,667	2,784,667	-	-
1172	Office of Chief Medical Examiner	15,626,668	2,698,676	12,927,992	52,500	12,927,992	12,927,992	-	-
1173	Vital Records	5,847,760	3,405,752	2,442,008	71,000	2,442,008	2,442,008	-	-
1174	Public Health - Lab	24,116,316	20,743,824	3,372,492	219,000	3,372,492	10,283,622	6,911,130	1,000
1175	Public Health - Surveillance	8,997,387	7,029,506	1,967,881	33,000	1,967,881	2,251,185	283,304	3,000
1261	Public Health - Promotion	10,045,042	9,034,861	1,010,181	14,000	1,010,181	1,010,181	-	-
1262	Health Disparities	3,299,576	155,468	3,144,108	5,500	3,144,108	3,144,108	-	-
1264	Public Health - Preparedness and Response	10,606,362	8,497,854	2,108,508	36,000	2,108,508	2,108,508	-	-
126C	Access Outreach - Chronic Disease	2,358,947	1,520,126	838,821	14,900	838,821	838,821	-	-
1271	Children and Adult Health Prevention	28,192,906	19,123,767	9,069,139	55,750	9,069,139	9,069,139	-	1,000
1272	Child and Adult Nutrition Services	98,416,088	98,415,781	307	27,000	307	307	-	-
1273	Race to the Top - Early Learning Challenge	2,458,334	2,458,334	-	-	-	-	-	-
1311	HIV/STD Prevention Activities	19,601,354	15,552,678	4,048,676	117,000	4,048,676	4,048,676	-	-
1312	Medical Evaluation and Risk Assessment	1,143,785	554,356	589,429	11,000	589,429	589,429	-	-
1313	Wisewoman	1,137,191	1,137,191	-	5,005	-	-	-	-
1320	Breast and Cervical Cancer Control	4,756,984	3,149,626	1,607,358	10,005	1,607,358	1,607,358	-	-
1331	Immunization	8,535,912	7,403,221	1,132,691	50,000	1,132,691	1,132,691	-	-
1332	Children's Health Services	26,263,397	8,160,793	18,102,604	35,870	18,102,604	18,102,604	-	-
1370	Refugee Health Assessment	373,718	373,718	-	1,000	-	-	-	-
13A1	Maternal and Infant Health	53,799,323	41,358,120	12,441,203	38,000	12,441,203	12,441,203	-	1,000

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes
13A2	Women, Infants and Children (WIC)	296,330,121	295,972,660	357,461	44,000	357,461	357,461	-	-
13B0	Oral Health Preventive Services	4,540,573	1,508,658	3,031,915	36,000	3,031,915	3,031,915	-	-
1421	Sickle Cell Adult Treatment	1,594,827	545,678	1,049,149	3,000	1,049,149	1,049,149	-	-
1441	Early Intervention	67,563,697	46,446,740	21,116,957	669,080	23,616,957	23,616,957	2,500,000	-
1460	Communicable Disease (HIV/AIDS and TB)	77,403,768	60,423,621	16,980,147	42,000	16,980,147	16,980,147	-	-
14A0	Sickle Cell Support - Children	2,949,658	343,817	2,605,841	9,000	2,605,841	2,605,841	-	-
1991	Federal Indirect Reserve	2,280,159	2,280,159	-	-	-	-	-	-
1992	Prior Year - Earned Revenue	7,437,464	7,437,464	-	-	-	-	-	-
<b>14440</b>									
1110	Service Support	16,930,306	11,144,964	5,785,342	82,000	5,785,342	5,954,896	169,554	3,000
1160	Child Welfare Training	7,141,587	6,423,965	717,622	18,000	717,622	2,832,592	2,114,970	7,000
1261	Food and Nutrition Education	1,551,695	1,551,695	-	-	-	-	-	-
1331	Family Preservation and Support	28,987,793	27,754,963	1,232,830	6,000	1,232,830	7,925,374	6,692,544	-
1371	Child Support Enforcement	157,495,485	157,072,177	423,308	127,000	423,308	423,308	-	-
1372	Food and Nutrition Services	159,064,170	157,697,803	1,366,367	62,000	1,366,367	1,366,367	-	-
1373	LIFAP	70,131,491	70,126,491	5,000	-	5,000	5,000	-	-
1374	Refugee Medical Assistance	23,979	23,979	-	-	-	-	-	-
1375	TANF - Domestic Violence	12,822	12,822	-	-	-	-	-	-
1376	Medicaid Eligibility	250,342,078	248,711,322	1,630,756	-	1,630,756	1,630,756	-	-
1381	Refugee Cash and Social Services	4,883,149	4,883,147	2	4,000	2	2	-	-
1382	Employment Benefits - Work First Family Assistance	80,618,857	79,603,888	1,014,969	-	1,014,969	1,014,969	-	-
1383	Subsidized Child Care Administration	23,532,075	23,532,075	-	-	-	-	-	-
1384	Employment Benefits	26,721,961	26,718,961	3,000	10,000	3,000	3,000	-	-
1411	Case Management and Counseling	20,505,202	20,103,571	401,631	-	401,631	401,631	-	-
1430	Dx Child Home Support - Child Protective Services	181,898,844	161,261,852	20,636,992	27,000	20,636,992	21,011,336	374,344	9,000
1451	Adult Home Support - Community Based Services	37,471,882	35,358,737	2,113,145	-	2,113,145	2,113,145	-	-
1453	Adult Home Support - At Risk Case Management (Adult)	9,836,420	8,837,118	999,302	-	999,302	999,302	-	-
1481	ID Family Employment - Work First Employment Services	45,276,014	44,941,246	334,768	11,000	334,768	334,768	-	-
1482	ID Family Employment - Food Nutrition Employment/Training	2,309,149	2,285,630	23,519	2,000	23,519	23,519	-	-
1491	ID Family Emergency - Emergency Energy Assistance	40,158,732	40,158,732	-	-	-	-	-	-
1492	ID Family Emergency - Family Violence Prevention	2,099,624	2,098,858	766	1,000	766	766	-	-
1510	Protection and Adult Support - Protection and Guardianship	35,279,352	33,910,963	1,368,389	-	1,368,389	1,368,389	-	-
1531	OOH Child Support - Adoption	133,120,446	87,795,551	45,324,895	14,000	45,324,895	44,324,895	(1,000,000)	-
1532	OOH Child Support - Foster Care	229,450,827	185,672,176	43,778,651	33,000	43,778,651	43,834,016	55,365	4,000
1570	OOH Economic Support - State and County Special Assistance	122,340,010	63,970,003	58,370,007	-	58,370,007	58,829,929	459,922	-
1701	Local/County Operations	39,016,401	39,014,399	2,002	-	2,002	2,002	-	-
1900	Reserves and Transfers	30,817	30,817	-	-	-	-	-	-
1991	Federal Indirect Reserve	280,859	280,859	-	-	-	-	-	-
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	-	-
<b>14445</b>									

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Changes to Net Position	Changes
1101	Medical Assistance Administration	48,804,267	27,531,855	21,272,412	386.510	26,331,943	5,059,531	45,000	
1102	Contracts and Agreements	158,682,757	121,811,679	36,871,078	-	36,871,078	-	-	
1103	Health Information Technology	75,381,199	74,843,115	538,084	14,000	538,084	-	-	
1210	Medical Assistance County Administration	120,000	120,000	-	-	-	-	-	
1310	Medical Assistance Payments	12,889,327,462	8,645,561,730	4,243,765,732	-	4,024,903,541	(218,862,191)	-	
1311	Community Care North Carolina	220,376,327	147,732,318	72,644,009	-	70,564,885	(2,079,124)	-	
1320	Medical Assistance Cost Settlements	301,906,136	274,120,240	27,785,896	-	11,002,014	(16,783,882)	-	
1330	Payment Adjustments	(48,824,450)	(37,098,239)	(11,726,211)	-	(26,362,036)	(14,635,825)	-	
1331	Rebates	(1,112,464,180)	(761,931,680)	(350,532,500)	-	(389,861,142)	(39,328,642)	-	
1337	Consolidated Supplemental Hospital Payments	2,363,623,393	2,488,004,621	(124,381,228)	-	(145,676,996)	(21,295,768)	-	
<b>14446</b>									
1101	Health Choice Administration	1,836,009	1,590,035	245,974	5.000	245,974	-	-	
1102	Contracts and Agreements	2,390,056	1,802,369	587,687	-	587,687	-	-	
1310	Health Choice Payments	193,118,771	192,714,037	404,734	-	394,243	(10,491)	-	
1311	Community Care North Carolina	6,429,966	6,716,721	(286,755)	-	19,550	306,305	-	
1330	Payment Adjustments	(143,040)	(144,690)	1,650	-	(1,324)	(2,974)	-	
1331	Rebates	(672,998)	(616,466)	(56,532)	-	(1,310)	55,222	-	
1340	Undispositioned Receipts	(150,000)	-	(150,000)	-	(150,000)	-	-	
<b>14450</b>									
1110	Service Support	2,017,133	1,524,901	492,232	20.000	492,232	-	-	
1160	Deaf and Hard of Hearing - State Capacity Building	629,729	629,729	-	5.750	-	-	-	
1261	Access and Outreach Deaf Community - Local Agency	757,242	757,242	-	10.000	-	-	-	
1262	Access and Outreach Deaf Community - Citizens	766,801	766,801	-	9.000	-	-	-	
1410	Deaf and Hard of Hearing - Client Services	1,378,419	1,378,419	-	17.000	-	-	-	
1420	Medical Eye Care Services	2,525,184	-	2,525,184	7.000	2,525,184	-	-	
1451	Independent Living Services - Chore and Adjustment Services	5,749,663	4,424,058	1,325,605	72.580	1,325,605	-	-	
1452	Independent Living Rehabilitation Services	1,419,048	779,748	639,300	14.000	639,300	-	-	
1481	Vocational Rehabilitation - Employment	16,676,125	13,485,539	3,190,586	145.510	3,190,586	-	-	
1482	Small Business Employment Services	934,193	933,893	300	12.000	300	-	-	
1991	Federal Indirect Reserve	154,842	154,842	-	-	-	-	-	
1992	Prior Year - Earned Revenue	621,895	621,895	-	-	-	-	-	
<b>14460</b>									
1110	Service Support	24,160,243	10,248,243	13,912,000	197.000	14,219,463	307,463	3,000	
1160	MH/DD/SA Workforce Development	1,373,541	1,308,196	65,345	-	65,345	-	-	
1262	Enforce Underage Drinking Laws	598,099	598,099	-	-	-	-	-	
1271	General SA Prevention - Quality Improvement	8,099,502	8,099,502	-	-	-	-	-	
1332	Targeted Substance Abuse Prevention	362,809	362,809	-	-	-	-	-	
1422	Community Services - Single Stream Funding	217,703,924	-	217,703,924	-	217,703,924	-	-	
1442	Community Substance Abuse Services - Child	5,741,428	5,741,428	-	-	-	-	-	
1443	Community Services - Riddle Center - FIPP	1,850,684	1,846,176	4,508	25.000	4,508	-	-	

