

**THE JOINT CONFERENCE COMMITTEE REPORT  
ON THE  
CONTINUATION, EXPANSION  
AND CAPITAL BUDGETS**

**August 8, 2005**

**Senate Bill 622**

**North Carolina General Assembly  
2005 Session**

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# Budget Reform Statement General Fund Availability

	FY 2005-2006	FY 2006-2007
1 Unappropriated Balance Remaining from Previous Year	0	117,227,875
2 Projected Over Collections FY 2004-05	681,500,000	0
3 Projected Reversions FY 2004-05	115,000,000	0
4 Less Earmarkings of Year End Credit Balance		0
5 Savings Reserve Account	(199,125,000)	0
6 Repairs and Renovations	(125,000,000)	0
7 <b>Beginning Unreserved Credit Balance</b>	<b>472,375,000</b>	<b>117,227,875</b>
8		
9 <b>Revenues Based on Existing Tax Structure</b>	<b>15,417,300,000</b>	<b>16,077,600,000</b>
10		
11 <b>Non-tax Revenues</b>		
12 Investment Income	74,800,000	78,700,000
13 Judicial Fees	144,800,000	148,300,000
14 Disproportionate Share	100,000,000	100,000,000
15 Insurance	49,500,000	51,300,000
16 Other Non-Tax Revenues	138,000,000	151,300,000
17 Highway Trust Fund/Use Tax Reimbursement Transfer	252,558,117	252,663,009
18 Highway Fund Transfer	16,166,400	16,166,400
19 <b>Subtotal Non-tax Revenues</b>	<b>775,824,517</b>	<b>798,429,409</b>
20		
21 <b>Total General Fund Availability</b>	<b>16,665,499,517</b>	<b>16,993,257,284</b>
22		
23 <b>Adjustments to Availability: 2005 Session</b>		
24 Streamlined Sales Tax Changes	40,000,000	61,700,000
25 Maintain 4.5% Sales Tax Rate	417,100,000	462,700,000
26 Other Sales Tax Changes		
27 Apply Sales Tax to Candy	9,800,000	15,800,000
28 Apply General Sales Tax Rate to Cable	10,900,000	26,100,000
29 Exempt Potting Soil for Farmers	(200,000)	(300,000)
30 Tobacco Tax Rate Changes	118,800,000	189,400,000
31 Extend 8.25% Individual Income Tax Rate for 2 years	39,800,000	89,700,000
32 Continue Use Tax Line on Individual Returns	3,200,000	3,200,000
33 Conform Estate Tax to Federal Sunset	29,100,000	115,600,000
34 Film Industry Jobs Incentives	(3,500,000)	(3,500,000)
35 IRC Update -- Partial Conformance	(8,000,000)	(10,700,000)
36 Adjust Rates for Health Maintenance Organizations	0	14,300,000
37 Increase Earmarking for NC Grape Growers Council	(150,000)	(150,000)
38 Proceeds from the Sale of the Polk Building	4,977,781	0
39 Justice and Public Safety fees	17,028,271	20,428,271
40 Transfer from Tobacco Trust Fund	34,000,000	30,000,000
41 Transfers from Special Revenue and Other Funds	5,453,950	0
42 Reimburse Debt Service for Certain Capital Facilities and Land Acquisition per SL 2004-179	5,958,723	21,060,827
43 Transfer to Civil Penalty and Forfeiture Fund	(80,000,000)	(85,000,000)
44 Suspend Highway Fund Transfer	(16,166,400)	(16,166,400)
45 Adjust Transfer from Insurance Regulatory Fund	389,013	243,813
46 Adjust Transfer from Treasurer's Office	468,478	67,478
47 <b>Subtotal Adjustments to Availability: 2005 Session</b>	<b>628,959,816</b>	<b>934,483,989</b>
48		
49 <b>Revised General Fund Availability</b>	<b>17,294,459,333</b>	<b>17,927,741,273</b>
50		
51 <b>Less: General Fund Appropriations</b>		
52 SB 622 (2005 Appropriations Act )	(17,077,231,458)	(17,293,127,963)
53 G.S. 143-15.3B: Clean Water Management Trust Fund	(100,000,000)	(100,000,000)
54 <b>Total General Fund Appropriations 2005-07 Biennium</b>	<b>(17,177,231,458)</b>	<b>(17,393,127,963)</b>
55		
56 <b>Unappropriated Balance Remaining</b>	<b>117,227,875</b>	<b>534,613,310</b>

Adjusted Continuation Budget							
Restores Nonrecurring Reductions Directed by the 2003 General Assembly							
For Fiscal Years 2005-06 and 2006-07							
		FY 2005-2006	General	FY 2005-2006	FY 2006-2007	General	FY 2005-2006
Budget		Recommended	Assembly	Adjusted	Recommended	Assembly	Adjusted
Code	Function	Continuation	Adjustments	Continuation	Continuation	Adjustments	Continuation
	<b><u>Education:</u></b>						
13510	Public Schools	\$6,585,323,929		\$6,585,323,929	\$6,701,093,652		\$6,701,093,652
16800	Community Colleges						
	Scholarships from Escheats		\$7,517,506			\$7,517,506	
	Subtotal	\$748,803,374	\$7,517,506	\$756,320,880	\$748,813,317	\$7,517,506	\$756,330,823
160xx	University System						
	Scholarships from Escheats		\$10,562,440			(\$2,625,120)	
	Subtotal	\$1,832,929,378	\$10,562,440	\$1,843,491,818	\$1,860,934,661	(\$2,625,120)	\$1,858,309,541
16095	UNC Hospital	\$39,627,760		\$39,627,760	\$39,627,760		\$39,627,760
16011,12	UNC - GA Passthrough (16011,12)	\$141,202,864		\$141,202,864	\$154,670,846		\$154,670,846
	Total Education	\$9,347,887,305	\$18,079,946	\$9,365,967,251	\$9,505,140,236	\$4,892,386	\$9,510,032,622
	<b><u>Health and Human Services:</u></b>						
14410	Central Administration	\$102,490,388		\$102,490,388	\$106,490,388		\$106,490,388
14411	Aging	\$29,495,139		\$29,495,139	\$29,495,139		\$29,495,139
14420	Child Development	\$267,350,017		\$267,350,017	\$267,356,799		\$267,356,799
14424	Education Services	\$33,852,267		\$33,852,267	\$34,281,895		\$34,281,895
14430	Public Health	\$135,567,174		\$135,567,174	\$137,060,438		\$137,060,438
14440	Social Services	\$182,316,068		\$182,316,068	\$185,306,068		\$185,306,068
14445	Medical Assistance						
	Medicaid Trust Fund		\$56,000,000			\$36,000,000	
	Subtotal	\$2,629,076,714	\$56,000,000	\$2,685,076,714	\$2,958,257,177	\$36,000,000	\$2,994,257,177
14446	Child Health	\$62,035,981		\$62,035,981	\$62,035,981		\$62,035,981
14450	Services for the Blind	\$9,843,201		\$9,843,201	\$9,962,624		\$9,962,624
14460	Mental Health/DD/SAS						
	Central Office Contracts		\$500,000			\$119,781	
	Institutional Receipts		\$2,550,000			\$2,550,000	
	Subtotal	\$592,325,908	\$3,050,000	\$595,375,908	\$594,706,127	\$2,669,781	\$597,375,908
14470	Facility Services	\$12,551,896		\$12,551,896	\$12,551,896		\$12,551,896
14480	Vocational Rehabilitation	\$41,755,526		\$41,755,526	\$42,142,193		\$42,142,193
	Total Health & Human Services	\$4,098,660,279	\$59,050,000	\$4,157,710,279	\$4,439,646,725	\$38,669,781	\$4,478,316,506
	<b><u>Natural and Economic Resources:</u></b>						
13700	Agriculture & Consumer Services	\$52,243,772		\$52,243,772	\$51,965,810		\$51,965,810
14600	Commerce	\$35,532,306		\$35,532,306	\$35,583,572		\$35,583,572
14601	Commerce - State Aid	\$25,108,087		\$25,108,087	\$25,108,087		\$25,108,087
14300	Environment and Natural Resources	\$167,189,338		\$167,189,338	\$168,187,593		\$168,187,593
14301	Clean Water Mgt Trust Fund	\$62,000,000	\$38,000,000	\$100,000,000	\$62,000,000	\$38,000,000	\$100,000,000
13800	Labor	\$14,198,496		\$14,198,496	\$14,213,868		\$14,213,868
	Total Natural and Economic Resources	\$356,271,999	\$38,000,000	\$394,271,999	\$357,058,930	\$38,000,000	\$395,058,930
	<b><u>Justice and Public Safety:</u></b>						
14500	Correction	\$1,045,627,365		\$1,045,627,365	\$1,060,627,365		\$1,060,627,365
14900	Crime Control & Public Safety						
	VIPER		(\$500,000)			(\$500,000)	
	Caldwell County Armory		(\$975,000)			(\$975,000)	
	National Guard Family Assistance		(\$250,000)			(\$250,000)	
	Victims' Compensation		(\$2,500,000)			(\$2,500,000)	
	Subtotal	\$34,086,632	(\$4,225,000)	\$29,861,632	\$34,186,632	(\$4,225,000)	\$29,961,632
12000	Judicial						
	District Court Tape Recorders		(\$600,000)			(\$600,000)	
	Subtotal	\$342,043,618	(\$600,000)	\$341,443,618	\$345,843,618	(\$600,000)	\$345,243,618
12001	Judicial - Indigent Defense	\$96,688,190		\$96,688,190	\$91,688,190		\$91,688,190
13600	Justice	\$78,155,004		\$78,155,004	\$78,855,004		\$78,855,004
14060	Juvenile Justice	\$139,857,825		\$139,857,825	\$140,157,825		\$140,157,825
	Total Justice and Public Safety	\$1,736,458,634	(\$4,825,000)	\$1,731,633,634	\$1,751,358,634	(\$4,825,000)	\$1,746,533,634

Adjusted Continuation Budget							
Restores Nonrecurring Reductions Directed by the 2003 General Assembly							
For Fiscal Years 2005-06 and 2006-07							
		FY 2005-2006	General	FY 2005-2006	FY 2006-2007	General	FY 2005-2006
Budget		Recommended	Assembly	Adjusted	Recommended	Assembly	Adjusted
Code	Function	Continuation	Adjustments	Continuation	Continuation	Adjustments	Continuation
	<b>General Government:</b>						
14100	Administration	\$60,053,752		\$60,053,752	\$61,483,537		\$61,483,537
13300	State Auditor	\$10,850,737		\$10,850,737	\$10,840,918		\$10,840,918
14800	Cultural Resources	\$61,114,752		\$61,114,752	\$59,597,482		\$59,597,482
14802	Cultural Resources - Roanoke Island	\$1,783,374		\$1,783,374	\$1,783,374		\$1,783,374
11000	General Assembly						
	General Assembly Reserve		\$880,000			\$880,000	
	Subtotal	\$42,984,588	\$880,000	\$43,864,588	\$46,085,432	\$880,000	\$46,965,432
13000	Governor's Office	\$5,324,590		\$5,324,590	\$5,344,528		\$5,344,528
13010	NC Housing Finance	\$4,750,945		\$4,750,945	\$4,750,945		\$4,750,945
13900	Insurance	\$27,831,701		\$27,831,701	\$27,866,769		\$27,866,769
13901	Insurance - Worker's Fund	\$4,500,000		\$4,500,000	\$4,500,000		\$4,500,000
13100	Lieutenant Governor's Office	\$690,697		\$690,697	\$690,697		\$690,697
18210	Office of Administrative Hearings	\$2,976,210		\$2,976,210	\$2,967,712		\$2,967,712
14700	Revenue						
	Examination and Collection		\$3,664,145			\$3,664,145	
	Subtotal	\$79,153,299	\$3,664,145	\$82,817,444	\$79,296,299	\$3,664,145	\$82,960,444
13200	Secretary of State	\$8,568,943		\$8,568,943	\$8,549,857		\$8,549,857
18025	State Board of Elections	\$4,957,543		\$4,957,543	\$4,959,307		\$4,959,307
13005	State Budget and Management (OSBM)						
	Computer Equipment		(\$10,000)			(\$10,000)	
	Subtotal	\$4,914,371	(\$10,000)	\$4,904,371	\$4,918,931	(\$10,000)	\$4,908,931
13085	OSBM - Special Appropriations	\$3,180,000		\$3,180,000	\$3,180,000		\$3,180,000
14160	Office of State Controller	\$9,960,527		\$9,960,527	\$9,966,970		\$9,966,970
13410	State Treasurer	\$8,222,117		\$8,222,117	\$8,228,365		\$8,228,365
13412	State Treasurer - Retirement / Benefits	\$8,146,179		\$8,146,179	\$8,146,179		\$8,146,179
	Total General Government	\$349,964,325	\$4,534,145	\$354,498,470	\$353,157,302	\$4,534,145	\$357,691,447
	<b>Transportation:</b>						
14222	Transportation	\$12,027,377		\$12,027,377			
84210	Highway Fund						
	Death Benefit Plan		\$589,000			\$589,000	
	Subtotal	\$1,398,569,973	\$589,000	\$1,399,158,973	\$1,401,351,921	\$589,000	\$1,401,940,921
	Transportation-General Fund	\$12,027,377		\$12,027,377	\$12,945,066		\$12,945,066
	Transportation-Highway Fund	\$1,398,569,973	\$589,000	\$1,399,158,973	\$1,401,351,921	\$589,000	\$1,401,940,921
	Total General Fund Agency	\$15,901,269,919	\$114,839,091	\$16,016,109,010	\$16,419,306,893	\$81,271,312	\$16,500,578,205
	<b>Debt Service:</b>						
19420	General Debt Service	\$485,185,962		\$485,185,962	\$615,917,453		\$615,917,453
19425	Federal Reimbursement	\$1,616,380		\$1,616,380	\$1,616,380		\$1,616,380
	Total Debt Service	\$486,802,342		\$486,802,342	\$617,533,833		\$617,533,833
	Total Agency plus Debt Service	\$16,388,072,261	\$114,839,091	\$16,502,911,352	\$17,036,840,726	\$81,271,312	\$17,118,112,038
	<b>Reserves &amp; Adjustments:</b>						
19001	Contingency and Emergency Reserve	\$5,000,000		\$5,000,000	\$5,000,000		\$5,000,000
19004	Salary Adjustment Reserve	\$9,000,000		\$9,000,000	\$9,000,000		\$9,000,000
19013	Job Development Incentive Grants	\$4,500,000		\$4,500,000	\$4,500,000		\$4,500,000
190xx	Death/Disability Benefit Plan	\$0	\$18,230,100	\$18,230,100	\$0	\$18,230,100	\$18,230,100
	Total Reserves & Adjustments	\$18,500,000	\$18,230,100	\$36,730,100	\$18,500,000	\$18,230,100	\$36,730,100
	Total General Fund Budget	\$16,406,572,261	\$133,069,191	\$16,539,641,452	\$17,055,340,726	\$99,501,412	\$17,154,842,138
	Total Highway Fund Budget	\$1,398,569,973	\$589,000	\$1,399,158,973	\$1,401,351,921	\$589,000	\$1,401,940,921

