



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

May 23, 2023

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*

SUBJECT: Deviation Request from Department of Agriculture and Consumer Services

Pursuant to G.S. 143C-6-4 (b1), prior consultation with Governmental Operations is required when the over expenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the over expenditures.

The Department of Agriculture is requesting to deviate budget code 63708 to properly budget expenditures and receipts for the 2022-23 fiscal year.

In budget code 63708 the agency request to budget funds they need to return to the United States Department of Agriculture (USDA). The Hurricane Assistance Block Grant was funded by the USDA to aid producers in covering losses associated with Hurricanes Florence, Michael, and Dorian not covered by the USDA disaster programs for livestock, poultry, plasticulture, and woodland recovery assistance in the form of management plans and technical assistance to woodland owners. The block grant \$83,485,000 (Program \$79.6m, Admin \$3.8 mil) was transferred to the Department upfront. The grant agreement was executed on January 8, 2021 and was initially scheduled to terminate on December 31, 2024. However, the amendment directs the department to return all grants funds for producer payments not expended by March 31, 2023 and interest before April 14, 2023.

Please see the attached Deviation Exception Request Form for more details.

If you have questions or concerns, please contact Budget Analyst Unika Ashe-Valentine at unika.valentine@osbm.nc.gov.

REQUEST TO DEVIATE UNDER G. S. 143C-6-4(b)(3)(b1):
(b1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures.

DEPARTMENT: NCDA&CS
FISCAL YEAR: 23
Date: 30-Mar-23
Budget Revision #: 12-0013

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
63708 (GASB 1200)	\$ -	\$ -	79,948,810	\$ 79,948,810
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Fund Type Total	\$ -	\$ -	\$ 79,948,810.00	\$ 79,948,810

JUSTIFICATION FOR REQUEST:
 The Hurricane Assistance Block Grant was funded by the United States Department of Agriculture (USDA) Farm Service Agency (FSA) to provide assistance to producers in covering losses associated with Hurricanes Florence, Michael, and Dorian not covered by other USDA disaster programs for livestock, poultry, plasticulture (including greenhouse, vegetable and nursery losses), and woodland recovery assistance in the form of management plans and technical assistance to woodland owners. The Hurricane Assistance Block Grant (Program \$79.6m, Admin \$3.885m) was budgeted on a recurring basis during FY23 so there isn't a certified budget showing. The initial grant agreement had an end date of 12/31/24 but an amendment directs the Department to return all grant funds for producer payments not expended by 3/31/23 and accrued interest before 4/15/23. The return of funds will show as an expense to account 535920 (Return to Grantors). The current fund balance for the Block Grant is \$79,676,983.17 as of 3/30/23 and there is current budgeted at \$2,087,488 for FY23. Additional interest is expected and will need to be returned.