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1444	Community Mental Health Services - Child	6,661,091	4,314,734	2,346,357	-	2,346,357	2,346,357	-	-
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	205,034	205,034	-	-
1451	Community Services - Traumatic Brain Injury	570,420	211,202	359,218	-	359,218	359,218	-	-
1452	Path Homelessness	1,134,000	1,134,000	-	-	-	-	-	-
1461	Community Mental Health Services - Adult	13,643,207	13,279,515	363,692	-	363,692	363,692	-	-
1462	Community Developmental Disability Services - Adult	2,232,173	1,461,980	770,193	-	770,193	770,193	-	-
1463	Community Substance Abuse Services - Adult	36,428,966	33,897,176	2,531,790	-	2,531,790	2,531,790	-	-
1464	Community Crisis Services	40,585,394	-	40,585,394	-	40,585,394	40,585,394	-	-
1541	Broughton Hospital - Child	4,930,691	373,361	4,557,330	90,000	4,557,330	4,557,330	-	-
1542	Cherry Hospital - Child	3,783,839	401,922	3,381,917	61,000	3,381,917	3,381,917	-	-
1543	Central Regional Hospital - Child	13,489,097	2,094,356	11,394,741	214,000	11,394,741	11,394,741	-	-
1545	Murdoch Developmental Center - Child	7,870,101	7,865,189	4,912	159,000	4,912	4,912	-	-
1546	Wright School - Child	2,843,237	14,078	2,829,159	38,660	2,829,159	2,829,159	-	-
1561	Broughton Hospital - Adult	126,582,055	66,503,678	60,078,377	1,238,500	62,018,651	62,018,651	1,940,274	36,000
1562	Cherry Hospital - Adult	137,565,329	64,334,960	73,230,369	1,300,600	73,230,369	73,230,369	-	-
1563	Central Regional Hospital - Adult	208,284,481	114,754,445	93,530,036	1,799,120	93,530,036	93,530,036	-	-
1565	Caswell Developmental Center - Adult	88,197,188	87,088,168	1,109,020	1,442,500	1,109,020	1,109,020	-	-
1566	Murdoch Developmental Center - Adult	91,441,557	90,209,358	1,232,199	1,494,000	1,232,199	1,232,199	-	-
1567	J Iverson Riddle Developmental Center - Adult	58,478,640	57,335,156	1,143,484	944,750	1,143,484	1,143,484	-	-
156A	Longleaf Neuro-Medical Treatment Center - Adult	33,304,780	29,562,465	3,742,315	486,800	3,742,315	3,742,315	-	-
156B	Black Mountain Neuro-Medical Treatment Center - Adult	26,546,183	25,337,529	1,208,654	449,000	1,208,654	1,208,654	-	-
156C	O'Berry Neuro-Medical Treatment Center - Adult	54,366,372	53,777,014	589,358	881,270	589,358	589,358	-	-
156D	Julian F Keith ADATC - Adult	15,169,777	15,169,777	-	198,880	-	-	-	-
156E	RJ Blackley ADATC - Adult	14,863,927	14,863,927	-	155,000	-	-	-	-
156F	Walter B Jones ADATC - Adult	13,138,115	13,138,115	-	155,500	-	-	-	-
1910	Reserves and Transfers	4,181,982	3,200,000	981,982	-	981,982	30,674,519	29,692,537	-
1992	Prior Year - Earned Revenue	49,729	49,729	-	-	-	-	-	-
<b>14470</b>									
1110	Service Support	3,441,598	2,122,624	1,318,974	25,000	1,318,974	1,318,974	-	-
1151	Acute and Home Care Licensure and Certification	4,127,168	3,928,728	198,440	47,000	198,440	198,440	-	-
1152	Nursing Home and Adult Care Licensure and Certification	16,699,750	12,287,623	4,412,127	192,000	4,412,127	4,412,127	-	-
1153	Construction	5,195,641	3,820,306	1,375,335	55,000	1,375,335	1,375,335	-	-
1154	Health Care Personnel Registry	4,368,524	3,373,459	995,065	50,000	995,065	995,065	-	-
1155	Jails and Detention Centers Inspections	167,294	-	167,294	2,000	167,294	167,294	-	-
1156	Regulatory - Mental Health Licensure and Certification	6,287,082	4,231,335	2,055,747	76,000	2,055,747	2,055,747	-	-
1157	Radiation Protection	4,623,787	4,623,787	-	48,500	-	-	-	-
1161	Preparedness - Statewide Health Planning	2,510,141	84,597	2,425,544	23,000	2,425,544	2,425,544	-	-
1162	Preparedness - Hospital Preparedness	14,182,123	14,182,123	-	13,000	-	-	-	-
1163	Preparedness - Local Emergency Medical Services	4,235,519	1,073,371	3,162,148	32,000	3,162,148	3,162,148	-	-
1991	Indirect Reserve	962,265	962,265	-	-	-	-	-	-



	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes
<b>14480</b>							
1110 Service Support	9,570,760	7,286,780	2,283,980	77,000	2,283,980	-	-
1261 Access Outreach - VR and IL Client Advocacy and Assistance	362,271	362,271	-	4,000	-	-	-
1263 Outreach - Service Access Grant	151,846	151,846	-	1,000	-	-	-
1452 Adults Home Support - Independent Living - Rehabilitation	16,638,729	3,427,730	13,210,999	69,000	13,210,999	-	-
1470 Assistive Technology Equipment Loan	1,851,821	900,099	951,722	19,750	951,722	-	-
1480 Vocational Rehabilitation - Employment Services	113,963,615	92,658,184	21,305,431	822,495	21,305,431	-	-
1991 Indirect Reserve	1,864,912	1,864,912	-	-	-	-	-
1992 Prior Year - Earned Revenue	57,925	57,925	-	-	-	-	-
<b>Total 1XXXX</b>	<b>20,169,173,124</b>	<b>14,901,577,516</b>	<b>5,267,595,608</b>	<b>17,039,785</b>	<b>5,043,694,649</b>	<b>(223,900,959)</b>	<b>123,000</b>



# *Justice and Public Safety*

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**Total Spend: \$2.6 billion**

**12% of General Fund Budget**

## **Increasing Salaries for Law Enforcement, Justice and Public Safety Employees**

Invests \$10 million to support pay increases and an updated salary schedule for correctional officers.

Provides an average 5 percent pay increase for State Bureau of Investigation and Alcohol Law Enforcement agents, Assistant District Attorneys and Assistant Public Defenders.

Funds experience-based pay increases for qualifying State Highway Patrol Troopers, Assistant and Deputy Clerks and Magistrates.

## **Promoting Safer Schools**

Deploys an anonymous tip reporting application ('SPK UP NC') for students in schools across the state.

Supports four new emergency management professionals to help local schools districts develop and implement school safety plans.

## **Leveraging Technology to Deter and Combat Crime**

Uses technology to detect and prevent prisoner access to cell phones.

Enhances highway safety and improves response time by adding additional State Highway Patrol emergency telecommunicators.

Safeguards law enforcement communications by replacing the outdated monitoring system for the Voice Interoperability Plan for Emergency Responders (VIPER) network enabling law enforcement to more effectively communicate and respond during emergencies.

Improves criminal justice intelligence capabilities by investing in a case management tool that gives law enforcement officers analytics to solve crimes.

## **Improving Our Criminal Justice System**

Supports the recommendations of the Governor's Task Force on Mental Health and Substance Use by establishing evidence-based specialty courts, such as treatment courts.

Provides additional resources to support the payment of private assigned counsel to represent indigent clients throughout the state.

Increases resources for State Crime Lab analysis and outsourcing cases to significantly reduce criminal case backlogs and improve turnaround time.

Reduces the backlog of criminal cases by opening the Western Crime Lab and increasing the capabilities of the State Crime Lab.

## Judicial Branch (12000)

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change				% Change	% Change
	2014-15	2015-16	2016-17	Net		Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$468,817,401	\$486,212,689	\$485,407,793	\$11,665,520	\$9,958,855	\$21,624,375	\$507,032,168	4.28%	4.45%
<b>Less Receipts</b>	\$1,327,486	\$1,281,472	\$1,281,472	\$2,500,000	-	\$2,500,000	\$3,781,472	195.09%	195.09%
<b>Total Appropriation</b>	\$467,489,915	\$484,931,217	\$484,126,321	\$9,165,520	\$9,958,855	\$19,124,375	\$503,250,696	3.78%	3.95%
<b>Total Positions</b>	-	5,788.313	5,794.313	-	-	-	5,794.313	0.10%	0.00%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$9,958,855	\$9,958,855
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$9,958,855	\$9,958,855
<b>Positions</b>	-	-	-
<b>2. Increase Salaries for Qualifying Assistant and Deputy Clerks</b>			
Provides funds for an experience-based step increase for Assistant and Deputy Clerks pursuant to GS 7A-102.			
<b>Requirements</b>	\$3,713,393	-	\$3,713,393
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$3,713,393	-	\$3,713,393
<b>Positions</b>	-	-	-
<b>3. Increase Salaries for Qualifying Magistrates</b>			
Provides funds for an experience-based step increase for Magistrates pursuant to GS 7A-171.1.			
<b>Requirements</b>	\$1,205,761	-	\$1,205,761
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,205,761	-	\$1,205,761
<b>Positions</b>	-	-	-
<b>4. Increase Salaries for Assistant District Attorneys</b>			
Provides funding for a market-based adjustment, averaging 5.0%, for Assistant District Attorneys.			
<b>Requirements</b>	\$2,494,062	-	\$2,494,062
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$2,494,062	-	\$2,494,062
<b>Positions</b>	-	-	-
<b>5. Implement Governor's Task Force for Mental Health and Substance Use Recommendations</b>			
Provides \$2.5 million through a transfer from the Department of Health and Human Services for specialty courts serving special populations including veterans, and those with mental health and substance abuse issues. DHHS shall allocate \$2.5 million for treatment for individuals assigned to specialty court programs. AOC is directed to conduct or contract for a study to develop the most effective program model, develop criteria and standards, and identify appropriate judicial districts for establishing new specialty courts leveraging existing resources for such courts currently operating. The Drug Treatment Court Advisory Committee shall review the proposed framework and locations, and provide recommendations to the AOC Director regarding implementation. AOC may use up to 10% of transferred funds to administer the specialty courts.			
<b>Requirements</b>	\$2,500,000	-	\$2,500,000
<b>Less Receipts</b>	\$2,500,000	-	\$2,500,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>6. Improve Transparency of Agency IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$57,300	-	\$57,300
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$57,300	-	\$57,300
<b>Positions</b>	-	-	-

North Carolina State Budget  
 Recommended Adjustments, 2016-17

General Fund  
 Judicial Branch

7. **State Retirement Contribution Rate Increase**

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System and the Consolidated Judicial Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits. For CJRS in FY 2016-17, the State will contribute an amount equal to 34.13% of each employee's salary for these benefits.

<b>Requirements</b>	\$1,695,004	-	\$1,695,004
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,695,004	-	\$1,695,004
<b>Positions</b>	-	-	-

**Net Adjustments**

<b>Requirements</b>	\$11,665,520	\$9,958,855	\$21,624,375
<b>Less Receipts</b>	\$2,500,000	-	\$2,500,000
<b>Appropriation</b>	\$9,165,520	\$9,958,855	\$19,124,375
<b>Positions</b>	-	-	-

**Administrative Office of the Courts**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>12000</b>							
1100 Administration and Services	50,772,638	681,041	50,091,597	296,850	61,802,756	11,711,159	-
1200 Appellate Division	13,868,952	-	13,868,952	128,000	13,868,952	-	-
1300 Trial Court Division	298,536,162	-	298,536,162	3,980,336	303,455,316	4,919,154	-
1410 Specialty Services and Programs	20,429,106	200,000	20,229,106	236,497	20,229,106	-	-
1600 Office - District Attorney	99,565,686	134,807	99,430,879	1,130,130	101,924,941	2,494,062	-
1700 Independent Commissions	2,235,249	265,624	1,969,625	22,500	1,969,625	-	-
<b>Total 1XXXX</b>	<b>485,407,793</b>	<b>1,281,472</b>	<b>484,126,321</b>	<b>5,794,313</b>	<b>503,250,696</b>	<b>19,124,375</b>	<b>-</b>

**Judicial Branch - Indigent Defense (12001)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$122,430,307	\$126,347,025	\$126,974,092	\$1,222,832	\$4,540,578	\$5,763,410	\$132,737,502	5.06%	4.54%
<b>Less Receipts</b>	\$10,332,515	\$10,344,128	\$10,344,128	-	-	-	\$10,344,128	-%	-%
<b>Total Appropriation</b>	\$112,097,792	\$116,002,897	\$116,629,964	\$1,222,832	\$4,540,578	\$5,763,410	\$122,393,374	5.51%	4.94%
<b>Total Positions</b>	-	519.350	519.350	-	-	-	519.350	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$1,040,578	\$1,040,578
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$1,040,578	\$1,040,578
<b>Positions</b>	-	-	-
<b>2. Increase Salaries for Assistant Public Defenders</b>			
Provides funding for a market-based adjustment, averaging 5.0%, for Assistant Public Defenders.			
<b>Requirements</b>	\$1,081,439	-	\$1,081,439
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,081,439	-	\$1,081,439
<b>Positions</b>	-	-	-
<b>3. Increase Funds for Indigent Defense</b>			
Provides additional resources for private counsel assigned to represent persons declared indigent by the courts. This investment reduces a budget shortfall that traditionally requires suspension of payments prior to the end of the fiscal year. Since FY 2012-13, an additional \$11.6 million in funds has substantially reduced the amount of debt carried into subsequent fiscal years.			
<b>Requirements</b>	-	\$3,500,000	\$3,500,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$3,500,000	\$3,500,000
<b>Positions</b>	-	-	-
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System and the Consolidated Judicial Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for CJRS in FY 2016-17, the State will contribute an amount equal to 34.13% of each employee's salary for these benefits.			
<b>Requirements</b>	\$141,393	-	\$141,393
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$141,393	-	\$141,393
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$1,222,832	\$4,540,578	\$5,763,410
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,222,832	\$4,540,578	\$5,763,410
<b>Positions</b>	-	-	-