**SUMMARY:**

**GENERAL FUND  
APPROPRIATIONS**

Summary of General Fund Appropriations						
Fiscal Year 2005-2006						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2005-06	Adjustments	Adjustments	Changes	Changes	2005-06
<b><u>Education:</u></b>						
Community Colleges	756,320,880	7,140,063	24,225,000	31,365,063	5.00	787,685,943
Public Education	6,585,323,929	(80,645,484)	103,320,500	22,675,016	3.00	6,607,998,945
University System	2,024,322,442	55,618,372	6,112,076	61,730,448	546.20	2,086,052,890
<b>Total Education</b>	<b>9,365,967,251</b>	<b>(17,887,049)</b>	<b>133,657,576</b>	<b>115,770,527</b>	<b>554.20</b>	<b>9,481,737,778</b>
<b><u>Health and Human Services:</u></b>						
Office of the Secretary	102,490,388	13,390,531	(2,025,000)	11,365,531	5.00	113,855,919
Aging Division	29,495,139	0	480,500	480,500		29,975,639
Blind and Deaf / Hard of Hearing Services	9,843,201	(281,404)	115,000	(166,404)		9,676,797
Child Development	267,350,017	0	1,000,000	1,000,000		268,350,017
Education Services	33,852,267	0	0	0		33,852,267
Facility Services	12,551,896	1,151,351	(94,409)	1,056,942	44.50	13,608,838
Medical Assistance	2,685,076,714	(105,304,660)	(70,000,000)	(175,304,660)	3.00	2,509,772,054
Mental Health	595,375,908	5,180,747	2,758,500	7,939,247		603,315,155
NC Health Choice	62,035,981	6,133,784	0	6,133,784		68,169,765
Public Health	135,567,174	12,354,058	4,470,000	16,824,058	26.00	152,391,232
Social Services	182,316,068	5,233,625	963,000	6,196,625	8.00	188,512,693
Vocational Rehabilitation	41,755,526	0	0	0		41,755,526
<b>Total Health and Human Services</b>	<b>4,157,710,279</b>	<b>(62,141,968)</b>	<b>(62,332,409)</b>	<b>(124,474,377)</b>	<b>86.50</b>	<b>4,033,235,902</b>
<b><u>Justice and Public Safety:</u></b>						
Correction	1,045,627,365	(12,310,691)	(3,392,253)	(15,702,944)	-13.00	1,029,924,421
Crime Control & Public Safety	29,861,632	5,172,302	(240,000)	4,932,302	-1.00	34,793,934
Judicial Department	341,443,618	(662,858)	1,824,000	1,161,142	4.00	342,604,760
Judicial - Indigent Defense	96,688,190	(2,650,217)	0	(2,650,217)		94,037,973
Justice	78,155,004	(656,217)	(176,220)	(832,437)	15.00	77,322,567
Juvenile Justice & Delinquency Prevention	139,857,825	(1,284,659)	1,804,500	519,841	-46.00	140,377,666
<b>Total Justice and Public Safety</b>	<b>1,731,633,634</b>	<b>(12,392,340)</b>	<b>(179,973)</b>	<b>(12,572,313)</b>	<b>-41.00</b>	<b>1,719,061,321</b>

Summary of General Fund Appropriations						
Fiscal Year 2005-2006						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2005-06	Adjustments	Adjustments	Changes	Changes	2005-06
<b><u>Natural And Economic Resources:</u></b>						
Agriculture and Consumer Services	52,243,772	(932,926)	730,000	(202,926)	1.00	52,040,846
Commerce	35,532,306	724,693	13,430,000	14,154,693		49,686,999
Commerce - State Aid	11,222,085	500,000	14,790,000	15,290,000		26,512,085
Environment and Natural Resources	167,189,338	(675,770)	10,683,551	10,007,781	28.60	177,197,119
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	0	0		100,000,000
Labor	14,198,496	221,057	0	221,057	3.50	14,419,553
NC Biotechnology Center	9,083,395	1,500,000	1,500,000	3,000,000		12,083,395
Rural Economic Development Center	4,802,607	20,000,000	475,000	20,475,000		25,277,607
<b>Total Natural and Economic Resources</b>	<b>394,271,999</b>	<b>21,337,054</b>	<b>41,608,551</b>	<b>62,945,605</b>	<b>33.10</b>	<b>457,217,604</b>
<b><u>General Government:</u></b>						
Administration	60,053,752	(1,476,791)	3,462,300	1,985,509	6.00	62,039,261
Auditor	10,850,737	0	0	0		10,850,737
Cultural Resources	61,114,752	3,360,462	8,958,300	12,318,762	8.00	73,433,514
Cultural Resources - Roanoke Island	1,783,374	0	0	0		1,783,374
General Assembly	43,864,588	0	(930,000)	(930,000)		42,934,588
Governor	5,324,590	0	0	0		5,324,590
Housing Finance Agency	4,750,945	0	5,700,000	5,700,000		10,450,945
Insurance	27,831,701	243,813	145,200	389,013	3.00	28,220,714
Insurance - Worker's Compensation Fund	4,500,000	0	(2,500,000)	(2,500,000)		2,000,000
Lieutenant Governor	690,697	62,340	1,700	64,040	1.25	754,737
Office of Administrative Hearings	2,976,210	2,000	9,200	11,200		2,987,410
Revenue	82,817,444	(2,330,645)	960,676	(1,369,969)	16.00	81,447,475
Secretary of State	8,568,943	215,075	150,045	365,120		8,934,063
State Board of Elections	4,957,543	110,000	40,000	150,000	1.00	5,107,543
State Budget and Management	4,904,371	112,864	2,500	115,364	2.00	5,019,735
State Budget and Management -- Special	3,180,000	1,931,429	6,247,000	8,178,429		11,358,429
State Controller	9,960,527	77,541	5,200	82,741	1.00	10,043,268
Treasurer - Operations	8,222,117	67,478	401,000	468,478	1.00	8,690,595
Treasurer - Retirement / Benefits	8,146,179	505,278	0	505,278		8,651,457
<b>Total General Government</b>	<b>354,498,470</b>	<b>2,880,844</b>	<b>22,653,121</b>	<b>25,533,965</b>	<b>39.25</b>	<b>380,032,435</b>



Summary of General Fund Appropriations						
Fiscal Year 2005-2006						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2005-06	Adjustments	Adjustments	Changes	Changes	2005-06
<b>Transportation</b>	<b>12,027,377</b>	<b>(11,284,198)</b>	<b>(543,179)</b>	<b>(11,827,377)</b>	<b>0.00</b>	<b>200,000</b>
<b>Statewide Reserves and Debt Service:</b>						
<b>Debt Service:</b>						
Interest / Redemption	485,185,962	4,358,249	0	4,358,249		489,544,211
Federal Reimbursement	1,616,380	0	0	0		1,616,380
<b>Subtotal Debt Service</b>	<b>486,802,342</b>	<b>4,358,249</b>	<b>0</b>	<b>4,358,249</b>		<b>491,160,591</b>
<b>Statewide Reserves:</b>						
Compensation Increases		235,181,327	8,000,000	243,181,327		243,181,327
Salary Adjustment Fund: 2005-07 Biennium	4,500,000	0	0	0		4,500,000
Salary Adjustment Fund: 2004-05 Fiscal Year	4,500,000			0		4,500,000
Teachers' and State Employees' Retirement Contribution		13,810,800	0	13,810,800		13,810,800
Retirement System Payback		0	25,000,000	25,000,000		25,000,000
Death Benefit Trust	12,000,000	899,200	0	899,200		12,899,200
Disability Income Plan	6,230,100	356,400	0	356,400		6,586,500
State Health Plan	0	108,648,000	0	108,648,000		108,648,000
Contingency and Emergency Fund	5,000,000	0	0	0		5,000,000
Information Technology Rate Adjustments		(2,300,000)	0	(2,300,000)		(2,300,000)
Information Technology Fund		8,025,000	16,350,000	24,375,000		24,375,000
MH/DD/SAS Trust Fund		0	10,000,000	10,000,000		10,000,000
Health and Wellness Trust Fund		0	10,000,000	10,000,000		10,000,000
Job Development Investment Grants (JDIG)	4,500,000	4,500,000	0	4,500,000		9,000,000
Increased Fuel Costs		0	3,000,000	3,000,000		3,000,000
Reserve for Contingent Appropriations		85,000,000	0	85,000,000		85,000,000
<b>Subtotal Statewide Reserves</b>	<b>36,730,100</b>	<b>454,120,727</b>	<b>72,350,000</b>	<b>526,470,727</b>		<b>563,200,827</b>
<b>Total Reserves and Debt Service</b>	<b>523,532,442</b>	<b>458,478,976</b>	<b>72,350,000</b>	<b>530,828,976</b>		<b>1,054,361,418</b>
<b>Total General Fund for Operations</b>	<b>16,539,641,452</b>	<b>378,991,319</b>	<b>207,213,687</b>	<b>586,205,006</b>	<b>672.05</b>	<b>17,125,846,458</b>

Summary of General Fund Appropriations						
Fiscal Year 2005-2006						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2005-06	Adjustments	Adjustments	Changes	Changes	2005-06
<b>Capital Improvements</b>						
Water Resources Development Projects	0	0	15,260,000	15,260,000		15,260,000
Other Capital Improvements	0	0	36,125,000	36,125,000		36,125,000
<b>Total Capital Improvements</b>	<b>0</b>	<b>0</b>	<b>51,385,000</b>	<b>51,385,000</b>		<b>51,385,000</b>
<b>Total General Fund Budget</b>	<b>16,539,641,452</b>	<b>378,991,319</b>	<b>258,598,687</b>	<b>637,590,006</b>	<b>672.05</b>	<b>17,177,231,458</b>

Summary of General Fund Appropriations						
Fiscal Year 2006-2007						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2006-07	Adjustments	Adjustments	Changes	Changes	2006-07
<b><u>Education:</u></b>						
Community Colleges	756,330,823	7,265,063	3,700,000	10,965,063	5.00	767,295,886
Public Education	6,701,093,652	(121,286,555)	0	(121,286,555)	3.00	6,579,807,097
University System	2,052,608,147	66,788,934	0	66,788,934	546.20	2,119,397,081
<b>Total Education</b>	<b>9,510,032,622</b>	<b>(47,232,558)</b>	<b>3,700,000</b>	<b>(43,532,558)</b>	<b>554.20</b>	<b>9,466,500,064</b>
<b><u>Health and Human Services:</u></b>						
Office of the Secretary	106,490,388	13,390,531	(1,000,000)	12,390,531	5.00	118,880,919
Aging Division	29,495,139	0	0	0		29,495,139
Blind and Deaf / Hard of Hearing Services	9,962,624	(281,404)	0	(281,404)		9,681,220
Child Development	267,356,799	0	0	0		267,356,799
Education Services	34,281,895	0	0	0		34,281,895
Facility Services	12,551,896	3,360,370	47,200	3,407,570	78.50	15,959,466
Medical Assistance	2,994,257,177	(193,048,018)	(50,000,000)	(243,048,018)	3.00	2,751,209,159
Mental Health	597,375,908	5,180,747	0	5,180,747		602,556,655
NC Health Choice	62,035,981	(10,153,079)	0	(10,153,079)		51,882,902
Public Health	137,060,438	12,354,058	1,400,000	13,754,058	25.00	150,814,496
Social Services	185,306,068	5,373,217	0	5,373,217	8.00	190,679,285
Vocational Rehabilitation	42,142,193	0	0	0		42,142,193
<b>Total Health and Human Services</b>	<b>4,478,316,506</b>	<b>(163,823,578)</b>	<b>(49,552,800)</b>	<b>(213,376,378)</b>	<b>119.50</b>	<b>4,264,940,128</b>
<b><u>Justice and Public Safety:</u></b>						
Correction	1,060,627,365	(12,134,863)	0	(12,134,863)	-13.00	1,048,492,502
Crime Control & Public Safety	29,961,632	5,191,856	0	5,191,856	-1.00	35,153,488
Judicial Department	345,243,618	482,964	0	482,964	9.00	345,726,582
Judicial - Indigent Defense	91,688,190	(3,039,776)	0	(3,039,776)		88,648,414
Justice	78,855,004	(190,973)	33,240	(157,733)	15.00	78,697,271
Juvenile Justice & Delinquency Prevention	140,157,825	(1,284,659)	0	(1,284,659)	-46.00	138,873,166
<b>Total Justice and Public Safety</b>	<b>1,746,533,634</b>	<b>(10,975,451)</b>	<b>33,240</b>	<b>(10,942,211)</b>	<b>-36.00</b>	<b>1,735,591,423</b>

Summary of General Fund Appropriations						
Fiscal Year 2006-2007						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2006-07	Adjustments	Adjustments	Changes	Changes	2006-07
<b><u>Natural And Economic Resources:</u></b>						
Agriculture and Consumer Services	51,965,810	(932,926)	0	(932,926)	1.00	51,032,884
Commerce	35,583,572	644,693	500,000	1,144,693		36,728,265
Commerce - State Aid	11,222,085	500,000	0	500,000		11,722,085
Environment and Natural Resources	168,187,593	(736,504)	0	(736,504)	28.60	167,451,089
DENR - Clean Water Mgmt. Trust Fund	100,000,000	0	0	0		100,000,000
Labor	14,213,868	221,057	0	221,057	3.50	14,434,925
NC Biotechnology Center	9,083,395	1,500,000	0	1,500,000		10,583,395
Rural Economic Development Center	4,802,607	20,000,000	250,000	20,250,000		25,052,607
<b>Total Natural and Economic Resources</b>	<b>395,058,930</b>	<b>21,196,320</b>	<b>750,000</b>	<b>21,946,320</b>	<b>33.10</b>	<b>417,005,250</b>
<b><u>General Government:</u></b>						
Administration	61,483,537	(2,665,064)	0	(2,665,064)	6.00	58,818,473
Auditor	10,840,918	0	0	0		10,840,918
Cultural Resources	59,597,482	3,319,665	0	3,319,665	8.00	62,917,147
Cultural Resources - Roanoke Island	1,783,374	0	0	0		1,783,374
General Assembly	46,965,432	0	0	0		46,965,432
Governor	5,344,528	0	0	0		5,344,528
Housing Finance Agency	4,750,945	0	0	0		4,750,945
Insurance	27,866,769	243,813	0	243,813	3.00	28,110,582
Insurance - Worker's Compensation Fund	4,500,000	0	0	0		4,500,000
Lieutenant Governor	690,697	62,340	0	62,340	1.25	753,037
Office of Administrative Hearings	2,967,712	2,000	0	2,000		2,969,712
Revenue	82,960,444	(2,330,194)	0	(2,330,194)	16.00	80,630,250
Secretary of State	8,549,857	604,450	115,326	719,776	9.00	9,269,633
State Board of Elections	4,959,307	110,000	0	110,000	1.00	5,069,307
State Budget and Management	4,908,931	112,864	0	112,864	2.00	5,021,795
State Budget and Management -- Special	3,180,000	1,931,429	0	1,931,429		5,111,429
State Controller	9,966,970	77,541	0	77,541	1.00	10,044,511
Treasurer - Operations	8,228,365	67,478	0	67,478	1.00	8,295,843
Treasurer - Retirement / Benefits	8,146,179	505,278	0	505,278		8,651,457
<b>Total General Government</b>	<b>357,691,447</b>	<b>2,041,600</b>	<b>115,326</b>	<b>2,156,926</b>	<b>48.25</b>	<b>359,848,373</b>

Summary of General Fund Appropriations						
Fiscal Year 2006-2007						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2006-07	Adjustments	Adjustments	Changes	Changes	2006-07
<b>Transportation</b>	<b>12,945,066</b>	<b>(12,945,066)</b>	<b>0</b>	<b>(12,945,066)</b>	<b>0.00</b>	<b>0</b>
<b>Statewide Reserves and Debt Service:</b>						
<b>Debt Service:</b>						
Interest / Redemption	615,917,453	3,373,687	0	3,373,687		619,291,140
Federal Reimbursement	1,616,380	0	0	0		1,616,380
<b>Subtotal Debt Service</b>	<b>617,533,833</b>	<b>3,373,687</b>	<b>0</b>	<b>3,373,687</b>	<b>0.00</b>	<b>620,907,520</b>
<b>Statewide Reserves:</b>						
Compensation Increases		235,185,705	0	235,185,705		235,185,705
Salary Adjustment Fund: 2005-07 Biennium	4,500,000	0	0	0		4,500,000
Salary Adjustment Fund: 2004-05 Fiscal Year	4,500,000			0		4,500,000
Teachers' and State Employees' Retirement Contribution		13,810,800	0	13,810,800		13,810,800
Retirement System Payback		0	0	0		0
Death Benefit Trust	12,000,000	899,200	0	899,200		12,899,200
Disability Income Plan	6,230,100	356,400	0	356,400		6,586,500
State Health Plan		142,728,000	0	142,728,000		142,728,000
Contingency and Emergency Fund	5,000,000	0	0	0		5,000,000
Information Technology Rate Adjustments		(2,300,000)	0	(2,300,000)		(2,300,000)
Information Technology Fund		8,025,000	0	8,025,000		8,025,000
MH/DD/SAS Trust Fund		0	0	0		0
Health and Wellness Trust Fund		0	0	0		0
Job Development Investment Grants (JDIG)	4,500,000	7,900,000	0	7,900,000		12,400,000
Increased Fuel Costs		0	0	0		0
Reserve for Contingent Appropriations		85,000,000	0	85,000,000		85,000,000
<b>Subtotal Statewide Reserves</b>	<b>36,730,100</b>	<b>491,605,105</b>	<b>0</b>	<b>491,605,105</b>		<b>528,335,205</b>
<b>Total Reserves and Debt Service</b>	<b>654,263,933</b>	<b>494,978,792</b>	<b>0</b>	<b>494,978,792</b>		<b>1,149,242,725</b>
<b>Total General Fund for Operations</b>	<b>17,154,842,138</b>	<b>283,240,059</b>	<b>(44,954,234)</b>	<b>238,285,825</b>		<b>17,393,127,963</b>

Summary of General Fund Appropriations						
Fiscal Year 2006-2007						
2005 Legislative Session						
	Adjusted	Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2006-07	Adjustments	Adjustments	Changes	Changes	2006-07
<b>Capital Improvements</b>						
Water Resources Development Projects	0	0	0	0		0
Other Capital Improvements	0	0	0	0		0
<b>Total Capital Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Total General Fund Budget</b>	<b>17,154,842,138</b>	<b>283,240,059</b>	<b>(44,954,234)</b>	<b>238,285,825</b>	<b>719.05</b>	<b>17,393,127,963</b>

# **EDUCATION**

## **Section F**

## Public Education

## GENERAL FUND

	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$6,585,323,929	\$6,701,093,652

## Legislative Changes

## A. Updated Projections

**1 Average Daily Membership (ADM)**

\$9,402,812	R	\$6,660,059	R
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Revise projected increase in ADM for FY 2005-06 to reflect 2,338 more students than originally projected. Dollar amount of adjustment includes increases to all position, dollar, and categorical allotments.