ACCOUNT	DESCRIPTION	CERTIFIED	AUTHORIZED	CURRENT-MONTH	YEAR-TO-DATE	CERTIFIED	UNEXPENDED / UNREALIZED	ENCUMBRANCES	RATE
***** B U D G E T E D ***** A C T U A L ***** UNEXPENDED / UNREALIZED *****									
EXPENDITURES-BUDGET AND ACTUAL									
531312	REGIN S) TEMP WAGES-RECP	.00	.00	8,646.58	19,546.58	19,546.58-	19,546.58-	.00	***
531512	SOCIAL SEC CONTRIB-RECP	.00	.00	661.46	1,495.31	1,495.31-	1,495.31-	.00	***
531XXX	PERSONAL SERVICES	.00	.00	9,308.04	21,041.89	21,041.89-	21,041.89-	.00	***
532170	ADMIN SERVICES	.00	42,206.00	2,720.45	43,477.82	43,477.82-	1,271.82-	1,112.50	1.41
532199	MISC CONTRACTUAL SERVICE	.00	1,068,282.00	24,298.38	1,511,848.64	1,511,848.64-	443,566.64-	298,500.00	2.26
532400	MAINTENANCE AGREEMENTS	.00	.00	1,634.90	1,634.90	1,634.90-	1,634.90-	.00	***
532500	RENTAL / LEASES	.00	.00	2,703.25	2,703.25	2,703.25-	2,703.25-	.00	***
532700	TRAVEL/OTHER EMPLOYEE EX	.00	120.00	.00	120.00	120.00-	.00	.00	1.33
532800	COMMUNICATION / DATA PRO	.00	553.00	3,240.47	3,792.89	3,792.89-	3,239.89-	.00	9.15
532XXX	PURCHASED SERVICES	.00	1,111,161.00	34,597.45	1,563,577.50	1,563,577.50-	452,416.50-	299,612.50	2.24
533100	GENERAL ADMIN SUPPLIES	.00	839.00	1,569.54	2,407.53	2,407.53-	1,568.53-	.00	3.83
533900	OTHER MATERIALS/SUPPLIES	.00	.00	57.30	57.30	57.30-	57.30-	.00	***
533XXX	SUPPLIES	.00	839.00	1,626.84	2,464.83	2,464.83-	1,625.83-	.00	3.92
536E11	USDA - REIMBURSE CROPS	.00	10,000.00	.00	.00	.00	10,000.00	.00	.00
536E12	USDA - REIMB INCOME LOSS	.00	904,692.00	.00	1,177,309.00	1,177,309.00-	272,617.00-	.00	1.74
536E13	USDA-REIMBURSE STRUCTURE	.00	50,806.00	130,907.50	287,723.64	287,723.64-	236,917.64-	.00	7.55
536E14	USDA-REIMBURSE RELOCATIO	.00	10,000.00	.00	.00	.00	10,000.00	.00	.00
536XXX	AID & PUBLIC ASSISTANCE	.00	975,498.00	130,907.50	1,465,032.64	1,465,032.64-	489,534.64-	.00	2.00
538158	INDIRECT COST TRANSFER	.00	.00	1,262.40	2,853.80	2,853.80-	2,853.80-	.00	***
538XXX	INTRAGOVERNMENTAL TRANS	.00	.00	1,262.40	2,853.80	2,853.80-	2,853.80-	.00	***
TOTAL NON-SALARY ITEMS									
		.00	2,087,498.00	168,394.19	3,033,928.77	3,033,928.77-	946,430.77-	299,612.50	2.13
EXPENDITURES									
		.00	2,087,498.00	177,702.23	3,054,970.66	3,054,970.66-	967,472.66-	299,612.50	2.14
REVENUES-ESTIMATED AND ACTUAL									
433120	STIF INT INC-PROGRAM REV	.00	.00	161,355.43	962,551.21	962,551.21-	962,551.21-	.00	***
REVENUES									
		.00	.00	161,355.43	962,551.21	962,551.21-	962,551.21-	.00	***
INCREASE / (DECREASE)									
IN FUND BALANCE		.00	2,087,498.00-	16,346.80-	2,092,419.45-	2,092,419.45	4,921.45	.00	1.34

RMDSD10 CERTIFIED ON 04/25/2023
 BD701-03
 100 DEPT OF AGRICULTURE & CONSUMER SVCS
 63708 HURRICANE DISASTER BG

STATE OF NORTH CAROLINA GENERAL LEDGER SYSTEM
 AGENCY MANAGEMENT BUDGET REPORT
 FOR THE PERIOD ENDING MARCH 31, 2023

PAGE: 2
 C-GI-BD701-CERT-REPORT
 RUN DATE: 04/25/2023
 ATBD701

SUMMARY BY ACCOUNT

***** B U D G E T E D ***** A C T U A L ***** UNEXPENDED / UNREALIZED *****
 CERTIFIED AUTHORIZED CURRENT-MONTH YEAR-TO-DATE CERTIFIED AUTHORIZED ENCUMBRANCES RATE

REVENUES-ESTIMATED AND ACTUAL

CASH ANALYSIS							

BEGINNING BALANCE			81,630,972.91				
+ CASH RECEIPTS			962,551.21				
- CASH DISBURSEMENTS			3,054,970.66				
+ ASSETS			.00				
+ LIABILITY			.00				
+ EQUITY			.00				
= ENDING BALANCE			79,538,553.46				

ADDITIONAL ASSETS

 TOTAL AVAILABILITY 79,538,553.46