**Indigent Defense Services**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX							
12001							
1310 Indigent Persons Attorney	76,152,404	10,125,135	66,027,269	-	69,527,269	3,500,000	-
1320 Public Defender Service	48,473,979	35,664	48,438,315	499,750	49,519,754	1,081,439	-
1380 Indigent Defense Service	2,347,709	183,329	2,164,380	19,600	3,346,351	1,181,971	-
<b>Total 1XXXX</b>	<b>126,974,092</b>	<b>10,344,128</b>	<b>116,629,964</b>	<b>519,350</b>	<b>122,393,374</b>	<b>5,763,410</b>	<b>-</b>



**Department of Justice (13600)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Net</u>		<u>Recommended</u>	<u>Revised</u>	<u>from</u>	<u>from</u>
	<u>Actual</u>	<u>Certified</u>	<u>Certified</u>	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Adjustment</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
<b>Total Requirements</b>	\$78,676,345	\$86,342,312	\$85,208,440	\$424,787	\$4,370,122	\$4,794,909	\$90,003,349	4.24%	5.63%
<b>Less Receipts</b>	\$28,810,653	\$32,492,848	\$32,492,848	-	-	-	\$32,492,848	-%	-%
<b>Total Appropriation</b>	\$49,865,692	\$53,849,464	\$52,715,592	\$424,787	\$4,370,122	\$4,794,909	\$57,510,501	6.80%	9.10%
<b>Total Positions</b>	-	820.760	820.760	1.000	-	1.000	821.760	0.12%	0.12%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u>	<u>Non Recurring</u>	<u>Total</u>
	<u>Changes</u>	<u>Changes</u>	<u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$1,085,205	\$1,085,205
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$1,085,205	\$1,085,205
<b>Positions</b>	-	-	-
<b>2. Reduce Crime Lab Backlog of Criminal Drug Cases</b>			
Provides additional funds for outsourcing toxicology cases in order to improve turnaround time of evidence analysis. These funds will enable the Crime Lab to substantially reduce its backlog of cases. This increase raises the total outsourcing budget in FY 2016-17 to \$2,447,114.			
<b>Requirements</b>	-	\$2,197,114	\$2,197,114
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$2,197,114	\$2,197,114
<b>Positions</b>	-	-	-
<b>3. Establish Western Crime Lab Operations</b>			
Funds startup utilities, equipment, and one maintenance position, for the Western regional lab in Edneyville, scheduled for completion in March 2017.			
<b>Requirements</b>	\$301,276	\$1,087,803	\$1,389,079
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$301,276	\$1,087,803	\$1,389,079
<b>Positions</b>	1.000	-	1.000
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$123,511	-	\$123,511
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$123,511	-	\$123,511
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$424,787	\$4,370,122	\$4,794,909
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$424,787	\$4,370,122	\$4,794,909
<b>Positions</b>	1.000	-	1.000

**Department of Justice**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX							
13600							
1100 General Administration	2,355,194	-	2,355,194	24,000	3,563,910	1,208,716	-
1200 Legal Services	51,996,584	27,867,541	24,129,043	442,760	24,129,043	-	-
1400 State Crime Laboratory	19,457,635	1,736,138	17,721,497	218,000	21,307,690	3,586,193	1,000
1500 Criminal Justice Training and Standards	11,015,417	2,471,035	8,544,382	132,000	8,544,382	-	-
1991 Indirect Reserve	383,610	418,134	(34,524)	4,000	(34,524)	-	-
<b>Total 1XXXX</b>	<b>85,208,440</b>	<b>32,492,848</b>	<b>52,715,592</b>	<b>820,760</b>	<b>57,510,501</b>	<b>4,794,909</b>	<b>1,000</b>

**Department of Public Safety (14550)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change				% Change	% Change
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$1,908,153,518	\$1,999,614,278	\$2,000,925,794	\$28,343,880	\$38,006,422	\$66,350,302	\$2,067,276,096	3.38%	3.32%
<b>Less Receipts</b>	\$181,488,340	\$151,485,168	\$153,560,168	\$9,040,000	-	\$9,040,000	\$162,600,168	7.34%	5.89%
<b>Total Appropriation</b>	\$1,726,665,179	\$1,848,129,110	\$1,847,365,626	\$19,303,880	\$38,006,422	\$57,310,302	\$1,904,675,928	3.06%	3.10%
<b>Total Positions</b>	-	24,790.446	24,900.446	12.000	-	12.000	24,912.446	0.49%	0.05%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	-	\$31,070,089
	Less Receipts	-	-
	Appropriation	-	\$31,070,089
	Positions	-	-
<b>2. Continue Commitment to Increase Pay for Correctional Officers</b>			
Provides funds to continue implementation of custody-level pay for correctional officers, custody supervisors, and prison facility administrators. This builds on \$26M already invested in the new pay plan.			
	Requirements	\$10,000,000	-
	Less Receipts	-	-
	Appropriation	\$10,000,000	-
	Positions	-	-
<b>3. Increase Salaries for Qualifying State Highway Patrol Troopers</b>			
Provides funds for an experience-based step increase for eligible State Highway Patrol Troopers pursuant to GS 20-187.3.			
	Requirements	\$1,840,597	-
	Less Receipts	-	-
	Appropriation	\$1,840,597	-
	Positions	-	-
<b>4. Increase Salaries for State Bureau of Investigation and Alcohol Law Enforcement Agents</b>			
Provides average 5.0% salary increases for State Bureau of Investigation and Alcohol Law Enforcement agents. The Director of the SBI, in consultation with the Office of State Human Resources, will determine the distribution of the increases.			
	Requirements	\$986,487	-
	Less Receipts	-	-
	Appropriation	\$986,487	-
	Positions	-	-
<b>5. Increase Salaries for Teachers and Principals In Public Safety Facilities</b>			
Supports experience-based step increases and salary increases associated with the changes to the North Carolina Public School Salary Schedule for State agency teachers and school-based administrators.			
	Requirements	\$280,098	-
	Less Receipts	-	-
	Appropriation	\$280,098	-
	Positions	-	-
<b>6. Detect and Prevent Prisoner Access to Cell Phones</b>			
Enhances prison security and public safety through the use of technology to secure cell phone access inside prison facilities. Funding to implement this technology at two prisons is included in the 2015-17 biennial budget, and this recommendation will support system implementation at two additional prisons.			
	Requirements	\$600,000	\$4,000,000
	Less Receipts	-	-
	Appropriation	\$600,000	\$4,600,000
	Positions	-	-
<b>7. Promote Safer Schools</b>			
Provides nonrecurring funds to deploy a student anonymous tip reporting application (SPK UP NC) statewide, and to complete development of mandated school risk management plans. Invests recurring funds for four positions in Emergency Management - two IT positions to maintain the applications required by the School Risk and Response Management System and two community planners to provide support and technical assistance to schools in planning and executing required school safety drills and exercises. Additionally, this recommendation includes operating funds for the Center for Safer Schools and ongoing maintenance costs for the school safety applications.			
	Requirements	\$1,287,156	\$1,536,333
	Less Receipts	-	-
	Appropriation	\$1,287,156	\$2,823,489
	Positions	4.000	4.000
<b>8. Improve Intelligence Capabilities for State and Local Law Enforcement Officers</b>			
Funds a data analysis and case management tool to improve ability to detect and predict crime trends, and to solve crimes.			
	Requirements	\$500,000	\$100,000
	Less Receipts	-	-
	Appropriation	\$500,000	\$600,000
	Positions	-	-

North Carolina State Budget  
Recommended Adjustments, 2016-17

General Fund  
Department of Public Safety

<b>9. Safeguard Law Enforcement Communication</b>	Requirements	-	\$1,300,000	\$1,300,000
Safeguards law enforcement communications by replacing the monitoring system for the Voice Interoperability Plan for Emergency Responders (VIPER) network to allow for real-time detection of system malfunction.	Less Receipts	-	-	-
	<b>Appropriation</b>	-	<b>\$1,300,000</b>	<b>\$1,300,000</b>
	Positions	-	-	-
<b>10. Improve State Highway Patrol Telecommunications Capacity</b>	Requirements	\$426,126	-	\$426,126
Funds eight non-sworn telecommunicator positions to improve response to increased call volume due to the state's population growth.	Less Receipts	-	-	-
	<b>Appropriation</b>	<b>\$426,126</b>	<b>-</b>	<b>\$426,126</b>
	Positions	8.000	-	8.000
<b>11. Reinvest Savings from Lower Fuel Costs to Fund Core Public Safety Needs</b>	Requirements	-	-	-
Adjusts Highway Patrol budget by \$4.1 million due to lower fuel costs and redirects those funds to core operating needs to establish recurring budgets and replacement schedules for mobile and hand-held radios at \$1.8 million, in-car computers at \$1.3 million, tasers at \$780,000 and safety equipment and safety supplies for Basic Schools at \$220,000.	Less Receipts	-	-	-
	<b>Appropriation</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Positions	-	-	-
<b>12. Continue Highway Litter Collection by Inmates</b>	Requirements	\$9,040,000	-	\$9,040,000
Continues transfer of funds from DOT for the use of inmate labor for litter removal. The prison system is revamping its program model to improve efficiency, utilize more inmate laborers and clean more highway miles. This program was subject to a continuation review.	Less Receipts	\$9,040,000	-	\$9,040,000
	<b>Appropriation</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Positions	-	-	-
<b>13. State Retirement Contribution Rate Increase</b>	Requirements	\$3,383,416	-	\$3,383,416
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.	Less Receipts	-	-	-
	<b>Appropriation</b>	<b>\$3,383,416</b>	<b>-</b>	<b>\$3,383,416</b>
	Positions	-	-	-

**Net Adjustments**

<b>Requirements</b>	\$28,343,880	\$38,006,422	\$66,350,302
<b>Less Receipts</b>	\$9,040,000	-	\$9,040,000
<b>Appropriation</b>	<b>\$19,303,880</b>	<b>\$38,006,422</b>	<b>\$57,310,302</b>
<b>Positions</b>	12.000	-	12.000