Total funded ADM for FY 2005-06 is 1,397,372, an increase of 28,309.

Due to upward adjustment of 6,439 in ninth grade ADM receipts from Highway Fund budgeted for Driver's Education would increase by \$129,405 in 2005-06 and \$255,618 in 2006-07 if funding factor remained \$245.55 per ADM for 132,780 total ADM. Reduction in funding factor to \$240 per ADM (see page K3, item 12) results in net reduction of \$607,524 in FY 2005-06 and \$615,156 in FY 2006-07 from anticipated receipts. Total budgeted receipts from Highway Fund in FY 2005-06 will be \$31,867,200.

**2 Budgeted Average Salary**

(\$23,642,099)	R	(\$23,965,417)	R
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Revise budgeted funding for certified personnel salaries based on actual salary data from December 2004. Adjustment does not reduce any salary paid to certified personnel.

**3 Exceptional Children**

(\$3,969,553)	R	(\$3,969,553)	R
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Revise budgeted funding for children with special needs to reflect actual April 1, 2005 headcount. Continuation budget was based on projected headcount. Adjustment does not reduce funding per child.

**4 High Priority Schools**

(\$400,000)	R	(\$400,000)	R
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Revise funds appropriated for High Priority Schools based on projection of fewer participating High Priority Schools. In 2005-06, High Priority Schools will have the option of removing themselves from high priority status.

## B. Continuation Budget Adjustments

**5 Central Office Administration**

(\$510,023)	R	(\$510,023)	R
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Reduce dollar allotment for Central Office Administration by 0.5%. Resulting total allotment in FY 2005-06 is \$101,494,560.



**FY 05-06****FY 06-07****6 School Building Administration**

(\$5,038,433) R (\$5,038,433) R

Allot assistant principal positions on the basis of one 10-month position per 800 ADM. Resulting total allotment for assistant principals in FY 2005-06 is \$80,538,079.

**7 At-Risk Student Services/Alternative Schools**

(\$1,600,000) R (\$1,600,000) R

Reduce At-Risk Student Services/Alternative Schools supplemental funding to reflect transfer of funds to the Department of Juvenile Justice and Delinquency Prevention (DJJDP) for contract educational services provided to school-age youth by Eckerd Youth Alternatives Therapeutic Camps.

**8 School Bus Replacement**

(\$7,915,450) R (\$7,915,450) R

Provide funds to meet outstanding lease purchase payment obligations, and \$10 million for new lease purchases (approximately 476 new buses). Resulting total allotment in FY 2005-06 is \$47,190,642.

**9 Department of Public Instruction (DPI)**

(\$598,666) R (\$598,666) R

Reduce funds for the Department of Public Instruction by 2%

**10 ADM Contingency Reserve**

(\$2,000,000) R (\$2,000,000) R

Reduce ADM Contingency Reserve. Resulting appropriation is \$5,000,000.

**11 Driver's Education**

Reduce receipts from Highway Fund budgeted for Driver's Education by \$607,524 to reflect adjustment of funding factor from \$245.55 to \$240 per 9th grade ADM of 132,780. Resulting total allotment in FY 2005-06 is \$31,867,200.

**C. Reductions: Pass-Through Funds****12 ExplorNet**

(\$100,000) R (\$100,000) R

Reduce pass-through funding to non-profit program by 25%. LEAs may contract for services provided by this organization using various other allotments that may be expended for professional development.

**13 NC Network**

(\$70,875) R (\$70,875) R

Reduce pass-through funding to non-profit program by 25%. LEAs may contract for services provided by this organization using various other allotments that may be expended for professional development.

**14 Partnership for Excellence**

(\$12,500) R (\$12,500) R

Eliminate pass-through funding to non-profit program by 25%. LEAs may contract for services provided by this organization using various other allotments that may be expended for professional development.

**D. Increased Receipts****15 Sales Tax Refundable to LEAs**

(\$33,300,000) R

Redirect estimated State sales tax refundable to LEAs to the State Public School Fund for allotment through State position, dollar, and categorical allotments.

**16 Transfer from Civil Penalties and Forfeitures Fund**

Deposit \$18,000,000 in estimated revenues of the State Civil Penalties and Forfeitures Fund (CPFF) into the School Technology Fund in FY 2005-06 and in FY 2006-07. Deposit \$102,500,000 in estimated CPFF revenues in FY 2005-06 and \$107,500,000 in FY 2006-07 to the State Public School Fund for allotment to the LEAs on a per pupil basis.

**17 Budget Receipts from Civil Penalties & Forfeitures Fund**

(\$102,500,000) R (\$107,500,000) R

Budget increased receipts of \$102,500,000 in FY 2005-06 and \$107,500,000 in FY 2006-07 from Civil Penalties & Forfeitures fund. Adjust General Fund appropriations accordingly.

**E. Expansion: State Public School Fund****18 Low Wealth Supplemental Funding**

\$20,000,000 R \$20,000,000 R

Provide additional funding for LEAs located in counties with below State average ability to raise local revenue for public schools.

**19 Disadvantaged Student Supplemental Funding (DSSF)**

\$22,500,000 R \$22,500,000 R

Continue funding at levels allotted in FY 2004-05 for the sixteen pilot LEAs that have previously received DSSF allotments. LEAs are encouraged to use funds to reduce class size and/or hire additional instructional support personnel, such as counselors, social workers, and nurses.

**20 Evaluate Effectiveness of DSSF and Low Wealth Initiatives**

\$150,000 NR

Provide funds for evaluation of both (i) the extent to which LEAs use DSSF and Low Wealth supplemental allotments to improve outcomes for students at-risk of school failure, and (ii) the extent to which DPI supports the LEAs in using DSSF and other supplemental allotments efficiently and effectively.

**21 ABC Bonuses**

Fund ABC bonuses for schools that met or exceeded expected growth in the 2004-05 school year.

\$100,000,000 NR

**22 Learn and Earn Initiative**

\$3,247,426 R \$3,247,426 R

Expand the Learn and Earn High School Workforce Development Initiative into an additional ten high schools (bringing the total to 15). Provide planning grants to twenty additional high schools. This funding is the second installment toward a \$10 million State match required to activate a \$10 million commitment from the Gates Foundation.

\$917,500 NR

3.00

3.00

**23 Small Specialty High Schools Pilot Program**

\$1,446,877

R

\$1,446,877

R

Fund additional principals, guidance counselors, and clerical staff at new "small specialty schools" within existing high schools at eight pilot sites. Allot each new "school within a school" the dollar equivalent of one principal position, one guidance counselor position, and two clerical positions.

**24 School-Based Child and Family Support Teams**

\$8,500,000

R

\$8,500,000

R

Provide funds to establish school-based child and family support teams that will support children at-risk of school failure by coordinating services among educational and human service agencies working with the children and their families.

**25 Small County Supplemental Funding**

Expand small county supplemental funding allotment to meet requirements of the amended formula.

\$750,000

NR

**26 Virtual High School**

\$150,000

R

\$150,000

R

Provide funds to the State Board of Education for establishment and implementation of a pilot virtual high school during the 2005-2006 school year.

**27 Education Value Added Assessment System (EVAAS)**

\$500,000

R

\$500,000

R

Provide funds to LEAs to purchase licenses for EVAAS diagnostic software. The State Board shall identify up to 20 LEAs to receive funding in FY 2005-06 based on criteria that shall include (i) identified need, (ii) readiness, and (iii) county wealth, as defined in the Low Wealth Supplemental Funding formula. The LEAs shall be distributed geographically. It is the goal of the General Assembly to provide funds in future years so that every LEA may purchase these licenses.

**F. Expansion: Pass-Through Funds****28 Teaching Fellows Scholarships**

\$650,000

R

\$1,300,000

R

Fund 100 additional Teaching Fellows Scholarships.

**29 Communities in Schools**

Provide additional pass-through funding to non-profit program

\$500,000

NR

**30 A+ Schools**

\$100,000

R

\$100,000

R

Provide funding to support non-profit program that assists schools in implementing comprehensive school reform by integrating arts into the curriculum

**31 Center for 21st Century Skills**

\$250,000

R

\$250,000

R

Provide funds to the State Board of Education for establishment of the Center for 21st Century Skills. The State Board will transfer funds to the Office of the Governor for this purpose.

**FY 05-06****FY 06-07****32 Teacher Working Conditions Survey**

\$215,000 R

\$290,000 R

Provide funds to the State Board of Education for administration of the teacher working conditions survey formerly administered and funded out of the Office of the Governor. Provide \$100,000 to NC Network.

**33 SAS in Schools**

\$500,000 R

\$500,000 R

Fund Statewide license for SAS in Schools, an instructional resource that will be made available to all NC teachers online through NC WSEOL.

**34 Regional Education Networks**

\$100,000 NR

Provide funds to the North Carolina Rural Economic Development Center and the e-NC Authority for a feasibility study on developing regional education networks that are centrally managed to provide and sustain broadband connectivity to individual students and teachers in schools, community colleges, and universities. In conducting the study, the Rural Economic Development Center and e-NC Authority shall collaborate with representatives from local school administrative units, The University of North Carolina, private colleges, the State Board of Education, the State Chief Information Officer, and the Community College System.

**35 Science Olympiad Funding**

\$50,000 R

\$50,000 R

Provide funds to expand the Science Olympiad program to all LEAs in the State.

**36 Teach for America**

\$200,000 R

\$200,000 R

Provide funds to non-profit organization that recruits recent college graduates in non-education majors to teach in hard-to-staff schools.

**37 Durham Nativity School**

Provide funds for after school programs, basic office and school supplies, and equipment.

\$25,000 NR

**38 Scarborough Nursery School**

Provide funds for operating expenses.

\$25,000 NR

**39 Futures for Kids**

Provide funds to support non-profit organization that enhances schools' capacities to provide students with opportunities for career exploration.

\$500,000 NR

**40 Project Enlightenment**

Provide funding for Wake County to assist Project Enlightenment in continuing its model Demonstration Preschool program and consultation and education services to children, families, teachers, and other professionals in Wake County.

\$100,000 NR

**41 Cumberland County Schools**

Provide seed funds for an elementary school cultural arts/dance program that focuses on at-risk children.

\$5,000 NR

**42 Mount Airy High School**

Provide funds for a computer lab.

\$20,000 NR

**43 North Surry High School**

Provide funds for a computer lab.

\$20,000 NR

**44 Vance County Public School Fund**

Provide funds to be used to assist in retention and recruitment of teachers.

\$5,000 NR

**45 AKA Center for Community Services**

Provide start-up funds for a tutorial project to reduce suspensions and drop outs in Wilson County.

\$5,000 NR

**46 Wilson Delta Community Revitalization Corporation**

Provide funds to support the implementation of a test taking project for high school students.

\$5,000 NR

**47 Judy Memorial Family Center**

Provide funds to support educational programs.

\$10,000 NR

**48 Edgecombe County Out-of-School Suspension Intervention Program**

Provide funds to Edgecombe County to implement an out of school suspension intervention program for children who are on long-term suspension from school.

\$100,000 NR

**49 WNC Communities**

Provide funds for operational and educational program support.

\$50,000 NR

**50 Southside School Alumni Funds**

Provide funds to the Southside School Alumni Association for replacement of furnishings, repairs, and upgrades.

\$5,000 NR

**51 The Vital Link**

Provide funds for operating support.

\$10,000 NR

**52 God's Vision Ministries**

Provide funds to the Bridge Builder's for Change Juvenile Male Intervention program which provides after school activities for at-risk African American males between the ages of eight to twelve.

\$18,000 NR

**G. Expansion: Department of Public Instruction****53 Receipt Supported Positions**

Create the following permanent receipt supported positions in the Department of Public Instruction:

**A. Healthy Schools – Federal HIV and Abstinence Education Funds**

3 Education Consultants - \$249,056

1 Program Assistant V - \$42,648

Consultants will assist schools in providing health education for HIV and other health issues for school-age populations. Program Assistant will provide clerical and program support for the staff.

**B. Safe Schools – Federal 21st Century Community Learning Centers and Safe and Drug Free Schools Funds**

3 Education Consultants - \$249,056

1 Program Assistant IV - \$39,558

One Consultant will provide technical assistance to schools and LEAs on middle and high school counseling issues. Two Consultants will provide technical assistance to and monitor the 190 centers providing after school programs to at-risk students. Program Assistant will provide clerical and program support for the staff.

**C. Child Nutrition – Federal Child Nutrition Funds**

2 School Meals Program Consultants - \$133,480

One Consultant will assist local education agencies in ensuring that all compliance requirements for federal child nutrition programs are met. The other Consultant will coordinate the implementation and oversight of US Department of Agriculture's Seamless Summer Food Service program, Summer Milk program, Fruit and Vegetable Program, USDA Best Practice program and the Healthier US program.

**D. LEA Plant Operations – Plant Operation Maintenance Receipts**

Facility Electrical Engineer II - \$90,755

Engineering Technician II - \$49,713

Positions will assist LEA customers with engineering projects which includes designing, installing and assisting with electrical, mechanical, HVAC and plumbing projects.

**E. Evaluation and Compliance – Federal Title 1 Funds and Indirect Cost Receipts**

Program Assistant V - \$42,648

Personnel Analyst II - \$66,740

Program Assistant V will provide clerical and program support to the Senior Research Director and the Education Program Administrator for evaluation, research and federal programs. Personnel Analyst II will train agency management and employees with respect to employee relations, the performance management system and equal employment opportunity policies.

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<b>Total Legislative Changes</b>	<b>(\$80,645,484)</b>	<b>R</b>	<b>(\$121,286,555)</b>	<b>R</b>
	<b>\$103,320,500</b>	<b>NR</b>		
<b>Total Position Changes</b>	<b>3.00</b>		<b>3.00</b>	
<b>Revised Budget</b>	<b>\$6,607,998,945</b>		<b>\$6,579,807,097</b>	

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## UNC System

## GENERAL FUND

	FY 05-06		FY 06-07	
<b>Adjusted Continuation Budget</b>	<b>\$2,024,322,442</b>		<b>\$2,052,608,147</b>	
<b>Legislative Changes</b>				
<b>A. Reductions</b>				
<b>54 Management Flexibility Reduction for UNC Campuses and Programs</b>	(\$31,047,708)	R	(\$31,047,708)	R
Reduces the UNC budget for campuses and other programs by 1.72% in FY 05-06 and FY 06-07 and allows management flexibility in handling the cut. This reduction excludes AHEC, Center for Public Television, NC School for the Arts, NC School of Science and Math, State Contractual Scholarship Program and other Related Educational Programs (except Legislative Tuition Grants), and the following K-12 programs: Model Teacher Education Consortium, NC Teach, NC Teacher Academy, Principals Executive Program, Principal Fellows Program, Math and Science Education Network, and the NC Center for the Advancement of Teaching.				
<b>55 Summer School</b>	(\$3,658,515)	R	(\$3,658,515)	R
Eliminates General Fund subsidy of Summer School.				
<b>56 Building Reserves - Minimum Hiring Rate</b>	(\$1,428,329)	R	(\$3,005,385)	R
Reduces the starting salary from the midpoint to the minimum of the pay range for positions related to the operation of new buildings opening during the fiscal year.				
<b>57 Building Reserves - Completion Dates</b>	(\$2,189,924)	NR		
Adjusts the estimated completion dates for construction projects for information made available in March 2005. A delay in project completion results in a reduction in the number of months needed to staff and operate the new or renovated buildings.				
<b>58 SREB Contractual Spaces</b>	(\$169,600)	R	(\$169,600)	R
Eliminates funding for 16 vacant contracted spaces in optometry, dentistry and medical schools negotiated through the Southern Regional Educational Board. (7 dental, 7 medicine, and 68 optometry slots are currently filled with NC residents.)				
<b>59 Need-Based Financial Aid</b>	(\$23,975,714)	R	(\$23,975,714)	R
Continues funding the Need Based Financial Aid program from the Escheats Fund.				



