



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

August 8, 2024

MEMORANDUM

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*
State Budget Director

SUBJECT: Deviation Requests from the Department of Military and Veterans Affairs

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 Military and Veterans Affairs (DMVA) is requesting to deviate in its Special Revenue -Department of Military and Veterans Affairs (budget code 23050) to close the 2023-24 fiscal year. The deviation request is outlined below.

The Department of Military and Veterans Affairs (DMVA) administers the Scholarship Program for Children of Wartime Veterans. Funds are budgeted in Budget Code 23050, Budget Fund 208905. DMVA is requesting a deviation due to an over-expenditure in their Escheats-Scholarship-Pub Sch Account [56K00004]. The over-expenditure in the Escheats account is a result of disbursements of scholarship funds to public institutions within the UNC and Community College Systems during FY2023-24 for "worthy and needy" students. There is currently an over-expenditure of \$696,636.87 in the Escheats account. DMVA would like to budget available fund balance to cover the overage.

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

If you have questions or concerns, please contact budget analyst, Alice Saunders,
Alice.Saunders@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: Department of Military and Veterans Affairs
FISCAL YEAR: 2024
Date: 5-Aug-24
Budget Revision #: 12-0052

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
23050	\$ 15,697,541	\$ 470,926	\$ 696,637	\$ 225,711
23070	\$ 718,021	\$ 21,541	\$ -	\$ (21,541)
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Fund Type Total	\$ 16,415,562	\$ 492,467	\$ 696,637	\$ 204,170

JUSTIFICATION FOR REQUEST:

Per GS 143C-6-4(b1) DMVA is requesting a deviation within the Scholarships for Children of Wartime Veterans Program to support an over-expenditure in the Escheats Account (56K00004). The over-expenditure occurred due to the disbursement of scholarship funds to public institutions within the UNC and Community College Systems during FY 24 for worthy and needy students. DMVA is requesting to budget available cash balance to cover the overage.