**Department of Public Safety**

	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX							
14550							
1100	Division of Administration	64,934,710	138,899	64,795,811	703,120	99,849,316	35,053,505
1115	Victims Services	9,948,019	3,767,421	6,180,598	18,500	6,180,598	-
1170	Governor's Crime Commission	29,466,131	25,347,073	4,119,058	25,000	4,119,058	-
1210	Youth Detention Center Services	12,967,007	5,853,114	7,113,893	185,500	7,113,893	-
1220	Youth Development Center Services	17,516,531	456,372	17,060,159	252,000	17,060,159	-
1225	Youth Treatment Services	15,879,568	-	15,879,568	244,000	15,879,568	-
1226	Youth Education Services	6,258,629	1,284,938	4,973,691	72,750	4,973,691	-
1230	Community Program Services	20,110,490	298,078	19,812,412	21,000	19,812,412	-
1240	JCPC - Grants Management System	22,745,217	-	22,745,217	-	22,745,217	-
1250	Juvenile Court Services	33,300,985	146,597	33,154,388	537,750	33,154,388	-
1260	Safer Schools Initiative	359,132	-	359,132	4,000	2,231,849	1,872,717
1305	Prison Management	12,486,399	58,699	12,427,700	169,140	12,427,700	-
1307	Inmate Construction Program	1,263,799	-	1,263,799	4,000	1,263,799	-
1310	Prison Custody and Security	775,535,274	8,471,996	767,063,278	12,604,780	781,663,278	14,600,000
1314	Prison Road Squad and Litter Crews	9,040,000	9,040,000	-	183,000	-	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	513,072	-
1318	Prison Gang Unit Management	437,947	-	437,947	8,000	437,947	-
1320	Prison Food Service and Cleaning	72,815,524	8,625,820	64,189,704	483,000	64,189,704	-
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	17,049,824	-
1331	Prison General Health	160,109,955	4,792,710	155,317,245	1,346,000	155,317,245	-
1332	Prison Mental Health	36,851,743	-	36,851,743	557,000	36,851,743	-
1333	Prison Dental Health	11,712,752	-	11,712,752	107,000	11,712,752	-
1334	Prison Pharmacy Services	38,142,587	515,201	37,627,386	82,500	37,627,386	-
1340	Prison Inmate Education	10,381,498	1,930,411	8,451,087	60,000	8,451,087	-
1345	Prison Corrective Programs	44,459,459	-	44,459,459	899,110	44,459,459	-
1346	SOAR Program	122,752	-	122,752	2,000	122,752	-
1347	Prison Work Release	996,108	-	996,108	19,360	996,108	-
1350	Alcohol and Chemical Dependency Programs - Administration	493,292	-	493,292	4,310	493,292	-
1352	Alcohol and Chemical Dependency Programs - In Prison Treatment	6,521,347	797,000	5,724,347	104,000	5,724,347	-
1354	Alcohol and Chemical Dependency Programs - Community Base	7,637,084	-	7,637,084	113,000	7,637,084	-
1355	DPS Confinement in Response to Violation Facilities	8,933,220	-	8,933,220	86,000	8,933,220	-
1360	Community Corrections - Management	2,642,976	90,628	2,552,348	31,700	2,552,348	-
1365	Community Corrections - Interstate Compact	729,093	199,845	529,248	11,000	529,248	-
1370	Community Corrections - Regular Supervision	156,198,351	109,372	156,088,979	2,415,000	156,088,979	-
1375	Community Corrections - Community Supervision Programs	12,409,189	-	12,409,189	4,500	12,409,189	-
1377	Community Corrections - Electronic Monitoring	6,853,623	11,704	6,841,919	7,000	6,841,919	-
1380	Community Corrections - Judicial Services	12,441,828	-	12,441,828	241,000	12,441,828	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
		Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes	
1385	Security Services for Adult Correction and Juvenile Justice	4,356,945	-	4,356,945	58,100	4,356,945	-	-	
1390	Post-Release Supervision and Parole Commission	2,496,316	-	2,496,316	32,000	2,496,316	-	-	
1392	Grievance Resolution Board	590,016	-	590,016	7,000	590,016	-	-	
1399	Division Wide Operations	911,859	760,986	150,873	10,000	430,971	280,098	-	
1401	Law Enforcement - Alcohol Law Enforcement	-	-	-	-	308,694	308,694	-	
1402	Law Enforcement - State Capitol Police (SCP)	4,726,888	2,958,933	1,767,955	94,000	1,767,955	-	-	
1405	Law Enforcement - Law Enforcement Support Services (LESS)	8,920	8,920	-	-	-	-	-	
1408	Law Enforcement - SHP Missing Persons - Administration	113,032	-	113,032	1,000	113,032	-	-	
1410	Law Enforcement - SHP Aviation Administration	2,336,053	232,091	2,103,962	13,000	2,103,962	-	-	
1411	Law Enforcement - SHP Field Administration	206,089,271	3,988,064	202,101,207	2,088,000	204,367,930	2,266,723	8,000	
1414	Law Enforcement - SHP VIPER Administration	13,256,517	-	13,256,517	52,000	14,556,517	1,300,000	-	
1450	State Bureau of Investigation	54,317,468	13,521,050	40,796,418	560,000	41,474,211	677,793	-	
1500	Emergency Management - EMPG Operations	11,459,238	9,085,482	2,373,756	67,859	2,373,756	-	-	
1501	Emergency Management - Planning	2,655,979	2,655,979	-	23,441	-	-	-	
1502	Emergency Management - Homeland Security	10,104,465	10,104,465	-	17,380	-	-	-	
1504	Emergency Management - Geospatial (GTM)	7,865,098	7,865,098	-	29,880	950,772	950,772	4,000	
1505	Emergency Management - Recovery	558,834	558,834	-	9,545	-	-	-	
1506	Emergency Management - Operations	1,078,600	1,078,600	-	6,500	-	-	-	
1507	Emergency Management - CAP	159,211	-	159,211	2,000	159,211	-	-	
1509	Emergency Management - Hazard Mitigation - Non-Disaster	387,776	169,204	218,572	3,000	218,572	-	-	
1511	Geodetic Survey	1,445,000	607,616	837,384	18,220	837,384	-	-	
1600	National Guard	5,757,511	1,733,804	4,023,707	26,000	4,023,707	-	-	
1601	National Guard - Army	20,021,396	18,597,004	1,424,392	57,000	1,424,392	-	-	
1602	National Guard - Air	4,739,906	4,299,960	439,946	52,751	439,946	-	-	
1603	National Guard - Youth Programs	5,224,380	3,398,200	1,826,180	65,750	1,826,180	-	-	
<b>Total 1XXXX</b>		<b>2,000,925,794</b>	<b>153,560,168</b>	<b>1,847,365,626</b>	<b>24,900,446</b>	<b>1,904,675,928</b>	<b>57,310,302</b>	<b>12,000</b>	

# Natural and Economic Resources

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**Total Spend: \$493 million**  
**2% of General Fund Budget**

## **Encouraging Economic Development and Job Creation**

Promotes North Carolina as a preferred destination for travelers, including regional marketing of natural and cultural attractions.

Revitalizes North Carolina's small town main streets through matching grants for local governments.

Implements recommendations from the Governor's Food Manufacturing Task Force to promote and develop economic growth opportunities in the food manufacturing industry.

Helps North Carolinians learn and earn at the same time by expanding business apprenticeship opportunities through additional investments in the NCWorks Apprenticeship Program.

## **Preserving and Protecting Natural Resources**

Preserves working family farms by investing in the Farmland Preservation Trust Fund.

Restores and protects groundwater resources and ensures a safe environment by increasing funding to clean up the sites of old commercial leaking underground storage tanks across the state.

Department of Agriculture and Consumer Services  
Department of Labor  
Department of Natural and Cultural Resources

Department of Commerce

Department of Environmental Quality  
Commerce - General State Aid  
Wildlife Resources Commission

**Department of Agriculture and Consumer Services (13700)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$169,827,215	\$171,844,413	\$170,696,152	\$1,464,951	\$2,909,925	\$4,374,876	\$175,071,028	1.88%	2.56%
<b>Less Receipts</b>	\$60,233,513	\$55,529,438	\$53,740,379	-	-	-	\$53,740,379	(3.22)%	-%
<b>Total Appropriation</b>	\$109,593,702	\$116,314,975	\$116,955,773	\$1,464,951	\$2,909,925	\$4,374,876	\$121,330,649	4.31%	3.74%
<b>Total Positions</b>	-	1,827.750	1,827.750	2.000	-	2.000	1,829.750	0.11%	0.11%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$1,909,925	\$1,909,925
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$1,909,925	\$1,909,925
<b>Positions</b>	-	-	-
<b>2. Implement Governor's Food Manufacturing Task Force Recommendations</b>			
Provides funding to the Department of Commerce and the Department of Agriculture and Consumer Services to stimulate the growth of entrepreneurial endeavors in food manufacturing, enhance development of innovative food products and processes, and provide sector-specific regulatory training and outreach. Recurring funding supports a position to be shared by the department and NCSU to provide technical, regulatory, and policy support for new and existing food manufacturers. Nonrecurring funds support the marketing and communications effort for the emerging food manufacturing sector, and shall not revert and remain available for the agency's use for this purpose for three fiscal years.			
<b>Requirements</b>	\$176,000	\$1,000,000	\$1,176,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$176,000	\$1,000,000	\$1,176,000
<b>Positions</b>	1.000	-	1.000
<b>3. Support for Public and Private Animal Shelters</b>			
Provides funding for one position to oversee voluntary shelter program reviews, which enable facilities to anticipate and correct deficiencies before they become violations and to maximize resources.			
<b>Requirements</b>	\$77,353	-	\$77,353
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$77,353	-	\$77,353
<b>Positions</b>	1.000	-	1.000
<b>4. Preserve North Carolina's Farmland</b>			
Preserves working family farms by investing an additional \$1 million in the Farmland Preservation Trust Fund, bringing total funding to \$3.6 million for FY 2016-17.			
<b>Requirements</b>	\$1,000,000	-	\$1,000,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,000,000	-	\$1,000,000
<b>Positions</b>	-	-	-
<b>5. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$211,598	-	\$211,598
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$211,598	-	\$211,598
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$1,464,951	\$2,909,925	\$4,374,876
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,464,951	\$2,909,925	\$4,374,876
<b>Positions</b>	2.000	-	2.000



**Department of Agriculture and Consumer Services**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes
<b>1XXXX</b>							
<b>13700</b>							
1011	General Administration	2,261,512	197,396	2,064,116	23.800	2,064,116	-
1012	Administrative Services	2,116,173	713,574	1,402,599	29.000	1,402,599	-
1013	Public Affairs	408,040	-	408,040	4.000	408,040	-
1014	Human Resources	2,052,705	253,127	1,799,578	14.000	1,799,578	-
1017	Emergency Programs Division	1,835,370	301,761	1,533,609	18.000	1,533,609	-
1018	Internal Audit	239,742	77,868	161,874	3.000	161,874	-
1019	IT Services	2,017,309	272,814	1,744,495	20.000	1,744,495	-
1020	Markets	10,047,330	1,830,882	8,216,448	95.000	8,216,448	-
1027	Property and Construction	694,404	183,275	511,129	8.000	511,129	-
1040	Agronomic Services	4,417,577	1,285,070	3,132,507	57.000	4,308,507	1,000
1050	Federal - State Agricultural Statistics	1,228,139	368,213	859,926	17.000	859,926	-
1070	Commercial Feed and Pet Food	1,402,288	1,107,712	294,576	22.000	294,576	-
1080	Commercial Fertilizer Analysis	568,259	-	568,259	7.000	568,259	-
1090	Pesticide Control and Analysis	3,862,430	3,778,184	84,246	52.800	84,246	-
1100	Food, Drug, and Cosmetic Analysis	9,549,679	2,045,543	7,504,136	116.000	7,504,136	-
1120	Structural Pest	1,182,765	676,907	505,858	19.000	505,858	-
1130	Veterinary Services	11,912,358	1,725,145	10,187,213	138.000	10,264,566	1,000
1140	Meat and Poultry Inspection	8,029,284	4,038,481	3,990,803	119.000	3,990,803	-
1150	Weights and Measures Inspection	1,357,256	367,000	990,256	18.000	990,256	-
1160	Gasoline and Oil Inspection	5,335,690	5,335,690	-	74.000	-	-
1175	Seed and Fertilizer	1,452,841	789,147	663,694	24.000	663,694	-
1180	Plant Protection	5,172,605	1,934,073	3,238,532	62.750	3,238,532	-
1190	Research Stations - Operations	14,037,213	2,731,940	11,305,273	167.000	11,305,273	-
1157	NC Forest Service - Linville Gorge - ARRA	6,345	6,345	-	-	-	-
1210	Distribution of USDA Donations	3,822,936	1,501,477	2,321,459	47.000	2,321,459	-
1510	NC Forest Service	45,751,540	10,883,122	34,868,418	567.600	34,868,418	-
1530	NC Forest Service - Dare Bomb Range	959,974	959,974	-	13.000	-	-
1535	NC Forest Service - Young Offenders Program	1,165,365	300	1,165,065	17.000	1,165,065	-
1610	NC Forest Service - Federal Grants	4,886,695	4,886,695	-	32.600	-	-
1611	Soil and Water Conservation	15,877,091	4,307,128	11,569,963	42.200	11,569,963	-
1990	Reserves and Transfers	5,863,701	-	5,863,701	-	8,985,224	3,121,523
1991	Indirect Cost - Reserve	1,181,536	1,181,536	-	-	-	-
<b>Total 1XXXX</b>		<b>170,696,152</b>	<b>53,740,379</b>	<b>116,955,773</b>	<b>1,827,750</b>	<b>121,330,649</b>	<b>2,000</b>

**Department of Labor (13800)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$30,363,328	\$32,458,922	\$32,285,798	\$259,489	\$343,415	\$602,904	\$32,888,702	1.32%	1.87%
<b>Less Receipts</b>	\$16,220,085	\$16,463,563	\$16,463,563	-	-	-	\$16,463,563	-%	-%
<b>Total Appropriation</b>	\$14,143,243	\$15,995,359	\$15,822,235	\$259,489	\$343,415	\$602,904	\$16,425,139	2.69%	3.81%
<b>Total Positions</b>	-	383.252	383.252	-	-	-	383.252	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	<b>Requirements</b>	-	\$343,415
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	-	\$343,415
	<b>Positions</b>	-	-
<b>2. Support Server Migration</b>			
Provides recurring funds to support server migration and maintenance.			
	<b>Requirements</b>	\$191,000	-
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$191,000	-
	<b>Positions</b>	-	-
<b>3. Improve Transparency of Agency IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
	<b>Requirements</b>	\$30,000	-
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$30,000	-
	<b>Positions</b>	-	-
<b>4. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
	<b>Requirements</b>	\$38,489	-
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$38,489	-
	<b>Positions</b>	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$259,489	\$343,415	\$602,904
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$259,489	\$343,415	\$602,904
<b>Positions</b>	-	-	-