**FY 05-06****FY 06-07****60 Private Medical School Aid**

(\$636,000) R (\$636,000) R

Eliminates \$305,788 from the base budget and a \$330,212 projected increase for 05-06 based on data from the State Education Assistance Authority. The \$1.7 million remaining in the base budget will handle the growth in the number of NC residents attending Wake Forest University and Duke University medical schools.

**61 Medical Scholarships**

(\$768,299) R (\$768,299) R

Reduces the base budget by \$154,664 and eliminates a \$613,635 projected increase because recent data from the State Education Assistance Authority shows that \$1.56 million is sufficient to handle growth in the number of NC residents attending medical schools at ECU, UNC, WFU and Duke.

**62 State Contractual Scholarship Program**

(\$545,800) R (\$545,800) R

Adjusts the program budget to actual needs. Allows for 2.43% growth in enrollment of NC residents in the state's private colleges and universities and funds the enrollment of 575 NC residents at Johnson and Wales University. Continues the \$1,100 per student grant to the colleges.

**63 Juvenile Justice Institute**

(\$250,000) R (\$250,000) R

Reduces the appropriation to this institute at NCCJ from \$500,000 to \$250,000.

**64 Non-credit and Receipt Supported Instruction**

(\$684,532) R (\$684,532) R

Eliminates General Fund subsidy of non-credit and receipt supported instruction on all campuses.

**65 North Carolina Education Research Council**

(\$240,020) R (\$240,020) R

Eliminates the state funding for the North Carolina Education Research Council. This Council was first funded in the 2000 Session to provide research for the Education Cabinet.

-2.00

-2.00

**66 Strategic Initiatives Reserve**

(\$700,000) R (\$700,000) R

Reduces this reserve fund from \$4 million to \$3.3 million.

**B. Expansion****67 Enrollment Growth for UNC Campuses**

\$72,753,678 R \$72,753,678 R

Funds enrollment growth for undergraduate and graduate students in regular term and distance education programs. Regular term enrollment is projected to increase by 3,703 undergraduates and 283 graduate students. Distance education enrollment is projected to increase by 1,518 undergraduates and 1,417 graduate students. The UNC Board of Governors will report back to the Education Oversight Committee on the actual enrollment.

534.70

534.70

**68 Enrollment Growth for NC School of Science and Math**

\$200,000 R \$200,000 R

Increases the enrollment at the NC School of Science and Math by 10 students.

3.00

3.00

**69 Enrollment Growth for Private College Legislative Tuition Grants**

\$1,395,488

R

\$1,395,488

R

Funds a 2.43% increase in enrollment growth in NC residents attending private colleges and universities in the state (to 32,570). Accommodates the enrollment at Johnson & Wales University and students no longer funded by Fort Bragg. Continues the LTG rate at \$1,800 per student.

**70 UNCW / ASU Equity Funding**

\$8,398,101

R

\$8,398,101

R

Increases appropriations to UNCW and ASU so that the appropriation per FTE (full time equivalent) student is 1 standard deviation from the mean for all UNC System campuses. The current appropriation per FTE student is \$8,545 for the UNC System while the approp./FTE for UNCW is \$6,339 (-1.46 STD) and for ASU is \$6,933 (-1.07 STD).

**71 UNCC Transition to Doctoral / Research Intensive Status**

\$5,000,000

R

\$10,000,000

R

Provides funding for additional faculty, library resources, and technology infrastructure needed to implement approved doctoral programs. UNCC achieved Doctoral / Research Intensive status in 2000, but has not received the operating funds commensurate with this elevated academic status.

**72 State Contractual Scholarship Fund Increase**

\$1,596,000

R

\$1,596,000

R

Increases the State Contractual Scholarship Fund from \$1,100 per student in private college to \$1,150 per student.

**73 Need-Based Financial Aid**

Funds the expansion in the Need-based scholarship program from the Escheats Fund. \$8,674,000 is needed due to enrollment growth and \$3,200,000 is needed due to the student loss of Pell Grant funds from a formula change. The Escheats Fund will also continue to pay \$1.1 million for the Health Science and Math Loan Program.

**74 Millennium Teacher Scholarship Loan Program**

Funds \$390,000 for the second class of 60 teaching scholars at ECSU, FSU, and VCU in FY 2005-06 and another \$390,000 for the third class in FY 2006-07. This was inadvertently left out of the base budget. This program is funded from the Escheats Fund.

**75 UNC-NCCCS 2+2 E-Learning Initiative**

\$1,000,000

NR

Provides funding for developing 2+2 distance education programs, for professional development for 2+2 faculty, for technology development and purchases, and for tracking students' progress between NCCCS and UNC. The Community College budget includes an additional \$1 million to support the community college side of this initiative.

**76 UNC-NCCCS Joint Initiative for Teacher Education and Recruitment**

\$480,000

R

\$640,000

R

Creates 8 UNC positions to be based in the Regional Alternative Licensure Centers to support the expansion of the 2+2 Partnership Programs between UNC and NCCCS constituent institutions, to offer admissions advice to community college students seeking to transfer to a four year teacher education program to work with prospective teachers to resolve curriculum issues between UNC and community colleges, and to recruit prospective teachers on community college campuses.

8.00

8.00

**77 Model Teacher Education Consortium**

\$1,000,000

R

\$1,000,000

R

Enables the Consortium to extend its services for lateral entry teachers and paraprofessionals (teacher assistants, substitute teachers, etc.) to additional LEAs. The Consortium now serves 40 LEAs in Eastern NC (Alamance and Richmond are the western most counties served).

**78 CFNC Teacher Recruitment and Marketing Online Module**

\$25,000

R

\$25,000

R

Funds a teacher recruitment module on the College Foundation of North Carolina (CFNC) website. The module would provide future teachers with a single source for information concerning education and licensing requirements; grants, scholarships, and loans; and on-line applications for admissions and financial aid.

**79 Principals Effectiveness Program**

\$125,000

R

\$125,000

R

Provides additional funding to develop programs for new principals that focus on a principal's responsibility for instructional leadership, data-driven decision making, and positive teacher working conditions.

**80 Biotechnology Initiatives**

\$4,941,079

R

\$4,941,079

R

Appropriates \$2 million to the Biomanufacturing Research Institute and Technology Enterprise (BRITE) at North Carolina Central University and \$2.94 million to the Biomanufacturing Training and Education Center (BTEC) at North Carolina State University. Part of the funds are for scientific equipment and supplies needed for startup that were not funded by the construction grant from the Golden LEAF foundation. Funds will also be used to begin hiring administrative and research personnel.

**81 UNC TV Closed Captioning**

\$483,978

R

\$483,978

R

Enables the UNC Center for Public Television to meet a Federal Communication Commission mandate to provide closed captioning on 100% of its content by January 1, 2006. UNC TV must comply with the FCC requirements in order to retain its broadcast license.

**82 William and Ida Friday Institute for Educational Innovation**

\$1,900,000

R

\$1,900,000

R

Provides a reserve for staff, operations, and maintenance costs of the new facility constructed on North Carolina State's Centennial Campus adjacent to Wake County's Centennial Campus Middle School.

**FY 05-06****FY 06-07****83 Teacher Scholarship for Math and Science**

\$650,000

R

\$1,300,000

R

Creates the Future Teachers of North Carolina Scholarship Fund. This fund will award 100 scholarship loans each year to juniors and seniors in North Carolina public and private colleges that agree to become certified to teach math, science, special education, or English as a Second Language in North Carolina public schools. The loan is \$6,500 per year and is not repaid if the recipient teaches for three years in the state.

**84 Scholarship Loan for Prospective Coaches**

\$100,000

R

\$200,000

R

Creates the Physical Education - Coaching Scholarship Loan Fund to provide 25 scholarship loans each year. The loans will be administered by the State Education Assistance Authority. The loans do not have to be repaid if the graduate takes a coaching job in a rural or need-based area. A year of work cancels a year of loan repayment.

**85 NC School of Science and Math University Tuition**

\$585,565

R

\$1,523,183

R

Funds the continued costs of the UNC tuition grant to graduates of the School of Science and Math that began in FY 2004-05. The base budget inadvertently left out funding for future graduates.

**86 North Carolina in the World Project**

\$200,000

NR

Makes a grant to the Center for International Understanding for the project "North Carolina in the World: A Plan to Increase Student Knowledge and Skills about the World".

**87 Manufacturing Extension Partnership**

\$150,000

NR

Increases state funding to this program within the Industrial Extension Service that assists small manufacturers to become more globally competitive.

**88 NC A & T State University Matching Funds**

\$1,089,000

R

\$1,089,000

R

Increases the campus match of federal funds from 80% to 90% for agricultural research and extension programs as mandated by the Agricultural Research, Extension, and Education Reform Act of 1998. The funds are appropriated to the School of Agriculture and Environmental Science.

**89 North Carolina Space Grant Consortium**

\$200,000

R

\$200,000

R

Provides funds to expand the program beyond the current participating universities. The program attempts to attract students to science and engineering degrees by providing undergraduate scholarships, graduate fellowships, research seed grants, and community outreach.

**90 Focused Growth Campus Funds**

\$2,500,000

R

\$2,500,000

R

Provides additional funds to be evenly divided among the seven focused growth institutions (ECSU, FSU, NCA&T, NCUJ, UNC-P, WCU, WVSU).

\$1,250,000

NR

**91 Special Needs Institutions**

Provides funds to UNC-Asheville and the NC School of the Arts for nonrecurring needs.

\$1,000,000 NR

**92 Initiatives to Close the Achievement Gap**

Appropriates funds to the Board of Governors to continue to support the operations and work of the North Carolina Historically Minority Colleges and Universities Consortium. The Consortium will determine the best practices and methodologies for closing the achievement gap among children of various demographic groups who are performing below grade level.

\$300,000 R \$300,000 R

**93 Center for Craft, Creativity and Design**

Provides a reserve for operating this center located on UNC-A's Kellogg Center property in Henderson County. Expenditure of the reserve is contingent on receiving a permanent endowment from a private foundation to fund graduate scholarships.

\$200,000 R \$200,000 R  
2.50 2.50

**94 North Carolina Center on the Advancement of Teaching**

Provides operating funds for NCCAT's new Ocracoke campus to make its professional development services more accessible to Eastern North Carolina.

\$2,300,000 R \$2,300,000 R

**95 ECU Brody School of Medicine - Medicare Receipts**

Repeals \$1 million Medicare reimbursement to General Fund for cost of training physicians (faculty salaries and benefits). Deletion of the receipt in code 16066-0697 results in an increase in the ECU Health Affairs budget. Repeals the reimbursement of operating costs for outpatient facilities (\$700,000) and appropriates funds to hold harmless the ECU Health Affairs budget.

\$1,700,000 R \$1,700,000 R

**96 Judicial College**

Establishes a Judicial College within the UNC-Chapel Hill School of Government to provide training and continuing education for the state's 400 judges.

\$250,000 R \$250,000 R

**97 Renaissance Computing Institute**

Provides funds for the expansion of the Renaissance Computing Institute at UNC-Chapel Hill and other regional campuses.

\$5,900,000 R \$11,800,000 R

**98 Hunt Institute**

Funds operating expenses for the James B. Hunt, Jr. Institute for Educational Leadership and Policy in Chapel Hill. The Institute's mission is to "engage governors and other leaders in strategic efforts to advance and sustain state-level education reform."

\$500,000 R \$500,000 R

**99 Program on Southern Politics, Media and Public Life**

Provides operating support to this policy research program at UNC-Chapel Hill. This research group will provide the General Assembly with reports on demographic, social, economic, and environmental trends.

\$150,000 R \$150,000 R

**100 NCSU Center for Universal Design**

Provides grant to this Center that designs products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.

\$300,000 NR

**101 UNC-CH Cochlear Implant Program**

Appropriates funds to the UNC Board of Governors to fund CASTLE (Center for the Acquisition of Spoken Language Through Listening Enrichment) which is operated by the Carolina Children's Communicative Disorders Program of the UNC Health Care System. CASTLE shall use these funds to 1) train teachers and therapists across the state to work with deaf preschool-age children with cochlear implants and 2) provide oral preschool classes to these children.

\$327,000 NR

**102 NCSU Green Industry Study**

Appropriates funds to the UNC Board of Governors to be allocated to NC State University to evaluate the economic impact of the green industry in the State of North Carolina. The Green Industry is defined as well over 5,000 firms statewide involved in the production, design, installation, maintenance and sale of plants (trees, shrubs, flowers), sod and related goods and services to enhance, beautify, and protect human environments, provide jobs and economic growth. The Board of Governors shall report to the Chairs of the Appropriation Committees of the Senate and House of Representatives regarding the findings of the study.

\$150,000 NR

**103 Western Carolina University Fire Protection**

Provides funds to UNC Board of Governors for a grant-in-aid to the Cullowhee Volunteer Fire Department to purchase a 95 foot platform truck and equipment needed to provide fire protection services to high-rise facilities on the Western Carolina University campus.

\$715,000 NR

**104 NC Central University**

Funds equipment and operational support for the NCCU Department of Athletics and early high school educational programs.

\$100,000 NR

**105 NC A & T State University Arts Center Planning Funds**

Provides funds to NC A & T State University for planning activities related to the construction of a cultural and performing arts center on campus.

\$25,000 NR

**106 North Carolina Japan Center**

Provides funding to operate the NC Japan Center at NCSU.

\$20,000 NR

**107 Bowles Center for Alcohol Studies**

Appropriates funds to the Bowles Center for Alcohol Studies at the UNC-Chapel Hill School of Medicine.

\$450,000 NR

**108 ECU Auditory Learning Center**

Provides funds to the East Carolina University Health Sciences Division and the Auditory Learning Center to 1) train teachers and therapists across the state to work with deaf preschool-age children with cochlear implants, 2) provide oral preschool classes to these children, and 3) coordinate educational planning between the clinical team and the school system

\$100,000 NR

**109 UNC-CH DESTINY Traveling Science Lab**

Appropriates funds to the UNC-Chapel Hill DESTINY Traveling Science Laboratory program

\$500,000 NR

**110 Land Loss Prevention Project**

Appropriates funds to North Carolina Central University to be used to support the Land Loss Prevention Project.

\$225,000 NR

**111 UNC Hospitals - Translational Science Program**

Establishes a program at UNC Hospitals to identify and train junior faculty members in translational research to speed the development of new drugs, therapeutic strategies, devices and/or diagnostics, and to train physicians to collaborate with research faculty to apply medical discoveries to patient care and patient observations in research programs to improve health care.

\$1,000,000 NR

**112 UNC Hospitals Indigent Care**

Provides funds for indigent care services at UNC Hospitals.

\$5,000,000 R \$5,000,000 R

**113 NCSU Agricultural Curriculum Development Coordinator**

Funds an Agricultural Curriculum Development Coordinator at NC State University to develop agricultural education programs in the public schools in North Carolina

\$150,000 NR

**114 NC Cooperative Extension Service Clinton Facility**

Funds the construction of a new office facility to house the North Carolina Cooperative Extension Service in Clinton.

\$140,000 NR

**115 Tyrrell County 4-H Environmental Education Center**

Provides funds to NC Cooperative Extension Service for capital expansion and program activities at the Tyrrell County 4-H Environmental Education Center.

\$500,000 NR

**116 Salary Reserves**

Funds salary increases for NCSU and NC A&T Agricultural Employees (\$4 million) and UNC Chancellors (\$334,147). These salary reserves are found in the Salaries and Employee Benefits section of the budget bill and in the Reserves/Debt Service/Adjustments section of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets.



**C. Transfers****117 WCU & Child Developmental Services Agency - Receipt****Supported Positions**

Transfers twenty receipt-supported positions from Western Carolina University to the Division of Public Health, Women's and Children's Health Section, for the purpose of operating the Children's Developmental Services Agency of the Smokies. The CDSA currently operated by Western Carolina University through contract is transferred to the Division of Public Health.

Habilitation Specialist III - \$32,289  
 Habilitation Specialist III - \$35,311  
 Habilitation Specialist III - \$36,286  
 Habilitation Specialist III - \$35,772  
 Habilitation Specialist III - \$36,373  
 Habilitation Specialist III - \$34,008  
 Habilitation Specialist III - \$33,930  
 Habilitation Specialist III - \$31,200  
 Habilitation Specialist III - \$30,354  
 .50 Staff Psychologist II - \$25,336  
 Two Staff Psychologist II's @\$44,161  
 Two Educational Diagnostician II's @\$32,940  
 Educational Diagnostician II - \$37,886  
 Educational Diagnostician II - \$42,066  
 Spanish Translator - \$28,038  
 Physical Therapist II - \$56,346  
 Occupational Therapist I - \$51,260  
 Speech and Language Pathologist - \$40,310

These positions will be funded through the Individuals with Developmental Disabilities Education Act and Medicaid receipts.