**Department of Labor**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Net Position
1XXXX						
13800						
1120	Administrative Services	1,793,979	1,506,738	41.239	1,888,642	381,904
1210	Research and Information Technology	575,962	62,157	5.090	283,157	221,000
1310	Boiler Inspection Division	2,221,914	-	24.000	-	-
1320	Elevator Inspection Division	4,479,528	-	46.000	-	-
1330	Mine and Quarry Inspection Division	346,492	346,492	4.600	346,492	-
1331	Federal Mine Safety and Health Act	150,045	-	1.400	-	-
1340	Wage and Hour Division	2,084,225	2,084,225	31.000	2,084,225	-
1345	Employment Discrimination Bureau	575,992	575,992	7.960	575,992	-
1350	Occupational Safety and Health Administration - Administration	7,042,380	3,545,034	89.517	3,497,346	-
1351	Review Commission	252,723	-	3.000	252,723	-
1352	Occupational Safety and Health Administration - State Funds	7,224,694	-	96.876	7,224,694	-
1353	Occupational Safety and Health Administration - Federal Funds	1,246,216	1,246,216	9.916	-	-
1358	Bureau of Consultative Services - 21(D)	1,447,420	1,302,678	18.654	144,742	-
1360	OSHA/BLS Statistical Program	254,253	127,127	4.000	127,126	-
1991	Indirect Cost - Reserve	1,083,237	-	-	-	-
<b>Total 1XXXX</b>		<b>32,285,798</b>	<b>16,463,563</b>	<b>383.252</b>	<b>16,425,139</b>	<b>602,904</b>

**Department of Environmental Quality (14300)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Net</u>	<u>Net</u>	<u>Recommended</u>	<u>Revised</u>	<u>from</u>	<u>from</u>
	<u>Actual</u>	<u>Certified</u>	<u>Certified</u>	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Adjustment</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
<b>Total Requirements</b>	\$246,219,611	\$157,829,008	\$158,146,952	\$23,543,646	\$11,184,953	\$34,728,599	\$192,875,551	22.21%	21.96%
<b>Less Receipts</b>	\$91,364,290	\$76,522,406	\$75,717,343	\$22,699,805	\$5,200,000	\$27,899,805	\$103,617,148	35.41%	36.85%
<b>Total Appropriation</b>	\$154,855,321	\$81,306,602	\$82,429,609	\$843,841	\$5,984,953	\$6,828,794	\$89,258,403	9.78%	8.28%
<b>Total Positions</b>	-	1,229.636	1,229.636	-	-	-	1,229.636	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u>	<u>Non Recurring</u>	<u>Total</u>
	<u>Changes</u>	<u>Changes</u>	<u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$984,953	\$984,953
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$984,953	\$984,953
<b>Positions</b>	-	-	-
<b>2. Strengthen Environmental Legal Protections</b>			
Provides \$5 million in FY 2016-17 for ongoing and anticipated litigation expenses related to the enforcement of environmental laws and regulations.			
<b>Requirements</b>	-	\$5,000,000	\$5,000,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$5,000,000	\$5,000,000
<b>Positions</b>	-	-	-
<b>3. Continue Cleanup Of Commercial Leaking Petroleum Underground Storage Tanks</b>			
Restores Highway Funds for this program, which was subject to a continuation review.			
<b>Requirements</b>	\$15,400,000	\$5,200,000	\$20,600,000
<b>Less Receipts</b>	\$15,400,000	\$5,200,000	\$20,600,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>4. Continue Air Quality and Water Account Funding</b>			
Restores Highway Funds for this program, which was subject to a continuation review.			
<b>Requirements</b>	\$7,299,805	-	\$7,299,805
<b>Less Receipts</b>	\$7,299,805	-	\$7,299,805
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>5. Modify Mercury Pollution Prevention Account</b>			
Utilizes existing cash balance in the Mercury Pollution Prevention Fund to operate the Mercury Switch Removal Program in FY 2016-17. Eliminates any transfers of title fee proceeds to the fund. This program was funded through the Highway Fund, and was subject to a continuation review.			
<b>Requirements</b>	-	-	-
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>6. Improve Transparency of Agency IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
<b>Requirements</b>	\$732,800	-	\$732,800
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$732,800	-	\$732,800
<b>Positions</b>	-	-	-
<b>7. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$111,041	-	\$111,041
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$111,041	-	\$111,041
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	\$23,543,646	\$11,184,953	\$34,728,599
<b>Less Receipts</b>	\$22,699,805	\$5,200,000	\$27,899,805
<b>Appropriation</b>	\$843,841	\$5,984,953	\$6,828,794
<b>Positions</b>	-	-	-

**Department of Environmental Quality**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Net Position
<b>1XXXX</b>						
<b>14300</b>						
1125 DENR - Coal Ash Management	1,750,000	1,750,000	-	25.000	-	-
1130 Regional Field Offices Support Services	5,847,251	3,198,801	2,648,450	49.893	2,648,450	-
1140 Administrative Services	9,947,350	3,375,131	6,572,219	88.916	11,572,219	5,000,000
1315 Marine Fisheries - Administration	4,199,397	1,927,667	2,271,730	29.400	2,271,730	-
1320 Marine Fisheries - Research and Management	10,990,726	3,589,427	7,401,299	119.300	7,401,299	-
1325 Marine Fisheries - Law Enforcement	6,438,069	2,388,498	4,049,571	88.300	4,049,571	-
1460-	25,606,576	304,861	25,301,715	8.000	25,301,715	-
1490 Water Supply Protection	5,870,612	5,599,252	271,360	65.000	271,360	-
1495 Shellfish Sanitation	2,037,959	330,812	1,707,147	25.000	1,707,147	-
1610 LWS - Natural Resource Planning and Construction	1,624,331	1,363,530	260,801	8.300	260,801	-
1615 Environmental Assistance and Customer Service (DEACS)	3,101,826	251,551	2,850,275	35.745	2,850,275	-
1620 Water Resources - Water Planning	4,450,002	1,232,269	3,217,733	33.000	3,217,733	-
1625 Coastal Management	6,139,124	4,774,557	1,364,567	49.000	1,364,567	-
1635 Water Resources - Laboratory Services Water Sciences Section	2,417,277	706,451	1,710,826	29.500	1,710,826	-
1660 Groundwater Protection	873,756	873,756	-	13.000	-	-
1665 Groundwater Storage Tanks - Leaking	4,248,490	4,248,490	-	29.050	-	-
1671 Underground Storage Tanks - Compliance, Inspection	5,275,121	4,275,121	1,000,000	65.350	1,000,000	-
1685 State Revolving Fund	75,274	75,274	-	-	-	-
1690 Water Resources - Control	14,160,554	7,594,945	6,565,609	140.500	6,565,609	-
1695 Water Resources - Permit Fee	3,921,725	3,921,725	-	52.000	-	-
1705 Water Resources - Albemarle/Pamlico Sounds	1,098,731	1,098,731	-	13.000	-	-
1710 Water Resources - EPA Grant	273,434	273,434	-	2.000	-	-
1720 Water Resources - Non-Point Source	4,114,787	4,114,787	-	23.500	-	-
1725 Wetlands - Program Development	468,373	468,373	-	3.500	-	-
1730 Land Resources - Administration	362,055	-	362,055	3.250	362,055	-
1735 Geological Survey	1,231,316	232,760	998,556	12.520	998,556	-
1740 Land Quality	5,492,148	1,414,659	4,077,489	58.772	4,077,489	-
1749 DENR - Energy Office	1,835,276	-	1,835,276	6.670	1,835,276	-
1760 Solid Waste Management	11,886,783	8,476,480	3,410,303	122.170	3,410,303	-
1770 Air Quality Control	4,854,105	4,854,105	-	30.000	-	-
1910 Reserves and Transfers	4,552,628	-	4,552,628	-	-	-
1940 Federal - Special - Indirect	3,001,896	3,001,896	-	-	-	1,828,794
<b>Total 1XXXX</b>	<b>158,146,952</b>	<b>75,717,343</b>	<b>82,429,609</b>	<b>1,229.636</b>	<b>89,258,403</b>	<b>6,828,794</b>

**Wildlife Resources Commission (14350)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u> <u>Actual</u>	<u>2015-16</u> <u>Certified</u>	<u>2016-17</u> <u>Certified</u>	<u>Net</u> <u>Recurring</u>	<u>Net</u> <u>Non-Recurring</u>	<u>Recommended</u> <u>Adjustment</u>	<u>Revised</u> <u>2016-17</u>	<u>from</u> <u>2015-16</u> <u>Certified</u>	<u>from</u> <u>2016-17</u> <u>Certified</u>
<b>Total Requirements</b>	\$74,108,556	\$73,267,170	\$73,137,043	\$21,790	\$207,538	\$229,328	\$73,366,371	0.14%	0.31%
<b>Less Receipts</b>	\$62,947,978	\$63,113,547	\$63,113,547	-	-	-	\$63,113,547	-%	-%
<b>Total Appropriation</b>	\$11,160,578	\$10,153,623	\$10,023,496	\$21,790	\$207,538	\$229,328	\$10,252,824	0.98%	2.29%
<b>Total Positions</b>	-	648.580	648.580	-	-	-	648.580	-%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$207,538	\$207,538
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$207,538	\$207,538
<b>Positions</b>	-	-	-
<b>2. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits.			
<b>Requirements</b>	\$21,790	-	\$21,790
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$21,790	-	\$21,790
<b>Positions</b>	-	-	-

<b>Net Adjustments</b>			
<b>Requirements</b>	\$21,790	\$207,538	\$229,328
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$21,790	\$207,538	\$229,328
<b>Positions</b>	-	-	-

**Wildlife Resources Commission**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Net Position
<b>1XXXX</b>						
<b>14350</b>						
1101 Administrative Policy and Regulation	1,150,321	1,154,139	(3,818)	8.500	(3,818)	-
1111 Controller's Office	798,871	717,647	81,224	10.000	81,224	-
1112 Customer Support Services	1,728,538	1,688,197	40,341	15.000	40,341	-
1113 Information Technology	2,070,109	1,672,062	398,047	19.000	398,047	-
1114 Watercraft Registration and Titling	1,017,689	951,741	65,948	14.000	65,948	-
1115 Purchasing and Distribution	502,696	459,982	42,714	7.000	42,714	-
1116 Budget, Planning, and Audit	226,407	181,341	45,066	2.000	45,066	-
1117 Human Resources	470,654	416,603	54,051	6.000	54,051	-
1121 Enforcement	22,469,599	16,874,633	5,594,966	245.000	5,594,966	-
1131 Wildlife Education	516,218	429,622	86,596	5.500	86,596	-
1132 Pisgah Education Center	755,703	642,457	113,246	8.000	113,246	-
1133 Centennial Education Center	513,914	427,208	86,706	6.000	86,706	-
1134 Outer Banks Education Center	805,331	668,276	137,055	9.000	137,055	-
1135 Publications	1,082,221	1,225,191	(142,970)	10.000	(142,970)	-
1141 Inland Fisheries	9,114,280	7,701,613	1,412,667	74.000	1,412,667	-
1142 Aquatic Wildlife Diversity	1,069,676	944,309	125,367	9.000	125,367	-
1151 Wildlife Management	5,542,318	4,886,189	656,129	43.000	656,129	-
1152 Wildlife Diversity Program	1,773,847	1,512,902	260,945	17.000	260,945	-
1154 Waterfowl Program	253,994	239,180	14,814	1.000	14,814	-
1161 Engineering Water Access	7,827,741	8,167,133	(339,392)	58.540	(339,392)	-
1162 Engineering and Facilities Management	629,980	541,623	88,357	6.000	88,357	-
1166 Gamelands Operations and Maintenance	12,793,440	9,665,369	3,128,071	75.040	3,128,071	-
1171 Wildlife Appropriations	23,496	1,946,130	(1,922,634)	-	(1,693,306)	229,328
<b>Total 1XXXX</b>	<b>73,137,043</b>	<b>63,113,547</b>	<b>10,023,496</b>	<b>648.580</b>	<b>10,252,824</b>	<b>229,328</b>