### 118 WCU & Child Developmental Services Agency - State Supported Positions

Transfers twenty-two state supported positions from Western Carolina University to the Division of Public Health, for the purpose of operating the children's Developmental Services Agency of the Smokies. The CDSA currently operated by Western Carolina University through contract is transferred to the Division of Public Health.

.5 FTE Computing Support Technician I - \$11,626  
Two Program Assistant IVs @ \$21,576  
Program Assistant IV - \$29,326  
Program Assistant IV - \$29,627  
Development Evaluation Center Assistant Director - \$52,783  
Staff Psychologist II - \$42,292  
Staff Psychologist II - \$42,131  
Staff Psychologist II - \$46,334  
Administrative Officer III - \$44,923  
.625 FTE Administrative Assistant I - \$22,091  
Processing Assistant IV - \$25,047  
Processing Assistant IV - \$22,800  
.75 Physical Therapist II - \$46,800  
Occupational Therapist I - \$38,773  
Occupational Therapist I - \$42,424  
Speech and Language Pathologist I - \$56,466  
Nutritionist III - \$42,126  
Habilitation Program Supervisor I - \$40,125  
Habilitation Program Coordinator - \$33,363  
Physician Extender II - \$58,210  
DEC Director - \$60,916

These positions will be funded 100% with state funds. The transfer will not have any fiscal impact on the DPH CDSA Program budget because all funds supporting the transfer are currently located within the DPH budget code.

<b>Total Legislative Changes</b>	<b>\$55,618,372</b>	<b>R</b>	<b>\$66,788,934</b>	<b>R</b>
	<b>\$6,112,076</b>	<b>NR</b>		
<b>Total Position Changes</b>	546.20		546.20	
<b>Revised Budget</b>	<b>\$2,086,052,890</b>		<b>\$2,119,397,081</b>	

## Community Colleges

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$756,320,880		\$756,330,823	
<hr/>				
Legislative Changes				
A. Categorical and Miscellaneous Programs				
119 Community Service Block Grant	(\$118,511)	R	(\$118,511)	R
Reduces the Community Service Block Grant by 10%(from \$1,185,114) to \$1,066,603).				
120 Compensatory Education	(\$109,736)	R	(\$109,736)	R
Reduces the appropriation for Compensatory Education by 10% (from \$1,097,364 to \$987,628). Colleges earn FTE for students enrolled in the Compensatory Education program				
121 Off-Campus Center Funding	(\$400,000)	R	(\$400,000)	R
Reduces the appropriation for off-campus centers.				
122 Multi-Campus College Funds	\$1,376,832	R	\$1,376,832	R
Provides additional funding for four colleges that have new multi-campus sites.				
123 NC Center for Applied Textile Technology	(\$475,000)	R	(\$475,000)	R
Reduces the appropriation for the NC Center for Applied Textile Technology based on administrative savings from the merger with Gaston College.				
124 Hosiery Technology Center	\$475,000	R	\$475,000	R
Increases the Hosiery Technology Center's budget to \$600,000, replacing funds lost from the Worker Training Trust Fund. These funds are being transferred from the NC Center for Applied Textile Technology (see item above).				
125 Customized Industry Training	\$2,625,000	R	\$2,750,000	R
Provides funding for a new workforce development program in the community college system that will allow colleges to serve companies that need training in order to stay competitive. The new program will complement training available to industry through Focused Industrial Training and New and Expanding Industry Training.				
126 Small Business Centers	\$1,000,000	R	\$1,000,000	R
Provides additional funding for the small business centers located at each community college.				

**127 UNC-NCCCS 2+2 E-Learning Initiative**

Provides funding to support the development of 2+2 distance education programs, professional development for 2+2 faculty, technology development and purchases, and to track students' progress between NCCCS and UNC. The university budget includes an additional \$1 million to support the university side of this initiative.

\$1,000,000 R

\$1,000,000 R

**128 Isothermal Lifelong Learning Center**

Provides matching funds to Isothermal Community College for the Lifelong Learning Center. Funds may be used for construction of the facility or to equip the facility.

\$1,500,000 NR

**129 Equipment**

Provides additional funding for community college equipment. Of these funds, up to \$500,000 may be used for the design of a replacement boat for the Marine Technology Program at Cape Fear Community College.

\$10,000,000 R

\$10,000,000 R

**130 NCCCS BioNetwork**

Provides funding for the NCCCS BioNetwork.

\$7,101,864 R

\$7,101,864 R

**131 Advanced Manufacturing Center**

Provides funding for the construction of the Bosch & Siemens Advanced Manufacturing Center at Craven Community College.

\$3,700,000 NR

\$3,700,000 NR

**132 Forsyth Tech Center for Emerging Technologies**

Provides funds for the construction of the Center for Emerging Technologies at Forsyth Technical Community College. The Center will house the biotechnology, nanotechnology, design, and advanced information technology programs, the Small Business Center, and Corporate Training Services.

\$3,000,000 NR

**133 Southeastern Community College Facility Funds**

Provides funds to establish, acquire, and/or renovate facilities for biotechnology and other programs at Southeastern Community College.

\$3,000,000 NR

**134 Defense Technology Innovation Center**

Provides funds to the NC Electronics and Information Technologies Association (NCETA) for the development of the Defense Technology Innovation Center, a business incubator focusing on economic development opportunities in the industries relating to homeland security and national defense.

\$2,000,000 NR

**135 Robeson Community College Workforce Development Center**

Provides funds to Robeson Community College for construction of the Workforce Development Center. Funds may also be used for the establishment of a training facility to provide training on the construction and use of structural insulated panels (SIPs).

\$500,000 NR

**136 Lenoir Community College Simulated Cell Area**

Provides funds to Lenoir Community College for the fabrication of a simulated cell for use in training prison personnel in Greene County and the surrounding areas.

\$200,000 NR

**137 Bladen Community College Funds**

Provides funding for the renovation of the physical plant at Bladen Community College.

\$500,000 NR

**138 Cleveland Community College Allied Health & Science Building**

Provides funds for equipment and supplies for the Allied Health and Science Building at Cleveland Community College.

\$1,000,000 NR

**139 Gaston College Equipment and Capital Improvements**

Provides funds to Gaston College for capital improvements, renovation, and equipment. Funds may be used at any of the college's campuses.

\$500,000 NR

**140 COA Chowan Campus Funds**

Provides funds to continue construction of Phase I of the Chowan campus expansion. These funds may be used for construction or equipment on the Chowan campus.

\$1,000,000 NR

**141 Textile Center Building Renovation**

Provides funds to Gaston College for renovation of the Textile Center buildings located in Belmont.

\$1,200,000 NR

**142 Wilson Community College Green Buildings**

Provides funding for environmentally friendly equipment for new "green" buildings at Wilson Community College.

\$300,000 NR

**143 Surry CC Viticulture Center**

Provides funding for the expansion of the Viticulture Center at Surry Community College. These funds may be used for construction or equipment.

\$325,000 NR

**144 Nash Community College Science Building**

Provides funds to equip the new Science Building at Nash Community College.

\$300,000 NR

**145 Edgecombe Community College Allied Health & Science**

Provides funds for planning and development of an Allied Health and Science Center building at Edgecombe Community College.

\$300,000 NR

**146 College of the Albemarle Allied Health Programs**

Provides funds for equipment for expansion of the science labs used for COA's allied health programs.

\$250,000 NR

**147 Central Piedmont Community College Automotive Technology Center**

Provides matching funds for construction of the Hendrickson Automotive Technology Center.

\$1,000,000 NR

**148 Central Carolina Community College**

Provides funds for Central Carolina to be distributed among the campuses as follows:

\$650,000 NR

\$100,000 for the Lee County campus for planning, capital improvements, or equipment for expansion of the campus;  
 \$25,000 for equipment for the Bioprocessing program at the Lee County Campus;  
 \$25,000 for equipment and capital improvements for the library at the Harnett County campus;  
 \$50,000 for the Biofuels Program at the Chatham County campus; and  
 \$450,000 for the development of a new campus in Siler City.

**149 Hickory Metropolitan Higher Education Center**

Provides funds for nursing equipment for use in nursing programs operated at the Hickory Metropolitan Higher Education Center.

\$150,000 NR

**150 Richmond Community College**

Provides funds to Richmond Community College for development of a satellite campus on the site of Scotland Memorial Hospital in Laurinburg.

\$100,000 NR

**151 Sandhills Community College Renovation Funds**

Provides funds to repair, renovate, and expand Owens Auditorium at Sandhills Community College.

\$300,000 NR

**152 Fayetteville Technical Community College**

Provides funds for the continued operation of the Military Business Center at Fayetteville Technical Community College.

\$200,000 NR

**153 NC REAL**

Provides funding for NC REAL to replace funds formerly appropriated from the Worker Training Trust Fund.

\$250,000 NR

**B. Administrative and Instructional Formulae****154 Curriculum Instructional Formula**

(\$7,608,407) R (\$7,608,407) R

Authorizes the State Board of Community Colleges to modify the curriculum instructional formula by adjusting the unit value.

**C. System Office****155 System Office Personnel**

\$225,000 R \$225,000 R

Provides additional funding for two accounting specialists in the Division of Business and Finance, an administrative assistant in the Executive Division, and a Fire and Law Training Coordinator in the Workforce Development Division.

4.00

4.00

**156 Director of College Development**

\$86,000 R \$86,000 R

Provides funding for a new position in the Executive Division to assist colleges with fund raising, grant development, and the federal grant process.

1.00

1.00

**157 Receipt Supported Positions**

Allows for the creation of the following receipt supported positions in the Community College System Office:

A Career Readiness Certification - Workforce Investment Act Funds through the Division of Employment & Training in the Department of Commerce

1 Education Consultant II - \$80,155.40

This position will provide leadership and policy direction to the new Career Readiness Certification System that will be implemented by NCCCS, the local colleges, and the JobLink Career Centers across the State.

**D. Enrollment, Tuition, and Financial Aid****158 Enrollment**

\$7,802,343	R	\$7,802,343	R
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Fully funds the community college enrollment increase.

Enrollment increased by 2,449 FTE in FY 04-05, from 188,610 FTE to 191,059, a 1.30% increase.

**159 Need Based Financial Aid**

(\$10,262,806)	R	(\$10,262,806)	R
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Funds the Need Based Financial Aid program from the Escheats Fund. An additional \$3,000,000 will be appropriated from the Escheats fund - \$2 million to offset the change in Pell Grant eligibility, and \$1 million to offset an increase in tuition. The total amount available for Need Based Financial Aid will be \$13,981,202.

**160 Tuition**

(\$5,577,516)	R	(\$5,577,516)	R
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Increases community college tuition by 4% from \$38 per credit hour to \$39.50. Full-time students will pay \$632 per semester or \$1,264 per year.

**161 Enrollment Reserve Fund**

\$2,000,000	NR
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Creates an enrollment reserve fund to assist colleges that experience high growth in the Fall Semester. Funds shall be distributed to colleges in which the enrollment growth in the Fall semester exceeds 5% over the previous year.

**E. Salary Information Items****162 Increase Faculty and Professional Staff Salaries**

Funds are included in the Salary Reserve Section of this budget to provide an additional 2% increase to faculty and professional staff in the community colleges. These funds are in addition to funds provided for State Employee increases.

**163 President's Salary Schedule**

Funds are appropriated in the Salary Reserve Section of this Budget to provide additional increases to the Community College Presidents. Funds will be allocated in accordance with the Salary Schedule revised by the System Office dated July 27, 2005.

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<b>Total Legislative Changes</b>	<b>\$7,140,063</b>	R	<b>\$7,265,063</b>	R
	<b>\$24,225,000</b>	NR	<b>\$3,700,000</b>	NR
<b>Total Position Changes</b>	5.00		5.00	
<b>Revised Budget</b>	<b>\$787,685,943</b>		<b>\$767,295,886</b>	

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**HEALTH  
&  
HUMAN SERVICES  
Section G**



## Health and Human Services

## GENERAL FUND

	FY 05-06		FY 06-07
Adjusted Continuation Budget	\$4,157,710,279		\$4,478,316,506

## Legislative Changes

## ( 1.0) Division of Medical Assistance

**1 Freeze Medicaid Rates**

(\$62,491,547)	R	(\$137,055,611)	R
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Freezes rates for SFY 2005-06 for most Medicaid providers at the level authorized in SFY 2004-05. The rate freeze applies to all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the noninflationary components of the case-mix reimbursement system for nursing facilities. Inflationary increases for Medicaid providers paying provider fees (private LCF-MRCs and nursing facilities) can occur if the state and county share of the increases can be funded with provider fees.

**2 Personal Care Services Utilization Management**

(\$13,711,542)	R	(\$16,115,389)	R
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Reduces funding for Personal Care Services by directing the Division of Medical Assistance to develop a utilization management system for personal care services and PCS-Plus.

**3 Co-Payments**

(\$5,400,000)	R	(\$5,400,000)	R
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Increases the co-payments for the following services: chiropractic, optometry, podiatry, non-emergency ER visits, inpatient hospital stays, and generic prescription drugs. The new co-payments will be as follows:

Chiropractic	\$ 3.00
Optical	\$ 3.00
Podiatry	\$ 3.00
Hospital Outpatient	\$ 3.00
Non-emergency ER Visit	\$ 3.00
Generic Prescription Drug	\$ 3.00

Effective October 1, 2005.

**4 Drug Utilization Management Plan**

(\$2,749,963)	R	(\$6,788,009)	R
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Expands drug utilization management measures intended to contain the cost of Medicaid prescription drug expenditures.

**5 Medicare Part D Claw Back**

(\$11,000,000)	R	(\$22,000,000)	R
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Reduces funding to reflect the savings realized by the State when the Medicare Part D program begins paying for prescription drugs for dual eligibles January 1, 2006.

**6 Medicaid Reserve Fund**

Transfers funding from the G.S. 143-23.2 reserve to support current services and reduces state appropriations.

(\$50,000,000) NR

(\$50,000,000) NR

**7 Revised Medicaid Forecast**

Reduces State appropriations for the Medicaid Program based on the revised forecast for SFY 2005-06.

(\$20,000,000) NR

**8 Community Care of NC Management Savings**

Reduces funding for the Medicaid program due to increased savings resulting from the expansion of scope of the Community Care of NC Program to Aged, Blind, and Disabled Medicaid recipients that are dually eligible for Medicaid and Medicare.

(\$22,225,000) R

(\$32,225,000) R

**9 Community Care of NC Enhancement**

Expands the scope of the Community Care of NC program to Medicaid recipients who are Aged, Blind, and Disabled and dually eligible for Medicaid and Medicare. The Community Care of NC program will focus on improving the management and coordination of services for the dually eligible targeting Personal Care Services, Private Duty Nursing, Home Health, Durable Medical Equipment, Ancillary Professional Services, Specialty Care, Home Infusion Therapy, Pharmacy, and Residential Long-Term Care Services. Enhancing the financing of the Community Care of North Carolina program will insure that the Community Care Management Savings reductions will occur.

\$3,000,000 R

\$6,000,000 R

**10 Ticket-to-Work Medicaid Expansion**

Provides funding to implement a Medicaid buy-in program for workers with disabilities. Effective July 1, 2006.

\$150,000 R

**11 ACH Personal Care Services for Residents of Special Care Units**

Provides funding to increase the number of hours of Adult Care Home Personal Care Services for residents of Special Care Units from 1.1 hours per day to 4.07 hours per day beginning October 1, 2006.

\$1,744,186 R

**12 Policy Research and Planning**

Provides funding to increase staff for the Division of Medical Assistance to expand policy research and planning activities. Activities include the following:

\$175,000 R

\$175,000 R

3.00

3.00

(1) Review of the Medicaid State Plan to ensure the program is in compliance with all applicable federal laws and regulations;

(2) Researching emerging state, regional, and national health care issues; and

(3) Advising on state and national Health care policies, laws and regulations.

**13 Increase Rates for Dental Services**

Provides funding to increase Medicaid rates for dental services.

\$2,000,000 R

\$2,000,000 R

**14 Coverage for Children 0 to 5 to 200% FPL**

\$7,098,392

R

\$16,466,805

R

Provides funding to transfer children age birth to five in families with incomes up to 200% of the federal poverty level from the NC Health Choice Program to the Medicaid Program Effective January 1, 2006.

**( 2.0) NC Health Choice****15 NC Health Choice**

\$6,133,784

R

(\$10,153,079)

R

Provides funding for the NC Health Choice program to support increased enrollment of children age 6 to 18. Authorizes 3% enrollment growth every six months. Authorizes the NC Health Choice program to pay 115% of Medicaid rates effective no later than January 1, 2006 and authorizes 100% of Medicaid rates effective July 1, 2006.