**Department of Commerce (14600)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	2014-15	2015-16	2016-17	Net	Net	Recommended	Revised	from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment	2016-17	2015-16	2016-17
<b>Total Requirements</b>	\$127,596,045	\$122,714,034	\$122,704,438	\$3,902,863	\$2,430,486	\$6,333,349	\$129,037,787	5.15%	5.16%
<b>Less Receipts</b>	\$59,850,826	\$65,226,060	\$65,108,310	-	-	-	\$65,108,310	(0.18)%	-%
<b>Total Appropriation</b>	\$67,745,219	\$57,487,974	\$57,596,128	\$3,902,863	\$2,430,486	\$6,333,349	\$63,929,477	11.20%	11.00%
<b>Total Positions</b>	-	415.238	413.310	-	-	-	413.310	(0.46)%	-%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u> <u>Changes</u>	<u>Non Recurring</u> <u>Changes</u>	<u>Total</u> <u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	-	\$305,081
	Less Receipts	-	-
	Appropriation	-	\$305,081
	Positions	-	-
<b>2. Revitalize Small Town Main Streets</b>			
Increases funding for matching grants to local governments to revitalize downtown areas. This builds on \$2 million provided in FY 2015-16.			
	Requirements	-	\$1,000,000
	Less Receipts	-	-
	Appropriation	-	\$1,000,000
	Positions	-	-
<b>3. Implement Governor's Food Manufacturing Task Force Recommendations</b>			
Provides funding to the Department of Commerce and the Department of Agriculture and Consumer Services to stimulate the growth of entrepreneurial endeavors in food manufacturing, enhance development of innovative food products and processes, and provide sector-specific regulatory training and outreach. Department of Commerce funding supports a position reporting to the Economic Development Partnership of NC to provide outreach support for economic growth opportunities in the food manufacturing industry.			
	Requirements	\$156,000	-
	Less Receipts	-	-
	Appropriation	\$156,000	-
	Positions	-	-
<b>4. Strengthen and Expand NCWorks Apprenticeship Program</b>			
Increases apprenticeship opportunities across North Carolina. The program helps businesses find, train, and retain the qualified workers needed to be successful, and offers individuals the chance to gain the skills and experience needed to obtain jobs. Total funding recommended for FY 2016-17 is \$1.35 million.			
	Requirements	\$500,000	-
	Less Receipts	-	-
	Appropriation	\$500,000	-
	Positions	-	-
<b>5. Promote NC Tourism</b>			
Increases funding to the Economic Development Partnership of NC for tourism advertising to increase awareness and inspire visitation to the state. Includes \$190,000 to develop and track key performance indicators to measure the effectiveness of specific advertising/marketing programs and their impact on the state's economy. Total recommended tourism promotion for FY 2016-17 is \$13.9 million, an increase of \$6 million since FY 2012-13.			
	Requirements	\$2,500,000	\$500,000
	Less Receipts	-	-
	Appropriation	\$2,500,000	\$500,000
	Positions	-	-
<b>6. Strengthen Core Department of Commerce Operations</b>			
Provides funding for ongoing operational costs including website and software maintenance, equipment and facilities upkeep, and training.			
	Requirements	\$480,000	\$125,405
	Less Receipts	-	-
	Appropriation	\$480,000	\$125,405
	Positions	-	-
<b>7. Industrial Commission - Select and Implement a Worker's Compensation Drug Formulary</b>			
Supports the implementation of a drug formulary to achieve long-term savings in state workers' compensation claims without compromising the level of care given to injured workers. Funds may be used for data gathering and analysis or any other support necessary for study and implementation of a drug formulary.			
	Requirements	-	\$500,000
	Less Receipts	-	-
	Appropriation	-	\$500,000
	Positions	-	-



North Carolina State Budget  
 Recommended Adjustments, 2016-17

General Fund  
 Department of Commerce

<p><b>8. Improve Transparency of Agency IT Expenses</b>          Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.</p>	<table border="0"> <tr> <td><b>Requirements</b></td> <td style="text-align: right;">\$232,000</td> <td style="text-align: right;">-</td> <td style="text-align: right;">\$232,000</td> </tr> <tr> <td><b>Less Receipts</b></td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td><b>Appropriation</b></td> <td style="text-align: right; border-top: 1px solid black;">\$232,000</td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">\$232,000</td> </tr> <tr> <td><b>Positions</b></td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> </table>	<b>Requirements</b>	\$232,000	-	\$232,000	<b>Less Receipts</b>	-	-	-	<b>Appropriation</b>	\$232,000	-	\$232,000	<b>Positions</b>	-	-	-
<b>Requirements</b>	\$232,000	-	\$232,000														
<b>Less Receipts</b>	-	-	-														
<b>Appropriation</b>	\$232,000	-	\$232,000														
<b>Positions</b>	-	-	-														
<p><b>9. State Retirement Contribution Rate Increase</b>          Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.</p>	<table border="0"> <tr> <td><b>Requirements</b></td> <td style="text-align: right;">\$34,863</td> <td style="text-align: right;">-</td> <td style="text-align: right;">\$34,863</td> </tr> <tr> <td><b>Less Receipts</b></td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td><b>Appropriation</b></td> <td style="text-align: right; border-top: 1px solid black;">\$34,863</td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">\$34,863</td> </tr> <tr> <td><b>Positions</b></td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> </table>	<b>Requirements</b>	\$34,863	-	\$34,863	<b>Less Receipts</b>	-	-	-	<b>Appropriation</b>	\$34,863	-	\$34,863	<b>Positions</b>	-	-	-
<b>Requirements</b>	\$34,863	-	\$34,863														
<b>Less Receipts</b>	-	-	-														
<b>Appropriation</b>	\$34,863	-	\$34,863														
<b>Positions</b>	-	-	-														

**Net Adjustments**

Requirements	\$3,902,863	\$2,430,486	\$6,333,349
Less Receipts	-	-	-
Appropriation	\$3,902,863	\$2,430,486	\$6,333,349
Positions	-	-	-

**Department of Commerce - General State Aid (14601)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment			
<b>Total Requirements</b>	\$17,755,835	\$20,754,240	\$18,055,810	-	-	-	\$18,055,810	(13.00)%	-%
<b>Less Receipts</b>	\$515,374	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	\$17,240,461	\$20,754,240	\$18,055,810	-	-	-	\$18,055,810	(13.00)%	-%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

**Department of Commerce**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments		
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Net Position
<b>1XXXX</b>						
<b>14600</b>						
1111 Administrative Services	3,137,481	1,841,448	1,296,033	39.418	4,126,033	2,830,000
1113 Science and Technology	3,324,164	-	3,324,164	3.000	3,324,164	-
1114 Economic Development Partnership of NC, Inc.	17,994,549	-	17,994,549	-	18,650,549	656,000
1120 Management Information System Division	856,063	-	856,063	6.000	1,006,063	150,000
1130 Labor and Economic Analysis	6,627,028	5,781,499	845,529	75.060	970,934	125,405
1477 NC BRIM - Operating	737,528	737,528	-	9.000	-	-
1520 Commerce Graphics	256,053	98,406	157,647	3.000	157,647	-
1531 Business and Industry Development	59,007	58,907	100	-	100	-
1533 NC Business Service Center	350,544	350,544	-	6.000	-	-
1534 Rural Economic Development Division	15,231,543	-	15,231,543	3.000	16,231,543	1,000,000
1541 International Trade Division	17,153	17,153	-	-	-	-
1551 Travel Inquiry Section	494,634	75,358	419,276	5.000	419,276	-
1552 Welcome Centers	2,018,203	3,600	2,014,603	43.750	2,014,603	-
1561 Wanchese - Marine Industrial Park	534,357	534,357	-	3.000	-	-
1581 Industrial Finance Center	8,144,049	-	8,144,049	5.750	8,144,049	-
1620 Community Assistance	1,509,208	81,298	1,427,910	19.000	1,427,910	-
1631 Community Development Block Grants	44,440,959	43,803,459	637,500	22.800	637,500	-
1632 Community Assistance - NSP	589,290	589,290	-	10.200	-	-
1831 Industrial Commission Administration	15,532,310	11,135,463	4,396,847	159.332	5,128,847	732,000
1912 Reserves and Transfers	850,315	-	850,315	-	1,690,259	839,944
<b>14601</b>						
1121 Biotechnology Center	13,600,338	-	13,600,338	-	13,600,338	-
1913 State Aid to Non-State Entities	4,455,472	-	4,455,472	-	4,455,472	-
<b>Total 1XXXX</b>	<b>140,760,248</b>	<b>65,108,310</b>	<b>75,651,938</b>	<b>413.310</b>	<b>81,985,287</b>	<b>6,333,349</b>

**Department of Natural and Cultural Resources (14800)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>				<u>% Change</u>	<u>% Change</u>
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Net</u>	<u>Net</u>	<u>Recommended</u>	<u>Revised</u>	<u>from</u>	<u>from</u>
	<u>Actual</u>	<u>Certified</u>	<u>Certified</u>	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Adjustment</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
<b>Total Requirements</b>	\$72,104,170	\$190,693,916	\$196,635,052	\$2,055,921	\$2,106,615	\$4,162,536	\$200,797,588	5.30%	2.12%
<b>Less Receipts</b>	\$8,912,871	\$27,295,649	\$27,345,649	-	-	-	\$27,345,649	0.18%	-%
<b>Total Appropriation</b>	\$63,191,299	\$163,398,267	\$169,289,403	\$2,055,921	\$2,106,615	\$4,162,536	\$173,451,939	6.15%	2.46%
<b>Total Positions</b>	-	1,713.010	1,713.010	9.200	-	9.200	1,722.210	0.54%	0.54%

	<u>2016-2017 Recommended</u>		
	<u>Recurring</u>	<u>Non Recurring</u>	<u>Total</u>
	<u>Changes</u>	<u>Changes</u>	<u>Adjustments</u>
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
	Requirements	\$2,106,615	\$2,106,615
	Less Receipts	-	-
	Appropriation	\$2,106,615	\$2,106,615
	Positions	-	-
<b>2. Promote Natural and Cultural Attractions</b>			
Provides funds to market the state's natural and cultural attractions, including strategies that encourage individuals to visit different sites within the same region. The department will coordinate these marketing efforts with the Economic Development Partnership of NC and other state tourism efforts in North Carolina.			
	Requirements	\$300,000	\$300,000
	Less Receipts	-	-
	Appropriation	\$300,000	\$300,000
	Positions	-	-
<b>3. Staff State Archaeology Research Center</b>			
Provides the State Archaeology Research Center with permanent, full-time employees. The center is currently staffed by volunteer and retired archaeologists, as a result of budget cuts in the 2011-13 biennium. The center processes and stores material found at archaeological sites around the state, in compliance with federal and state regulations, and provides assistance to individuals completing archaeological assessments while planning and constructing transportation projects, public school buildings, and similar projects throughout the state.			
	Requirements	\$169,269	\$169,269
	Less Receipts	-	-
	Appropriation	\$169,269	\$169,269
	Positions	3.000	3.000
<b>4. Restore Funding for Natural Heritage Program to Meet Business Needs</b>			
Restores partial funding reduced in FY 2015-16 to support realignment of the program. This funding level will allow the Natural Heritage Program to meet its obligations, while implementing efficiencies realized by cross-training of staff. The Natural Heritage Program works to assist the military, public and private sectors to promote sustainable development and assist in compliance with state and federal regulations.			
	Requirements	\$489,750	\$489,750
	Less Receipts	-	-
	Appropriation	\$489,750	\$489,750
	Positions	6.200	6.200
<b>5. Assign Full-Time Security to Protect Cultural Sites</b>			
Provides funds to support four full-time, uniformed law enforcement officers to protect public spaces at state-owned cultural attractions in downtown Raleigh. The agency will contract with State Capitol Police to provide these law enforcement officers, as recommended in a security assessment by the Department of Public Safety.			
	Requirements	\$293,000	\$293,000
	Less Receipts	-	-
	Appropriation	\$293,000	\$293,000
	Positions	-	-
<b>6. Improve Transparency of Agency IT Expenses</b>			
Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.			
	Requirements	\$600,000	\$600,000
	Less Receipts	-	-
	Appropriation	\$600,000	\$600,000
	Positions	-	-
<b>7. State Retirement Contribution Rate Increase</b>			
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.			
	Requirements	\$203,902	\$203,902
	Less Receipts	-	-
	Appropriation	\$203,902	\$203,902
	Positions	-	-
<b>Net Adjustments</b>			
Requirements	\$2,055,921	\$2,106,615	\$4,162,536
Less Receipts	-	-	-
Appropriation	\$2,055,921	\$2,106,615	\$4,162,536
Positions	9.200	-	9.200