**( 3.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services****16 Institutional Receipts**

(\$2,550,000)

R

(\$2,550,000)

R

Reduces funding for the State institutions by budgeting over-realized receipts.

**17 Central Office**

(\$500,000)

R

(\$500,000)

R

Continues reduction in funding for the Central Office based on historical reversions.

**18 Crisis Intervention Services**

\$2,000,000

R

\$2,000,000

R

Provides funding for the start-up and ongoing costs of providing community based crisis services for children and adults in the mental health target population.

**19 Long-Term Vocational Support Services**

\$1,500,000

R

\$1,500,000

R

Provides funding to expand long-term vocational support services to additional clients in supported employment.

**20 System of Care for Child Mental Health**

\$2,000,000

R

\$2,000,000

R

Provides transition funding for area and county programs for the implementation and on-going support of community-based system of care child and family teams.

**21 Mental Health Treatment Court**

\$258,000

R

\$258,000

R

Provides continuation funding for the mental health treatment courts in the 15B (Orange/Chatham) and 26 (Mecklenburg) judicial districts.

**22 Intensive Substance Abuse Services for Children**

\$1,250,000

R

\$1,250,000

R

Provides funding for the delivery of substance abuse services for children through multisystemic therapy and intensive in-home services.

**23 Division TEACCH Program**

\$472,747 R

\$472,747 R

Provides funding for the Division TEACCH Program at the University of NC at Chapel Hill:

\$153,000 to support a staff person responsible for researching and developing new public funding opportunities to support research and program development;

\$132,847 for the Raleigh TEACCH Center;

\$149,375 TEACCH mandated faculty salary increases;

\$17,525 for administrative staff at the Greensboro TEACCH Center; and

\$20,000 for rent increases in diagnostic clinics.

**24 Adult Substance Abuse Services**

\$750,000 R

\$750,000 R

Provides funding for adult substance abuse services.

**25 El Futuro, Inc.**

Provides a grant-in-aid to El Futuro, Inc. to develop a pilot project to improve access to and quality of mental health, developmental disabilities, and substance abuse services currently available to the Latino population in Orange and Chatham counties.

\$75,000 NR

**26 Autism Society**

Provides funding for a grant-in-aid to the Autism Society.

\$300,000 NR

**27 Hope Haven, Inc.**

Provides a grant-in-aid to Hope Haven, Inc. for operation and support for a rehabilitation home for mothers and their children and other individuals with addiction problems.

\$100,000 NR

**28 Orange-Person-Chatham Mental Health Authority**

Provides a grant-in-aid for the Orange-Person-Chatham Mental Health Authority for program services.

\$100,000 NR

**29 Mission House for Women**

Provides a grant-in-aid to the Mission House for Women for its operations.

\$10,000 NR

**30 Derek's Renaissance House, Inc.**

Provides a grant-in-aid to Derek's Renaissance House, Inc. to assist with rehabilitation of persons with severe and persistent mental illness living in Wake County and surrounding areas.

\$50,000 NR

**31 Myrover-Reese Fellowship Home, Inc.**

Provides a grant-in-aid to the Myrover-Reese Fellowship Home, Inc. for substance and alcohol abuse services and rehabilitation efforts.

\$3,500 NR

**32 Community Alternatives for Supportive Abodes**

Provides a grant-in-aid to Community Alternatives for Supportive Abodes in Wake County.

\$20,000 NR

**33 LME Administration**

Provides funding to address unmet needs for local management entity administration.

\$1,950,000 NR

**34 Orange-Person-Chatham Mental Health Authority**

Provides a grant-in-aid to the Orange-Person-Chatham Mental Health Authority to fund Club Nova Mental Health Agency to promote opportunities for adults with mental illness.

\$75,000 NR

**35 Orange-Person-Chatham Mental Health Authority**

Provides a grant-in-aid to the Orange-Person-Chatham Mental Health Authority to fund Kidscope Mental Health Agency to provide services to families with youth with mental illness.

\$75,000 NR

**( 4.0) Division of Facility Services****36 Overrealized, Unbudgeted, Indirect Receipts**

Requires the Department of Health and Human Services to budget overrealized, unbudgeted, indirect receipts within the Division of Facility Services and to reduce state appropriations in the programs and activities that received the overrealized, unbudgeted, indirect receipts.

(\$600,000) NR

**37 Licensure and Inspection Fees**

Doubles all existing licensure and inspection fees for health care facilities (excluding Hospice and Emergency Medical Services).

(\$1,800,000) R (\$1,800,000) R

**38 Mental Health Licensure and Inspections**

Expands the Division of Facility Services' Mental Health Licensure and Certification Section by 13 positions in the first year and an additional 10 positions in the second year. Additional staff will allow annual inspections of 24-hour residential facilities for the mentally ill, developmentally disabled, and substance abuse populations. Two additional regional offices will be created.

\$936,029 R \$1,560,724 R  
\$45,500 NR \$12,000 NR  
13.00 23.00

**39 Adult Care Licensure and Inspections**

Expands the Division of Facility Services' Adult Care Licensure Section by 14 positions in the first year and an additional 17 positions in the second year. Additional staff will allow annual inspections of adult care homes. Two additional regional offices will be created.

\$1,006,927 R \$2,080,955 R  
\$48,300 NR \$25,000 NR  
14.00 31.00

**FY 05-06****FY 06-07****40 Construction Inspections**

Expands the Division of Facility Services' Construction Section by 9 positions in the first year and an additional 7 positions in the second year. Additional staff will allow physical plant and life-safety inspections of adult care homes and 24-hour residential facilities for the mentally ill, developmentally disabled, and substance abuse populations every two years. Also allows for a faster initial regulatory compliance review time.

\$656,413 R  
\$33,600 NR  
9.00

\$1,166,709 R  
\$10,200 NR  
16.00

**41 Complaint Intake**

Expands the Division of Facility Services' Complaint Intake Unit by 3.5 positions. This expansion will provide the staff necessary to respond to the anticipated increase in complaint call volume as the DFS toll-free complaint number will now be posted in all residential facilities monitored by DFS. This expansion will also support a new automated call directory system.

\$133,487 R  
\$372,722 NR  
3.50

\$133,487 R  
3.50

**42 Home Care Agency Licensure and Inspections**

Expands the Division of Facility Services' Licensure and Certification Section by 5 positions. Additional staff will allow for inspection and monitoring of non-Medicare licensed home care agencies on the same inspection schedule as Medicare certified agencies (every 36 months).

\$218,495 R  
\$5,469 NR  
5.00

\$218,495 R  
5.00

**43 Receipt Supported Positions - HSRA Bioterrorism**

Creates two positions for the Division of Facility Services to develop disaster management initiatives in the Office of Emergency Medical Services:

Social Services Program Coordinator - \$44,923  
Social Services Program Administrator I - \$49,076

These positions will be 100% receipt-supported through the federal Bioterrorism Hospital Preparedness Grant and the federal EMS for Children Grant.

**( 5.0) Division of Vocational Rehabilitation****44 Receipt Supported Positions - Watauga, Ashe, and Alleghany County Schools**

Creates 1 position within the Division of Vocational Rehabilitation that will be shared equally between Watauga County Schools, Ashe County Schools, and Alleghany County Schools.

Rehabilitation Counselor I - \$38,038

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**45 Receipt Supported Position - Buncombe County and Madison County Schools**

Creates 1 position within the Division of Vocational Rehabilitation that will be shared equally between Buncombe County Schools and Madison County Schools.

Human Resources Placement Specialist - \$28,000

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**46 Receipt Supported Position - Catawba County Schools**

Creates 1 position within the Division of Vocational Rehabilitation for the Catawba County Schools.

Rehabilitation Counselor I - \$36,750

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**47 Receipt Supported Positions - Charlotte/Mecklenburg Board of Education**

Creates 3 positions within the Division of Vocational Rehabilitation for the Charlotte/Mecklenburg School System

2 Rehabilitation Casework Technician I's - \$30,900 each  
Vocational Evaluator II - \$33,561

These positions are 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**48 Receipt Supported Positions - Columbus County and Whiteville City Schools**

Creates 2 positions within the Division of Vocational Rehabilitation. The Rehabilitation Casework Technician position will be shared equally between Columbus County Schools and Whiteville City Schools. The Rehabilitation Counselor I position is for Columbus County Schools.

Rehabilitation Casework Technician - \$30,900  
Rehabilitation Counselor I - \$36,050

These positions are 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**49 Receipt Supported Positions - New Hanover Board of Education**

Creates 2 positions within the Division of Vocational Rehabilitation for the New Hanover County School System

Rehabilitation Casework Technician - \$30,900  
Rehabilitation Counselor I - \$36,050

These positions are 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**50 Receipt Supported Position - Onslow County Board of Education**

Creates 1 position within the Division of Vocational Rehabilitation for the Onslow County Schools.

Rehabilitation Counselor I - \$36,050

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**51 Receipt Supported Position - Pitt County Schools**

Creates 1 position within the Division of Vocational Rehabilitation for the Pitt County Schools.

Rehabilitation Counselor I - \$36,050

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**52 Receipt Supported Position - Stanley County Schools**

Creates 1 position within the Division of Vocational Rehabilitation for the Stanley County Schools.

Human Resources Placement Specialist - \$33,268

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**53 Receipt Supported Position - Wilkes County Schools**

Creates 1 position within the Division of Vocational Rehabilitation for the Wilkes County Schools.

Human Resources Placement Specialist - \$32,550

This position is 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).



**54 Receipt Supported Positions - Winston-Salem/Forsyth County Schools**

Creates 2 positions within the Division of Vocational Rehabilitation for the Winston-Salem/Forsyth County School System

Rehabilitation Counselor I - \$34,042

Vocational Evaluator II - \$34,042

These positions are 100% receipt-supported through local funds (21.3%) and US Department of Education-Basic Support funds (78.7%).

**( 6.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing**

<b>55 Medical Eye Care Program</b>	(\$81,404)	R	(\$81,404)	R
Reduces funding for inflation for the biennium				

<b>56 Receipts from Wireless and Relay Funds</b>	(\$200,000)	R	(\$200,000)	R
Reduces funding by increasing receipts from the Wireless and Relay Funds to support 29% of fourteen existing positions in the Division of Services for the Deaf and Hard of Hearing.				

**57 Accessible Electronic Information for Blind and Disabled Persons**

Provides funding to establish an accessible electronic information service for blind and disabled persons.	\$75,000	NR
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**58 North Carolina Association of Radio Reading Services**

Provides a grant-in-aid to the North Carolina Association of Radio Reading Services.	\$40,000	NR
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**( 7.0) Division of Aging and Adult Services****59 N.C. Senior Games Program**

Provides a grant-in-aid to North Carolina Senior Games, Inc. for the North Carolina Senior Games Program	\$100,000	NR
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**60 Coordinating Council for Senior Citizens, Durham, N.C.**

Provides a grant-in-aid to the Coordinating Council for Senior Citizens, Durham, N.C.	\$50,000	NR
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**61 Camden County Senior Services**

Provides a grant-in-aid to Camden County for the purchase of a vehicle for the Camden County Senior Services program	\$22,000	NR
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**62 Jewish Community Center of Charlotte, Inc.**

Provides a grant-in-aid to the Jewish Community Center of Charlotte, Inc. for the Levine Jewish Community Center Senior Programs.	\$200,000	NR
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**63 Town of Wendell**

Provides a grant-in-aid to the Wendell Senior Center to serve senior citizens in Eastern Wake County.	\$15,000	NR
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**64 Cumberland County Retired Senior Volunteer Program, Inc.**

Provides a grant-in-aid to the Cumberland County Retired Senior Volunteer Program Inc.

\$3,500 NR

**65 Wilson Community Improvement Association, Incorporated**

Provides a grant-in-aid to the Wilson Community Improvement Association, Incorporated to support the senior citizens program for health and wellness and transportation.

\$40,000 NR

**66 Black Creek Family and Enrichment Center**

Provides a grant-in-aid to the Black Creek Family and Enrichment Center.

\$15,000 NR

**67 Little River Community Complex, Inc.**

Provides a grant-in-aid to Little River Community Complex, Inc. for maintenance of the facility and continuation of senior programs.

\$15,000 NR

**68 Meals on Wheels Council, Inc.**

Provides a grant-in-aid to Meals on Wheels Council, Inc. in New Hanover County.

\$20,000 NR

**( 8.0) Division of Social Services****69 State/County Special Assistance**

Reduces excess funding in continuation budget.

(\$977,007) R (\$1,332,626) R

**70 Increase SA Rate for Residents of Special Care Units**

Provides funding for an increase in the State/ County Special Assistance rate for residents of Special Care Units from \$1,084 to \$1,515 beginning October 1, 2005.

\$285,632 R \$380,843 R

**71 State/County Special Assistance Rate Adjustment**

Provides state funds for an increase in the State/ County Special Assistance monthly rate from \$1,084 per month to \$1,118 per month effective October 1, 2005. The total requirement for the increase is \$5,400,000 in SFY 2005-06 and \$6,200,000 in SFY 2006-07, with the state funding 50% and counties funding the remaining 50%

\$2,700,000 R \$3,100,000 R

**72 Reallocation of Child Caring Institutions Funding**

Reallocates funding for child caring institutions to provide the necessary resources to strengthen regulatory oversight in the Division of Social Services for all foster care facilities.

(\$693,295) R (\$693,295) R

**73 Strengthen Regulatory Oversight for Licensure**

Provides funding to strengthen regulatory oversight in the Division of Social Services for all foster care facilities.

\$693,295 R \$693,295 R

8.00

8.00

**74 Food Banks**

Provides funding to be equally distributed to the regional network of food banks in North Carolina.

\$1,000,000 R \$1,000,000 R

**75 Multiple Response System**

\$2,000,000 R

\$2,000,000 R

Provides funding to hire additional child protective services workers at the local level to reduce the caseload per child protective services worker ratios throughout the State to support the expansion of the multiple response system to all counties in the State. This funding will be used to expand the Multiple Response System to counties which have not implemented the program

**76 Child Advocacy Centers**

\$225,000 R

\$225,000 R

Provides equal grants-in-aid to each certified child advocacy center.

\$150,000 NR

**77 Women-in-Action, Inc.**

Provides a grant-in-aid for Women in Action, Inc. for the Prevention of Violence and Its Causes located in Durham

\$50,000 NR

**78 Thompson Child & Family Focus.**

Provides a grant-in-aid to Thompson Child & Family Focus.

\$200,000 NR

**79 Florence Crittenton Services, Inc.**

Provides a grant-in-aid to the Florence Crittenton Services, Inc. for operational and program support services.

\$100,000 NR

**80 Allegro Foundation**

Provides a grant-in-aid to Allegro Foundation for operational and support services.

\$25,000 NR

**81 Children's Home Society of North Carolina, Inc.**

Provides a grant-in-aid to the Children's Home Society of North Carolina, Inc.

\$100,000 NR

**82 Strengthening the Black Family, Inc.**

Provides a grant-in-aid to Strengthening the Black Family, Inc. for educational enrichment.

\$10,000 NR

**83 Youth Vision**

Provides a grant-in-aid to Youth Vision to assist with its summer enrichment program for children in Craven County.

\$15,000 NR

**84 The Family Place**

Provides a grant-in-aid to The Family Place for operational support.

\$10,000 NR

**85 Boys and Girls Clubs of Wayne County, Inc.**

Provides a grant-in-aid to the Boys and Girls Clubs of Wayne County - M. Oive Unit for operational support.

\$5,000 NR

**86 Dillard/Goldsboro Alumni and Friends, Incorporated**

Provides a grant-in-aid to the Dillard/Goldsboro Alumni and Friends, Incorporated for the Dillard Alumni Community Service Organization for an after-school enrichment program

\$10,000 NR

**87 First Baptist Church of Clinton, Inc.**

Provides a grant-in-aid to the First Baptist Church of Clinton, Inc. for operational support of a homeless shelter.

\$5,000 NR

**88 The Riley Hill Family Life Center**

Provides a grant-in-aid to The Riley Family Life Center for educational and community services.

\$15,000 NR

**89 Anita Stroud Foundation, Inc.**

Provides a grant-in-aid to the Anita Stroud Foundation, Inc. for an after-school program for children in public housing.

\$35,000 NR

**90 The Young Men's Christain Association of Greater Charlotte**

Provides a grant-in-aid to The Young Men's Christain Association of Greater Charlotte for the McCreary Family Branch YMCA for equipment upgrades.

\$10,000 NR

**91 Urban League of Central Carolinas, Inc.**

Provides a grant-in-aid to the Urban League of Central Carolinas, Inc. for operational support.