**Roanoke Island Commission (14802)**

	<u>2015 Session Law-Enacted</u>			<u>2016 Legislative Session-Recommended Change</u>			Revised 2016-17	% Change from	% Change from
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$508,384	\$823,384	\$823,384	-	-	-	\$823,384	-%	-%
<b>Less Receipts</b>	-	\$300,000	\$300,000	-	-	-	\$300,000	-%	-%
<b>Total Appropriation</b>	\$508,384	\$523,384	\$523,384	-	-	-	\$523,384	-%	-%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

**Department of Natural and Cultural Resources**

	FY 2016-17 Certified			FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Appropriation	Total	Net Changes to Net Position
<b>1XXXX</b>							
<b>14800</b>							
1110 Office of the Secretary	2,196,681	250	2,196,431	24.000	2,789,431	593,000	-
1115 LWS - Clean Water Management Trust	13,784,982	-	13,784,982	9.600	13,784,982	-	-
1116 NHP - Administration	450,000	-	450,000	5.000	939,750	489,750	6.200
1120 Administrative Services	7,099,276	78,739	7,020,537	33.450	9,931,054	2,910,517	-
1210 Archives and History - Administration	726,834	130,395	596,439	9.000	596,439	-	-
1220 Historical Publications	243,409	-	243,409	4.000	243,409	-	-
1230 Archives and Records	3,189,042	265,987	2,923,055	50.860	2,923,055	-	-
1241 State Historic Sites	7,148,747	620	7,148,127	125.800	7,148,127	-	-
1242 Tryon Palace - Historic Sites and Gardens	2,981,058	343,255	2,637,803	44.000	2,637,803	-	-
1243 State Capitol	341,838	200	341,638	6.000	341,638	-	-
1245 NC Maritime Museum	1,709,908	-	1,709,908	27.000	1,709,908	-	-
1250 Historic Preservation	1,318,750	81,413	1,237,337	18.500	1,237,337	-	-
1255 Historic Preservation - Federal	955,323	955,323	-	10.490	-	-	-
1260 Office of State Archaeology	1,618,983	107,740	1,511,243	16.760	1,680,512	169,269	3.000
1290 Western Office	214,595	8,040	206,555	2.000	206,555	-	-
1320 Museum of Art	6,695,142	514,106	6,181,036	116.050	6,181,036	-	-
1330 NC Arts Council	7,898,827	-	7,898,827	20.140	7,898,827	-	-
1340 NC Symphony	2,067,250	-	2,067,250	8.000	2,067,250	-	-
1355 NC Arts Council - Federal Funds	928,725	928,725	-	0.610	-	-	-
1410 State Library Services	4,482,960	29,181	4,453,779	64.000	4,453,779	-	-
1480 Statewide Library Programs and Grants	15,678,714	-	15,678,714	-	15,678,714	-	-
1495 State Library - Federal	4,406,063	4,406,063	-	13.000	-	-	-
1500 Museum of History	5,856,009	1,400	5,854,609	90.500	5,854,609	-	-
1680 North Carolina Division of Parks and Recreation	61,337,383	7,902,933	53,434,450	480.500	53,434,450	-	-
1760 North Carolina Museum of Natural Science	14,741,137	449,734	14,291,403	152.000	14,291,403	-	-
1805 North Carolina Zoological Park	18,487,130	7,953,306	10,533,824	263.250	10,533,824	-	-
1855 North Carolina Aquariums Fund	9,647,428	2,969,809	6,677,619	118.500	6,677,619	-	-
1991 Indirect Reserve	218,430	218,430	-	-	-	-	-
1992 Continuation Reserve	210,428	-	210,428	-	210,428	-	-
<b>14802</b>							
1584 Roanoke Island Commission	823,384	300,000	523,384	-	523,384	-	-
<b>Total 1XXXX</b>	<b>197,458,436</b>	<b>27,645,649</b>	<b>169,812,787</b>	<b>1,713.010</b>	<b>173,975,323</b>	<b>4,162,536</b>	<b>9.200</b>

# Transportation

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## **Total Spend: \$3.4 billion**

### **Driving Change at the Division of Motor Vehicles (DMV)**

Provides funding for additional driver license examiners to improve customer service and decrease wait times in high traffic DMV locations throughout the state.

Establishes a program to provide military personnel Commercial Driver's License training.

### **Maintaining North Carolina's Transportation Infrastructure**

Provides an additional \$27.5 million for highway maintenance activities to enhance safety and ease congestion.

Increases resources to maintain secondary roads and ensure clean and safe highways.

Connects people to jobs, education and health care through improved public transportation services in small towns and growing cities.

### **Building New Roads**

Builds on the largest transportation investment in two decades by adding nearly \$30 million for new transportation projects in the state's current ten-year plan.

Increased investment in new roads by more than \$292 million, or 31% since 2013.

**Highway Fund (84210)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Net Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	\$3,887,015,362	\$7,258,615,942	\$7,199,755,488	\$47,527,576	\$13,895,886	\$61,423,462	\$7,261,178,950	0.04%	0.85%
<b>Less Receipts</b>	\$4,043,920,544	\$5,310,827,813	\$5,210,154,339	\$2,124,611	-	\$2,124,611	\$5,212,278,950	(1.86)%	0.04%
<b>Total Appropriation</b>	(\$156,905,182)	\$1,947,788,129	\$1,989,601,149	\$45,402,965	\$13,895,886	\$59,298,851	\$2,048,900,000	5.19%	2.98%
<b>Total Positions</b>	-	12,394.000	12,350.000	52.000	-	52.000	12,402.000	0.06%	0.42%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Reward State Employees with One-Time Bonus</b>			
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.			
<b>Requirements</b>	-	\$9,740,111	\$9,740,111
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$9,740,111	\$9,740,111
<b>Positions</b>	-	-	-
<b>2. Salary Adjustment Fund</b>			
Appropriates funds to implement a new market-aligned salary structure for state agencies, and to adjust salaries in state job classifications where employee pay is below market value, not competitive in the marketplace, and where the State is having difficulty recruiting and retaining employees.			
<b>Requirements</b>	\$5,349,240	-	\$5,349,240
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$5,349,240	-	\$5,349,240
<b>Positions</b>	-	-	-
<b>3. DMV - Train Military Personnel to Obtain Commercial Driver's Licenses (CDLs)</b>			
Establishes a program to provide existing military personnel the training necessary to obtain a Commercial Driver's License (CDL). Seven classes will be held in conjunction with Johnston Community College, Fort Bragg, and Camp Lejeune.			
<b>Requirements</b>	\$258,885	-	\$258,885
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$258,885	-	\$258,885
<b>Positions</b>	-	-	-
<b>4. DMV - Promote Online DMV Services</b>			
Funding to promote the DMV modernization initiatives. These initiatives will improve customer convenience, increase efficiency, and reduce wait time.			
<b>Requirements</b>	\$1,000,000	-	\$1,000,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,000,000	-	\$1,000,000
<b>Positions</b>	-	-	-
<b>5. DMV - Improve Wait Times of High Volume DMV Offices</b>			
Provides funding for 95 contract driver license examiners to improve customer service and decrease wait times in high volume DMV locations throughout the state.			
<b>Requirements</b>	-	\$3,868,875	\$3,868,875
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$3,868,875	\$3,868,875
<b>Positions</b>	-	-	-
<b>6. DMV - Maintain Tax and Tag Together Program Customer Service</b>			
Provides funding to make permanent 44 time-limited Tax and Tag Together positions. Funding for these receipt-supported positions comes from the administrative fee authorized in GS 105-330.5(b). Staffing will enable the DMV Customer Contact Center and the Field Services Help Desk to continue servicing the high volume of citizen calls.			
<b>Requirements</b>	\$2,045,995	-	\$2,045,995
<b>Less Receipts</b>	\$2,045,995	-	\$2,045,995
<b>Appropriation</b>	-	-	-
<b>Positions</b>	44.000	-	44.000
<b>7. DMV - Medical Review Program</b>			
Funds additional resources for the Medical Review Program, adding 21 contract nurses and 7 fulltime employees. The changes will ensure due process for all types of adverse action that may be taken against customers' driving privileges.			
<b>Requirements</b>	\$1,709,465	\$151,900	\$1,861,365
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$1,709,465	\$151,900	\$1,861,365
<b>Positions</b>	7.000	-	7.000
<b>8. Repair Deficient Bridges</b>			
Adjusts funding for the Bridge Program based on an updated revenue forecast. This program receives the balance generated from the Gasoline Inspection Fee after deducting expenses for the Departments of Revenue and Agriculture. A total of \$242,374,444 is available for the program in FY 2016-17.			
<b>Requirements</b>	\$300,000	-	\$300,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$300,000	-	\$300,000
<b>Positions</b>	-	-	-



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<b>9. Promote Bicycle Safety</b>	Allocates funding to address bicycle safety in North Carolina through public outreach and ongoing education initiatives.	<b>Requirements</b>	\$250,000	-	\$250,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$250,000	-	\$250,000
		<b>Positions</b>	-	-	-
<b>10. Support Multi-County Rural Transit Systems</b>	Provides incentive funding for rural multi-county transit systems to consolidate systems. Consolidated systems will fill gaps and make transportation to work, school, or medical appointments more efficient in rural communities.	<b>Requirements</b>	\$2,000,000	-	\$2,000,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$2,000,000	-	\$2,000,000
		<b>Positions</b>	-	-	-
<b>11. State Aid to Airports</b>	Increases funding for grants-in-aid for public airport development as recommended by the Governor's Aviation Development Task Force. A total of \$53,200,000 will be available in FY 2016-17. Funds are used to improve educational programs, to conduct airport planning, land acquisition, airport construction and maintenance projects.	<b>Requirements</b>	\$1,500,000	-	\$1,500,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$1,500,000	-	\$1,500,000
		<b>Positions</b>	-	-	-
<b>12. Urban State Maintenance Assistance Program</b>	Increases program funding to support eight new urban areas identified by the 2010 census.	<b>Requirements</b>	\$2,000,000	-	\$2,000,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$2,000,000	-	\$2,000,000
		<b>Positions</b>	-	-	-
<b>13. Secondary Road Maintenance Program</b>	Increases funds available for this program, bringing the FY 2016-17 total to \$302,766,254. Uses of these funds include pothole patching, drainage repair, pavement marking, and other safety improvements.	<b>Requirements</b>	\$17,476,344	-	\$17,476,344
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$17,476,344	-	\$17,476,344
		<b>Positions</b>	-	-	-
<b>14. Roadside Litter and Debris Removal</b>	Increases funding for the removal of litter and debris along North Carolina roadways. The additional funding will bring the total allocated for this activity from \$16.9 million to \$26.9 million.	<b>Requirements</b>	\$10,000,000	-	\$10,000,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$10,000,000	-	\$10,000,000
		<b>Positions</b>	-	-	-
<b>15. Small Urban Construction Program</b>	Funds transportation improvement projects across the state through the Small Construction Program. These improvement projects enhance safety and support congestion mitigation.	<b>Requirements</b>	\$2,500,000	-	\$2,500,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$2,500,000	-	\$2,500,000
		<b>Positions</b>	-	-	-
<b>16. Tax and Tag Together Audit Position</b>	Provides funding to make permanent a time-limited position that audits and verifies the collection of vehicle property taxes. The positions also audits internal controls with the Tax and Tag Together, to identify areas of potential theft or fraud. The position is paid from receipts as authorized in GS 105-330.5(b) for a total of \$78,616.	<b>Requirements</b>	\$78,616	-	\$78,616
		<b>Less Receipts</b>	\$78,616	-	\$78,616
		<b>Appropriation</b>	-	-	-
		<b>Positions</b>	1.000	-	1.000
<b>17. Capital Repairs and Renovations</b>	Provides the Ferry Division funds to build an encapsulated area to contain sandblasting debris to meet storm water regulations. The project total is \$210,000 with \$75,000 coming from the Roadside Environmental Unit.	<b>Requirements</b>	-	\$135,000	\$135,000
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	-	\$135,000	\$135,000
		<b>Positions</b>	-	-	-
<b>18. State Retirement Contribution Rate Increase</b>	Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Annual Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	<b>Requirements</b>	\$1,059,031	-	\$1,059,031
		<b>Less Receipts</b>	-	-	-
		<b>Appropriation</b>	\$1,059,031	-	\$1,059,031
		<b>Positions</b>	-	-	-

**Net Adjustments**

<b>Requirements</b>	\$47,527,576	\$13,895,886	\$61,423,462
<b>Less Receipts</b>	\$2,124,611	-	\$2,124,611
<b>Appropriation</b>	\$45,402,965	\$13,895,886	\$59,298,851
<b>Positions</b>	52.000	-	52.000

**Highway Trust Fund (84290)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change			Revised 2016-17	% Change	% Change
	2014-15	2015-16	2016-17	Net		Recommended		from	from
	Actual	Certified	Certified	Recurring	Non-Recurring	Adjustment		2015-16	2016-17
<b>Total Requirements</b>	\$965,845,727	\$1,312,540,000	\$1,339,235,000	\$30,158,855	\$706,145	\$30,865,000	\$1,370,100,000	4.39%	2.30%
<b>Less Receipts</b>	\$1,238,564,734	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	(\$272,719,007)	\$1,312,540,000	\$1,339,235,000	\$30,158,855	\$706,145	\$30,865,000	\$1,370,100,000	4.39%	2.30%
<b>Total Positions</b>	-	-	-	-	-	-	-	-%	-%

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. Increase Strategic Investment in Infrastructure</b>	<b>Requirements</b>	\$29,860,816	\$29,860,816
Provides additional funds to the Governor's Strategic Transportation Investments program established by S.L. 2013-183. This adjustment brings the total for the program to \$1,223,618,774 and is a 31.44% increase over the \$930,926,530 appropriated in FY 2013-14 when the program was initiated.	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$29,860,816	\$29,860,816
	<b>Positions</b>	-	-
<b>2. Reward State Employees with One-Time Bonus</b>	<b>Requirements</b>	\$706,145	\$706,145
Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of \$3,000 per employee). Each agency head, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$706,145	\$706,145
	<b>Positions</b>	-	-
<b>3. Salary Adjustment Fund</b>	<b>Requirements</b>	\$232,442	\$232,442
Appropriates funds to implement a new market-aligned salary structure for state agencies, and to adjust salaries in state job classifications where employee pay is below market value, not competitive in the marketplace, and where the State is having difficulty recruiting and retaining employees.	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$232,442	\$232,442
	<b>Positions</b>	-	-
<b>4. State Retirement Contribution Rate Increase</b>	<b>Requirements</b>	\$65,597	\$65,597
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Annual Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than \$1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$65,597	\$65,597
	<b>Positions</b>	-	-
<b>Net Adjustments</b>	<b>Requirements</b>	\$30,158,855	\$30,865,000
	<b>Less Receipts</b>	-	-
	<b>Appropriation</b>	\$30,158,855	\$30,865,000
	<b>Positions</b>	-	-

# *Capital, Reserves, Debt Service and Other Adjustments*

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Preserves our unique environmental resources and promotes good stewardship by investing \$14.6 million in vital water resource projects including: dredging, navigation, flood control, beach protection and stream restoration. State investment in water resources projects will leverage more than \$25 million in federal funds.

Supports the implementation of the Connect NC bond initiative to upgrade our state's critical infrastructure investments, including:

- \$1.3 billion for Universities and Community Colleges
- \$309.5 million for Local Water and Sewer Projects
- \$75 million for State Parks
- \$25 million for the North Carolina Zoo
- \$8.5 million for Samarcand Public Safety Training Academy
- \$70 million for National Guard Regional Readiness Centers
- \$179 million for Agricultural Research Labs

**Capital Improvements**

	2016-2017 Recommended		
	Recurring Changes	Non Recurring Changes	Total Adjustments
<b>1. DEQ - Invest in Water Resources</b>			
Provides funds for the State's share of Water Resource Development Projects. State funds will match \$25.8 million in federal funds.			
<b>Requirements</b>	-	\$33,735,000	\$33,735,000
<b>Less Receipts</b>	-	\$25,774,000	\$25,774,000
<b>Appropriation</b>	-	\$7,961,000	\$7,961,000
<b>Positions</b>	-	-	-
<b>2. DNCR - Archives and History/ State Library Building Remodel</b>			
Provides funds to remodel existing areas of the Archives and History/State Library Building to accommodate the additional staff from the merger of the Department of Natural and Cultural Resources with the Department of Environmental Quality.			
<b>Requirements</b>	-	\$600,000	\$600,000
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	-	\$600,000	\$600,000
<b>Positions</b>	-	-	-
<b>3. DPS - Nash Print Plant Roof Replacement</b>			
Funds for the replacement of the 59,160 square foot Print Plant roof. The project will be financed from Correction Enterprise cash balance.			
<b>Requirements</b>	-	\$1,508,000	\$1,508,000
<b>Less Receipts</b>	-	\$1,508,000	\$1,508,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>4. DPS - Harnett Visitor Center</b>			
Funds provided for a new 2800 sq. ft. freestanding masonry structure (40'x70') positioned near the Gate House Building. The structure is needed to safely and securely move visitors into and out of Harnett correctional facility. The project will be paid from the Inmate Welfare Fund.			
<b>Requirements</b>	-	\$549,000	\$549,000
<b>Less Receipts</b>	-	\$549,000	\$549,000
<b>Appropriation</b>	-	-	-
<b>Positions</b>	-	-	-
<b>Net Adjustments</b>			
<b>Requirements</b>	-	\$36,392,000	\$36,392,000
<b>Less Receipts</b>	-	\$27,831,000	\$27,831,000
<b>Appropriation</b>	-	\$8,561,000	-
<b>Positions</b>	-	-	-

**Reserves (19XXX)**

	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change			Revised 2016-17	% Change from 2015-16	% Change from 2016-17
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment		2015-16 Certified	2016-17 Certified
<b>Total Requirements</b>	-	\$ 179,702,768	\$ 426,231,366	(\$171,290,802)	(\$7,297,575)	(\$178,588,377)	\$247,642,989	37.81%	-41.90%
<b>Less Receipts</b>	-	-	-	-	-	-	-	-%	-%
<b>Total Appropriation</b>	-	\$ 179,702,768	\$ 426,231,366	(\$171,290,802)	(\$7,297,575)	(\$178,588,377)	\$247,642,989	37.81%	-41.90%
<b>Total Positions</b>	-	-	-	73.000	-	-	73.000	-%	-%

	2016-2017 Recommended			
	Recurring Changes	Non Recurring Changes	Total Adjustments	
<b>1. Support for the Connect NC Bond Projects and Other Capital Improvements</b>	Requirements	\$985,682	\$156,585	\$1,142,267
Provides funding to successfully implement the Connect NC Bond package as passed by the voters in March 2016, and to adequately support the need for capital assessments and improve data-driven decision-making. This item includes six positions and software for the Department of Administration, two positions for the NC Community College System, and three positions in a statewide reserve to be deployed as necessary to assist impacted agencies.	Less Receipts	-	-	-
	Appropriation	\$985,682	\$156,585	\$1,142,267
	Positions	-	-	-
<b>2. Salary Adjustment Fund</b>	Requirements	\$27,000,000	-	\$27,000,000
Provides funds to continue the implementation of a new market-aligned salary structure for State agencies. The structure will adjust employee salaries in State job classifications where the pay is below market value. These salary adjustments are to be made based on Office of State Human Resources analysis of the difference in current salary grades and new salary grades implemented during the compensation system update.	Less Receipts	-	-	-
	Appropriation	\$27,000,000	-	\$27,000,000
	Positions	-	-	-
<b>3. Adjust and Distribute Reserve for Public Schools Average Daily Membership (ADM)</b>	Requirements	(\$107,000,000)	-	(\$107,000,000)
Transfers reserve funds allocated for the projected increases in Average Daily Membership (ADM) in K-12 from statewide reserves to the Education section of the budget, adjusting for updated projections.	Less Receipts	-	-	-
	Appropriation	(\$107,000,000)	-	(\$107,000,000)
	Positions	-	-	-
<b>4. Reallocate Reserve for Future Benefit Needs</b>	Requirements	(\$71,000,000)	-	(\$71,000,000)
Transfers SL 2015-241, Sec. 30.26 reserved funds due to inaction by the State Health Plan Board.	Less Receipts	-	-	-
	Appropriation	(\$71,000,000)	-	(\$71,000,000)
	Positions	-	-	-
<b>5. Adjust and Distribute Reserve for University of North Carolina System Enrollment Growth</b>	Requirements	(\$31,000,000)	-	(\$31,000,000)
Transfers reserve funds allocated for the projected enrollment growth at the University of North Carolina System from statewide reserves to the Education section of the budget.	Less Receipts	-	-	-
	Appropriation	(\$31,000,000)	-	(\$31,000,000)
	Positions	-	-	-
<b>6. Adjustment for Existing Job Development Investment Grants Based on Performance</b>	Requirements	-	(\$10,000,000)	(\$10,000,000)
Adjusts funding to reflect projected spending needs based on anticipated payouts of awarded grants. Total funding for JDIG is \$61,728,126 for the 2016-17 fiscal year.	Less Receipts	-	-	-
	Appropriation	-	(\$10,000,000)	(\$10,000,000)
	Positions	-	-	-
<b>7. Adjust Existing OneNC Awards</b>	Requirements	-	(\$417,883)	(\$417,883)
Realigns funding to reflect projected spending needs based on anticipated performance of grantees. Funding for OneNC is \$8,582,117 for the 2016-17 fiscal year.	Less Receipts	-	-	-
	Appropriation	-	(\$417,883)	(\$417,883)
	Positions	-	-	-
<b>8. Required Annual Technical Adjustment for Existing Debt Service Projection</b>	Requirements	-	\$1,253,000	\$1,253,000
Adjusts appropriations for debt service payments based on updated cash flow projections by the State Treasurer for existing projects for the upcoming fiscal year.	Less Receipts	-	-	-
	Appropriation	-	\$1,253,000	\$1,253,000
	Positions	-	-	-

North Carolina State Budget  
 Recommended Adjustments, 2016-17

General Fund  
 Reserves, Debt Service, and Other Adjustments

9. **Information Technology Fund**

Provides funding for IT initiatives discussed in the General Government Section under Information Technology, 19044 Reserve.

<b>Requirements</b>	\$9,723,516	\$1,710,723	\$11,434,239
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	\$9,723,516	\$1,710,723	\$11,434,239
<b>Positions</b>	73.000	-	73.000

**Net Adjustments**

<b>Requirements</b>	(\$171,290,802)	(\$7,297,575)	(\$178,588,377)
<b>Less Receipts</b>	-	-	-
<b>Appropriation</b>	(\$171,290,802)	(\$7,297,575)	(\$178,588,377)
<b>Positions</b>	73.000	-	73.000

**Statewide Information**  
**Statewide Reserves**

	FY 2016-17 Certified				FY 2016-17 Recommended Adjustments			
	Requirements	Receipts	Appropriation	FTE	Appropriation	Net Changes to Appropriation	Net Position Changes	
<b>1XXXX</b>								
<b>19001</b>								
1901 Contingency and Emergency Fund	5,000,000	-	5,000,000	-	5,000,000	-	-	-
<b>19004</b>								
1904	25,000,000	-	25,000,000	-	52,000,000	27,000,000	-	-
<b>19005</b>								
19A5 OSHR Minimum of Market Adjustment	12,000,000	-	12,000,000	-	12,000,000	-	-	-
<b>19013</b>								
19A3 Reserve - JDIG	71,728,126	-	71,728,126	-	61,728,126	(10,000,000)	-	-
<b>19044</b>								
1944 Reserve - IT Funds	43,002,697	-	43,002,697	-	54,436,936	11,434,239	73,000	73,000
<b>19048</b>								
1948 GF-Reserve for Worker's Compensation	21,500,543	-	21,500,543	-	21,500,543	-	-	-
<b>19063</b>								
1963 One NC Fund	9,000,000	-	9,000,000	-	8,582,117	(417,883)	-	-
<b>19064</b>								
1964 GF - Reserve for Future Benefit Needs	71,000,000	-	71,000,000	-	-	(71,000,000)	-	-
<b>19080</b>								
1980 GF Res-UNC Enrollment	31,000,000	-	31,000,000	-	-	(31,000,000)	-	-
<b>19081</b>								
1981 GF Res- Public School ADM	107,000,000	-	107,000,000	-	-	(107,000,000)	-	-
<b>19082</b>								
1982 GF Reserve- Film and Entertainment Grant Fund	30,000,000	-	30,000,000	-	30,000,000	-	-	-
<b>19083</b>								
1983 GF-Connect NC	-	-	-	-	1,142,267	1,142,267	-	-
<b>19425</b>								
1425 Reserves	1,616,380	-	1,616,380	-	2,869,380	1,253,000	-	-
<b>19600</b>								
1100 Direct General Fund - Capital Improvements Appropriation	6,087,500	-	6,087,500	-	6,087,500	-	-	-
<b>Total 1XXXX</b>	<b>433,935,246</b>	<b>-</b>	<b>433,935,246</b>	<b>-</b>	<b>255,346,869</b>	<b>(178,588,377)</b>	<b>73,000</b>	<b>73,000</b>