\$5,000 NR

**92 Dillard Educational and Economic Development Service, Inc.**

Provides a grant-in-aid to the Dillard Educational and Economic Development Service, Inc. for programs for at-risk youth.

\$5,000 NR

**93 Orange Congregation in Mission, Inc.**

Provides a grant-in-aid to the Orange Congregation in Mission, Inc. to provide emergency services to residents.

\$5,000 NR

**94 Cedar Grove Missionary Baptist Association, Inc.**

Provides a grant-in-aid to the Cedar Grove Missionary Baptist Association, Inc. for emergency services for poor and needy residents.

\$5,000 NR

**95 Black Child Development Institute of Greensboro, Inc.**

Provides a grant-in-aid to the Black Child Development Institute of Greensboro, Inc. for operational support.

\$5,000 NR

**96 Greensboro Lifeskills Center**

Provides a grant-in-aid to the Greensboro Lifeskills Center for operational support.

\$10,000 NR

**97 Young Men's Christian Association of High Point, Inc.**

Provides a grant-in-aid to the Young Men's Christian Association of High Point, Inc. for the Carl Chavis Memorial Branch YMCA to provide public services and enrichment programs.

\$13,000 NR

**98 Faith Matters**

Provides a grant-in-aid to Faith Matters to assist low-income women and their families psychological, psychosocial and economic needs related to welfare reform.

\$5,000 NR

**99 Town of Tabor City**

Provides a grant-in-aid to the Town of Tabor City for operational support of Club 15. \$10,000 NR

**100 Zeta Phi Beta Sorority, Inc.**

Provides a grant-in-aid to the Zeta Phi Beta Sorority, Inc. for youth enrichment mentoring programs. \$5,000 NR

**101 Mt. Sinai Foundation, Incorporated**

Provides a grant-in-aid to the Mt. Sinai Foundation, Incorporated in Fayetteville, NC for a youth skills project. \$5,000 NR

**102 Hoke County Youth and Family Services, Inc.**

Provides a grant-in-aid to Hoke County Youth and Family Services, Inc. for intervention and prevention programs for at-risk youth and families. \$5,000 NR

**103 Area Day Reporting Program for Youth**

Provides a grant-in-aid to the Area Day Reporting Program for Youth for after-school and drop-out prevention programs. \$25,000 NR

**104 The Caring Place, Incorporated**

Provides a grant-in-aid to The Caring Place, Incorporated for support services for homeless people. \$10,000 NR

**105 Winston-Salem Urban League**

Provides a grant-in-aid to the Winston-Salem Urban League Mentoring Program for drop-out prevention. \$30,000 NR

**106 Mud Castle Community Development Corporation**

Provides a grant-in-aid to the Mud Castle Community Development Corporation for operating support of at-risk children's programs. \$5,000 NR

**107 Community Boys & Girls Club of Wilmington, NC, Inc.**

Provides a grant-in-aid to the Community Boys & Girls Club of Wilmington, NC, Inc. for educational programs. \$20,000 NR

**108 Central Children's Home of North Carolina, Inc.**

Provides a grant-in-aid to Central Children's Home of North Carolina, Inc. to support programs and activities for children in residential group home programs. \$25,000 NR

**109 The Carousel Center, Inc.**

Provides a grant-in-aid to The Carousel Center, Inc. which provides a child-friendly environment for victims of child abuse and neglect. \$25,000 NR

**110 Hillsborough Exchange Club Center for the Prevention of Children Abuse**

Provides a grant-in-aid to the Hillsborough Exchange Club Center for the Prevention of Children Abuse for operational support. \$5,000 NR

**( 9.0) Division of Child Development****111 Replaces TEACH State funds with CCDF Block Grant Funds**

Replaces the TEACH Scholarship state appropriations with the Child Care Fund Development Block Grant.

(\$2,600,000) NR

**112 Child Care Subsidy**

Provides funding to reduce the child care subsidy waiting list.

\$3,600,000 NR

**(11.0) Division of Public Health****113 Newborn Screening Laboratory Fee**

Increases the fee for the newborn lab screenings from \$10.00 to \$14.00 per initial patient specimen and reduces state appropriations. The fee increase is effective September 1, 2005.

(\$370,690) R (\$370,690) R

**114 Public Health Incubators**

Provides funding for public health incubators.

\$1,000,000 R \$1,000,000 R

**115 Public Health Improvements**

Provides funding for local public health departments receiving accreditation. In addition, provides funding for the accreditation board, board staff, and others involved with the accreditation process for local public health departments.

\$700,000 R \$700,000 R  
1.00 1.00

**116 Interpreter Services for Local Health Departments**

Establishes a pilot program to fund interpreter services for local public health departments.

\$250,000 R \$250,000 R

**117 School Nurses**

Provides funding for fifty school nurses. These nurses will participate in the Child and Family Support Teams as applicable.

\$2,500,000 R \$2,500,000 R

**118 Eye Exams**

Provides funding to establish a model program to provide eye examinations for needy children who are in child care centers and preschools.

\$2,000,000 R \$2,000,000 R

**119 Vital Records Automation**

Provides funding for the automation of the vital records system in North Carolina.

\$100,000 NR \$1,400,000 NR

**120 Vital Records Improvements**

Provides funding for two positions to process vital records.

\$74,748 R \$74,748 R  
2.00 2.00

**121 Arthritis**

Funds an arthritis program in Mecklenburg County.

\$25,000 NR

**122 Healthy Start Foundation**

Provides contract funding to the Healthy Start Foundation for efforts to reduce infant mortality and morbidity.

\$200,000 NR

**123 Minority Pharmacist Recruitment**

Provides funding to develop a pilot program for the recruitment of minority students into pharmacy schools.

\$300,000 NR

**124 AIDS Drug Assistance Program (ADAP)**

Provides increased funding for the AIDS Drug Assistance Program

\$1,000,000 R \$1,000,000 R

**125 Early Intervention**

Provides funds for the provision of services for the Early Intervention program

\$5,000,000 R \$5,000,000 R

**126 Strike Out Stroke**

Provides funding for the Strike-Out-Stroke program

\$100,000 R \$100,000 R

**127 Healthy Carolinians**

Provides funding for the activities of Healthy Carolinians.

\$100,000 R \$100,000 R  
\$400,000 NR

**128 Health Disparities Initiative**

Provides funding for the Community-Focused Eliminating Health Disparities Initiative (CFEHI). The CFEHI program will provide grants-in-aid to faith-based and community-based organizations to close the gap in health status of African-Americans, Hispanics/Latinos, and American Indians. The focus will be on reducing infant mortality, HIV/AIDS and other sexually transmitted infections, cancer, diabetes, and homicides and motor vehicle deaths.

\$2,000,000 NR  
1.00

**129 Bladen County Health Department**

Provides a grant-in-aid to the Bladen County Health Department.

\$50,000 NR

**130 Poplar Grove Missionary Baptist Church**

Provides a grant-in-aid to Poplar Grove Missionary Baptist Church to sponsor a health screening activity and provide information about available health services.

\$5,000 NR

**131 Community Clinic of Rutherford County**

Provides a grant-in-aid to the Community Clinic of Rutherford County.

\$15,000 NR

**132 Davidson Medical Ministries Clinic, Inc.**

Provides a grant-in-aid to the Davidson Medical Ministries Clinic, Inc. for medical services and prescription drugs for the uninsured and those citizens living at or below the poverty level.

\$25,000 NR

**133 Raleigh-Wake County Dental Society Community Dental Health Program, Inc.**

Provides a grant-in-aid to the Raleigh-Wake County Dental Society Community Dental Health Program, Inc. for the Wake Smiles program to assist in development, operation, and expansion of the organization's dental health care program for indigent and disadvantaged Wake County residents.

\$210,000 NR

**134 Tammy Lynn Center, Inc.**

Provides a grant-in-aid to the Tammy Lynn Center, Inc. for the delivery of Early Intervention Services.

\$20,000 NR

**135 Northhampton Recreation and Cultural Arts Center, Inc.**

Provides a grant-in-aid to Northhampton Recreation and Cultural Arts Center, Inc. for its Wellness and Cultural Complex.

\$20,000 NR

**136 American Project Access Network, Inc.**

Provides a grant-in-aid to the American Project Access Network, Inc. for the formation of an association that will replicate Asheville's Project Access program in various North Carolina communities. Project Access is an organized charity care program that provides free specialty care for individuals treated by "safety net" clinics whose treatment needs exceed the capacity and/or expertise of the treating clinic.

\$100,000 NR

**137 Mission Hospitals, Inc.**

Provides a grant-in-aid to Mission Hospitals, Inc. for the completion of the new Children's Outpatient Center at Mission Hospitals, Inc. in Asheville, NC.

\$1,000,000 NR

**138 Receipt Supported Position - Traumatic Brain Injuries**

Creates three receipt-supported positions within the Division of Public Health, Chronic Disease and Injury Prevention Section, Injury & Violence Prevention Branch.

Public Health Communication Specialist - \$51,044

Public Health Epidemiologist - \$58,389

Public Health Evaluator - \$51,044

These positions are 100% receipt-supported through the Centers for Disease Control and Prevention, Traumatic Brain Injury Extended Surveillance and Traumatic Brain Injury Emergency Department Surveillance.

**139 Receipt Supported Position - Youth Suicide Prevention**

Creates one position within the Division of Public Health.

Public Health Program Consultant II @ \$51,044

This position is 100% receipt-supported through the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Mental Health Services.



**140 Receipt Supported Positions - HIV/AIDS**

Creates seven receipt-supported positions within the Division of Public Health, Epidemiology Section, HIV/AIDS Branch.

3 Public Health program Consultant I's @\$46,653,  
Processing Assistant V - \$34,452  
3 Social Research Assistant II's - \$40,789

These three positions will be 100% receipt-supported through the Centers for Disease Control HIV Morbidity and Risk Behavior Surveillance Continuation Grant.

**141 Receipt Supported Positions - Nutrition Services**

Creates one receipt-supported position with the Division of Public Health, Women and Children's Health Section, Nutrition Services Branch.

Public Health Program Supervisor II - \$53,000

This position is 100% receipt-supported through Special supplemental Nutrition Program for Women, Infants, and Children (WIC) Program through the United States Department of Agriculture.

**142 Receipt Supported Positions - Pfiesteria**

Creates one receipt-supported position within the Division of Public Health, Epidemiology Section, Environmental Epidemiology Branch.

Chemist II - \$54,970

This position is 100% receipt-supported through the Centers for Disease Control, Expanding Surveillance Systems to include Pfiesteria, other Harmful Algal Blooms and Marine Toxins Program

**143 Receipt Supported Positions - Nutrition Services**

Creates two positions within the Division of Public Health, Women's and Children's Health Section.

2 Child Nutrition Program Assistants - @\$50,000 each.

These positions are 100% receipt-supported through the Child and Adult Care Food Program and the Child and Adult Care Food Program Audit Funds.

**144 Receipt Supported Position - Physical Activity and Nutrition**

Creates one position within the Division of Public Health, Chronic Disease and Injury Prevention Section, Physical Activity and Nutrition Branch.

Information and Communications Specialist II - \$46,653

The position is 100% receipt-supported through the Centers for Disease Control - Chronic Disease Prevention and Health Promotion Programs - Physical Activity, Nutrition and Obesity Component.

**145 Receipt Supported Positions - Child Developmental Services Agency**

Transfers twenty receipt-supported positions from Western Carolina University to the Division of Public Health, for the purpose of operating the Children's Developmental Services Agency of the Smokies. The CDSA currently operated by Western Carolina University through contract is transferred to the Division of Public Health.

Habilitation Specialist III - \$32,289

Habilitation Specialist III - \$35,311

Habilitation Specialist III - \$36,286

Habilitation Specialist III - \$35,772

Habilitation Specialist III - \$36,373

Habilitation Specialist III - \$34,008

Habilitation Specialist III - \$33,930

Habilitation Specialist III - \$31,200

Habilitation Specialist III - \$30,354

.50 Staff Psychologist II - \$25,336

Two Staff Psychologist III's @ \$44,161

Two Educational Diagnosticians II's @ \$32,940

Educational Diagnostician II - \$37,886

Educational Diagnostician II - \$42,066

Spanish Translator - \$28,038

Physical Therapist II - \$56,346

Occupational Therapist I - \$51,260

Speech and Language Pathologist - \$40,310

These positions will be funded through the Individuals with Developmental Disabilities Education Act and Medicaid receipts.

**146 Transfer of State Positions**

Transfers twenty-two state supported positions from Western Carolina University to the Division of Public Health, for the purpose of operating the Children's Developmental Services Agency of the Smokies. The CDSA currently operated by Western Carolina University through contract is transferred to the Division of Public Health.

22.00

22.00

.5 FTE Computing Support Technician I - \$11,626  
 Two Program Assistant IVs @\$21,576  
 Program Assistant IV - \$29,326  
 Program Assistant IV - \$29,627  
 Development Evaluation Center Assistant Director - \$52,783  
 Staff Psychologist II - \$42,292  
 Staff Psychologist II - \$42,131  
 Staff Psychologist II - \$46,334  
 Administrative Officer III - \$44,923  
 .625 FTE Administrative Assistant I - \$22,091  
 Processing Assistant IV - \$25,047  
 Processing Assistant IV - \$22,800  
 .75 Physical Therapist II - \$46,800  
 Occupational Therapist I - \$38,773  
 Occupational Therapist I - \$42,424  
 Speech and Language Pathologist I - \$56,466  
 Nutritionist III - \$42,126  
 Habilitation Program Supervisor I - \$40,125  
 Habilitation Program Coordinator - \$33,363  
 Physician Extender II - \$58,210  
 DEC Director - \$60,916

These positions will be funded 100% with state funds. The transfer will not have any fiscal impact on the DPH CDSA Program budget because all funds supporting the transfer are currently located within the DPH budget code.

**(12.0) Office of the Secretary****147 Prior Year Earned Revenue**

Requires the Department of Health and Human Services to budget prior year earned revenue and reduce state appropriations in the programs that received prior earned revenue.

(\$7,000,000) NR

(\$7,000,000) NR

**148 Position Elimination Reserve**

(\$500,000) R

(\$500,000) R

Reduces funding by eliminating vacant or filled positions, reducing layers of management, and reducing related state administrative operating expenses within the Department. No direct service positions are to be eliminated.

**149 Overrealized, Unbudgeted, Indirect Receipts**

Requires the Department of Health and Human Services to budget overrealized, unbudgeted, indirect receipts within Central Management administration and Department administration, and to reduce state appropriations in the programs and activities that received the overrealized, unbudgeted, indirect receipts.

(\$3,000,000) NR

**150 Reserve for NC FAST**

Requires the Department of Health and Human Services to maintain the reserve for NC FAST at its current level.

(\$5,400,000) R (\$5,400,000) R

**151 NC FAST Appropriation**

Appropriates funding to support the development and implementation of NC FAST.

\$4,900,000 NR \$6,000,000 NR

**152 Community Health Centers**

Provides funding for grant-in-aids for Federally-qualified Health Centers, State-designated Rural Health Centers, Public Health Department Clinics, and other clinics.

\$2,000,000 R \$2,000,000 R

**153 Food Runners/Meals on Wheels Collaborative**

Provides a grant-in-aid to support to a multi-county program that prepares and delivers meals for the elderly and disabled.

\$150,000 R \$150,000 R

**154 N.C. Special Olympics, Inc.**

Provides funding for a grant-in-aid for the North Carolina Special Olympics, Inc.

\$100,000 R \$100,000 R

**155 ALS Association - Jim "Catfish" Hunter Chapter**

Provides a grant-in-aid to the ALS Association - Jim "Catfish" Hunter Chapter of the ALS Association to provide services within the State of North Carolina.

\$400,000 R \$400,000 R

**156 More At Four Program Expansion**

Provides funding for 3,200 additional slots for the biennium and an additional \$150 in funding for each slot. Also, provides funding for five new positions.

\$16,640,531 R \$16,640,531 R  
5.00 5.00

**157 Office of Rural Health-Critical Needs Funding for Eligible Hospitals**

Provides funding for grants or low-interest loans to eligible hospitals to offset operational losses due to increases in uncompensated care or to address other critical needs as determined by the Department of Health and Human Services.

\$3,000,000 NR

**158 Juvenile Diabetes Research Foundation, Charlotte Chapter**

Provides a grant-in-aid to the Juvenile Diabetes Research Foundation, Charlotte Chapter.

\$25,000 NR

**159 Right Moves for Youth, Inc.**

Provides funding for grant-in-aid for Right Moves for Youth, Inc.

\$50,000 NR

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<b>Total Legislative Changes</b>	<b>(\$62,141,968)</b>	<b>R</b>	<b>(\$163,823,578)</b>	<b>R</b>
	<b>(\$62,332,409)</b>	<b>NR</b>	<b>(\$49,552,800)</b>	<b>NR</b>
<b>Total Position Changes</b>	86.50		119.50	
<b>Revised Budget</b>	<b>\$4,033,235,902</b>		<b>\$4,264,940,128</b>	

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**NATURAL  
&  
ECONOMIC  
RESOURCES  
Section H**

## Agriculture and Consumer Services

## GENERAL FUND

	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$52,243,772	\$51,965,810

## Legislative Changes

## Administration

<b>1 Reduce Inflationary Increases</b>	(\$202,701)	R	(\$202,701)	R
Reduce increases in the continuation budget for workers compensation, longevity and other expenses.				
<b>2 Funds for FFA</b>	\$50,000	R	\$50,000	R
Provide funds to the North Carolina Association of Future Farmers of America, Inc. (FFA) for the construction of new dining hall and recreation hall in White Lake, North Carolina.	\$250,000	NR		
<b>3 Farmland Preservation Trust Fund</b>				
Provide funds for the Farmland Preservation Trust Fund.	\$50,000	NR		
<b>4 Agricultural Education Center</b>				
Provide planning and development funds to Wayne County for a Regional Agricultural Education Center.	\$200,000	NR		
<b>5 Funds for Farmers Market</b>				
Provide funds to Hertford-Northampton Farmers Market, Inc.	\$175,000	NR		
<b>6 Funds for Community Fair</b>				
Provide operating funds to the Town of Drexel for the Drexel Community Fair.	\$25,000	NR		
<b>7 Funds for Community Festival</b>				
Provide operating funds to the Town of Fairmont for the Fairmont Farmers Festival.	\$5,000	NR		
<b>8 Operation Spring Plant, Inc.</b>				
Provide funds for technical, educational, and financial assistance for African-American farmers in and around Faison, NC.	\$25,000	NR		

**Agronomic Services****9 Replace General Funds with Receipts**

(\$88,600) R

(\$88,600) R

Replace General Funds for operations with revenue generated by increasing fees for Agronomic Sampling services to no more than the following maximum amounts:

Increase fees for routine nematode samples from \$2.00 to \$3.00 generating \$25,000 in additional revenue.

Increase fees for routine waste samples from \$4.00 to \$5.00 generating \$20,000 in additional revenue.

Increase research fees for soil and nematode samples from \$2.00 to \$12.00 generating \$10,000 in additional revenue.

Increase research fees for plant, waste and solution samples from \$4.00 to \$12.00 generating \$33,600 in additional revenue.

**10 Replace General Funds with Receipts**

(\$74,300) R

(\$74,300) R

Replace General Funds for operations with revenue generated by implementing new fees for Agronomic Sampling services.

Establishes a maximum \$14.00 fee for out-of-state nematode samples;

\$26.00 fee for out-of-state plant, waste and solution samples; and a various fees for other out-of-state services.

**Commercial Feed and Pet Food****11 Replace General Funds with Receipts**

(\$60,200) R

(\$60,200) R

Increase registration fees for non-canned pet food registration as follows:

Increase existing registration fees from \$3.00 to \$5.00;

Increase existing registration fees from \$30.00 to \$40.00; and

Increase existing registration fees from \$33.00 to \$45.00.

Increases the registration fee for canned pet food from \$10.00 to \$12.00.

**Marketing****12 Reduce Funds for Farmer's Markets**

(\$90,537) R

(\$90,537) R

Reduce the appropriation for farmer's markets by 10%

**13 Fund-Shift One Position**

(\$35,685) R

(\$35,685) R

Fund shift one position with the Cooperative Inspection Service to receipts.

-1.00

-1.00



**Pesticide Section****14 Pesticide Disposal Program**

(\$222,407)	R	(\$222,407)	R
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Replace General Funds with funds from the Environmental Trust Fund for the pesticide disposal program

-1.00		-1.00	
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**Seed Testing****15 Replace General Funds with Receipts**

(\$124,587)	R	(\$124,587)	R
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Increase seed inspection fees from \$.02 to \$.04 per 10 lb container.

**State Fair****16 Establish Receipt-Supported Positions**

Establish twenty (20) receipt-supported general utility workers and eight (8) building custodians at the North Carolina State Fair.

General Utility Workers	20.0	\$522,500
Building Custodians	8.0	\$170,080

**Statistics Division****17 Cash Rents Survey**

\$25,000	R	\$25,000	R
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Provide funds to conduct a survey of cash rents paid for farm and for use by the Department of Revenue and the Use-Value Advisory Board in administering the Agriculture Present Use-Value property tax program

**18 Establish Receipt Supported Position**

Establish one (1.0) federally-funded Printing Equipment Operator II position with a total cost of \$30,097.

**Structural Pest Control****19 Adjust Budgeted Receipts**

(\$18,000)	R	(\$18,000)	R
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Reduce General Funds based on an increase in receipts.

**Veterinary Services****20 Replace General Funds with Receipts**

(\$152,315)	R	(\$152,315)	R
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Increase histopath fee from \$15.00 to \$30.00 generating \$113,233 in additional revenue. Increases EIA fee from \$4.00 to \$6.00 generating \$39,082 in additional revenue.

**21 Replace General Funds with Receipts**

(\$56,000)	R	(\$56,000)	R
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Establish a \$1.00 blood pour off fee and a \$.04 vacuum tube handling fee.

**FY 05-06****FY 06-07****22 Animal Shelter Inspections**

\$225,000 R

\$225,000 R

Provide funds to implement the requirements of expanding the regulation and inspection of animal shelters. Establishes four (4.0) new positions in the Veterinary Services Division.

4.00

4.00

Animal Welfare Program Director 1.0  
 Animal Welfare Program Coordinator 1.0  
 Animal Welfare Technician 1.0  
 Administrative Assistant 1.0

**Weights and Measures****23 Replace General Funds with Receipts**

(\$12,000) R

(\$12,000) R

Establish a \$20 fee for a Scale Technician License.

**24 Fund Shift One Position**

(\$28,394) R

(\$28,394) R

Fund existing position with Highway Funds transferred to the Department.

-1.00

-1.00

**25 Replace General Funds with Receipts**

(\$67,200) R

(\$67,200) R

Increase public weighmaster fees from \$12.00 to \$19.00, generating \$32,200 in additional revenue. Increases various calibration fees at the Standards Lab generating \$35,000 in additional revenue.

**Total Legislative Changes**

(\$932,926) R

(\$932,926) R

**\$730,000 NR****Total Position Changes**

1.00

1.00

**Revised Budget****\$52,040,846****\$51,032,884**

## Labor

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$14,198,496		\$14,213,868	
Legislative Changes				
Administration				
26 Eliminate 1.0 Vacant Position	(\$31,878)	R	(\$31,878)	R
Eliminate Office Assistant position in Commissioner's Office.	-1.00		-1.00	
27 Fund Shift 1.0 Position to Receipt Support	(\$36,030)	R	(\$36,030)	R
Fund shift Accounting Clerk position in Administrative Services to elevator receipt support.	-1.00		-1.00	
28 Eliminate Inflationary Increases	(\$1,755)	R	(\$1,755)	R
Eliminate inflationary increases allowed in the continuation budget for Administrative Services, Information Technology, and the Commissioner's Office.				
29 Reduce Operating	(\$24,461)	R	(\$24,461)	R
Reduce various operating line items in Administrative Services, Labor Statistics, Information Technology, and the Information Office.				
Labor Standards and Inspections				
30 Establish Mine and Quarry Safety Training Fee	(\$270,000)	R	(\$270,000)	R
Authorize Mine and Quarry Bureau to establish a new safety training fee of up to \$50 per participant and take a corresponding General Fund reduction.	-4.50		-4.50	
31 Eliminate Inflationary Increases	(\$5,669)	R	(\$5,669)	R
Eliminate inflationary increases allowed in the continuation budget for Apprenticeship, Employment Discrimination, Wage and Hour, and Mine and Quarry.				
32 Reduce Operating	(\$20,100)	R	(\$20,100)	R
Reduce various operating line items in Apprenticeship, Employment Discrimination, Wage and Hour, and Mine and Quarry.				
33 Continue to Fund Apprenticeship Program	\$663,374	R	\$663,374	R
General Fund dollars will partly restore funding for the Apprenticeship Program that is no longer available through the Worker Training Trust Fund.	10.00		10.00	
OSH				
34 Eliminate Inflationary Increases	(\$47,424)	R	(\$47,424)	R
Eliminate inflationary increases allowed in continuation budget for Occupational Safety and Health.				

## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****35 Reduce Operating**

(\$5,000) R

(\$5,000) R

Reduce various operating line items in Occupational Safety and Health.

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**Total Legislative Changes****\$221,057** R**\$221,057** R**Total Position Changes**

3.50

3.50

**Revised Budget****\$14,419,553****\$14,434,925**

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## Environment &amp; Natural Resources

## GENERAL FUND

	<b>FY 05-06</b>	<b>FY 06-07</b>
<b>Adjusted Continuation Budget</b>	<b>\$167,189,338</b>	<b>\$168,187,593</b>

## Legislative Changes

## (1.0) Administration

<b>36 Eliminate 1.0 Vacant Position</b>	(\$74,070)	R	(\$74,070)	R
Eliminate vacant Federal Legislative Programs Coordinator position.	-1.00		-1.00	
<b>37 Reduce Rent</b>	(\$50,000)	R	(\$50,000)	R
Reduce Regional Office rent line item				
<b>38 Fund One-Stop Permitting Program Positions</b>	\$113,168	R	\$113,168	R
Provide General Fund support for 2.0 One-Stop Permitting Program positions that have previously been supported through available funds.	2.00		2.00	
<b>39 Expand Express Permitting Program Statewide</b>				
Expand the Express Permitting Program statewide by establishing and supporting 12.0 positions using existing receipts in the Express Review Fund.				

## (1.0) Ecosystem Enhancement Program

<b>40 Fund Shift Ecosystem Enhancement Program</b>	(\$235,439)	R	(\$235,439)	R
Fund shift remainder of Ecosystem Enhancement Program to receipt support.	-5.00		-5.00	

## (2.0) Coastal Management

<b>41 Reduce Purchased Services</b>	(\$10,000)	R	(\$10,000)	R
Reduce various purchased services line items.				
<b>42 Reduce Supplies</b>	(\$3,200)	R	(\$3,200)	R
Reduce various supply line items.				
<b>43 Reduce Equipment</b>	(\$3,000)	R	(\$3,000)	R
Reduce various equipment line items.				

## (2.0) Environmental Health

<b>44 Eliminate 1.0 Vacant Position</b>	(\$61,040)	R	(\$61,040)	R
Eliminate Environmental Specialist III position in the On-Site Wastewater Section.	-1.00		-1.00	

## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****45 Reduce Purchased Services**

(\$26,500) R

(\$26,500) R

Reduce various purchased services line items.

**46 Reduce Supplies**

(\$10,000) R

(\$10,000) R

Reduce various supply line items.

**47 Reduce Equipment**

(\$2,000) R

(\$2,000) R

Reduce various equipment line items.

**48 Reduce Other Expenses**

(\$3,000) R

(\$3,000) R

Reduce expenditures in the "Other Expenses" line item

**49 Fund Shift Position to General Fund Support**

\$54,113 R

\$54,113 R

Fund shift West Nile Virus Control position previously supported through federal CDC grant funds to General Fund support.

1.00

1.00

**(2.0) Land Resources****50 Eliminate Mining Education Funds**

(\$15,450) R

(\$15,450) R

Eliminate funding for mining education programs.

**51 Eliminate Inflationary Increases**

(\$10,407) R

(\$10,407) R

Eliminate inflationary increases allowed in the continuation budget for utilities and travel.

**52 Reduce Contractual Services**

(\$50,000) R

(\$50,000) R

Reduce contractual services for county boundary program

**53 Reduce Operating**

(\$20,000) R

(\$20,000) R

Reduce various operating line items.

**(2.0) Marine Fisheries****54 Reduce Boat Replacement Continuation Increase**

(\$14,693) R

(\$14,693) R

Reduce continuation increase for boat replacement and maintain current replacement schedule.

(\$92,000) NR

**55 Eliminate Position**

(\$45,613) R

(\$45,613) R

Eliminate 1.0 Marine Fisheries Biologist II position.

-1.00

-1.00

**56 Reduce Board Support**

(\$30,000) R

(\$30,000) R

Reduce transportation and subsistence line items for the Marine Fisheries Commission.

## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****57 Reduce Operating**

(\$50,000) R

(\$50,000) R

Reduce various operating line items.

**58 Oyster Rehabilitation Program**

\$575,000 R

\$575,000 R

Provide funds for a permanent oyster rehabilitation program

4.00

4.00

**59 Receipt-Supported Position**

Establish 1.0 time-limited, permanent position supported by Atlantic Coastal Cooperative Statistics Program Grant funds. This position will collaborate with the National Marine Fisheries Service and help fulfill federal fishery data requirements.

Computer Consultant II (1.0) \$49,217

**(2.0) Pollution Prevention and Env. Assistance****60 Reduce Purchased Services**

(\$5,000) R

(\$5,000) R

Reduce various purchased services line items.

**61 Reduce Supplies**

(\$8,000) R

(\$8,000) R

Reduce various supply line items.

**62 Reduce Equipment**

(\$5,000) R

(\$5,000) R

Reduce various equipment line items.

**63 Fund Shift Position**

(\$18,676) R

(\$18,676) R

Fund shift a position from 60% federal receipts to 100% federal receipts.

-0.40

-0.40

**(2.0) Waste Management****64 Fund Shift Position**

(\$48,673) R

(\$48,673) R

Fund shift Information/Communications Specialist III position to hazardous waste receipts.

-1.00

-1.00

**65 Reduce Purchased Services**

(\$94,000) R

(\$94,000) R

Reduce various purchased services line items.

**66 Reduce Supplies**

(\$20,000) R

(\$20,000) R

Reduce various supply line items.

**67 Reduce Aid and Public Assistance**

(\$24,235) R

(\$24,235) R

Reduce the aid and public assistance line items.

**FY 05-06****FY 06-07****68 Mercury Switch Removal Program Funds**

\$89,504 R

\$28,770 R

Provides funds to help support the implementation of the provisions of the Mercury Switch Removal bill. These funds are contingent upon the passage of House Bill 1136.

**(2.0) Water Quality****69 Fund Shift Positions**

(\$226,563) R

(\$226,563) R

Fund shift 5.0 vacant positions to federal 106 grant receipts. The continuation of these positions is subject to the availability of federal grant receipt support.

-5.00

-5.00

Environmental Specialist II (1.0) (\$40,807)

Processing Assistant V (1.0) (\$34,869)

Environmental Supervisor I (1.0) (\$49,455)

Soil Scientist II (1.0) (\$47,362)

Environmental Engineer II (1.0) (\$54,070)

**70 Reduce Inflationary Increases**

(\$23,908) R

(\$23,908) R

Reduce inflationary increases allowed in the continuation budget for electrical services.

**71 Reduce Purchased Services**

(\$65,000) R

(\$65,000) R

Reduce various purchased services line items.

**72 Reduce Supplies**

(\$60,000) R

(\$60,000) R

Reduce various supply line items.

**73 Reduce Equipment**

(\$3,000) R

(\$3,000) R

Reduce various equipment line items.

**74 Reduce Operating**

(\$250,000) R

(\$250,000) R

Reduce various operating line items.

**75 Ferrymon Program**

Provide funds for the Ferrymon Program

\$300,000 NR

**76 Receipt-Supported Position**

Establish 1.0 permanent position supported by federal EPA 106 grant funds. This position will plan, coordinate, and support the NPDES Discharge Monitoring Coalition program

Environmental Specialist III (1.0) \$47,189

**(2.0) Water Resources****77 Reduce Contractual Services**

(\$50,000) R

(\$50,000) R

Reduce the contractual services line item



## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****78 Reduce Purchased Services**

(\$10,000) R

(\$10,000) R

Reduce various purchased services line items.

**79 Reduce Supplies**

(\$5,000) R

(\$5,000) R

Reduce various supply line items.

**80 Groundwater Monitoring**

\$125,000 R

\$125,000 R

Provide funds for monitoring groundwater levels.

**(3.0) Aquariums****81 Pine Knoll Shores Operating Reserve**

\$1,700,000 R

\$1,700,000 R

Provide funding for an operating reserve at the Pine Knoll Shores Aquarium from the General Fund. The operating reserve and positions created with General Fund monies are in lieu of the receipt-supported reserve expenditures and positions that were authorized in the Recommended Continuation Budget 2005-2007.

31.00

31.00

**82 Oyster Hatchery Research**

\$600,000 R

\$600,000 R

Provide funding to the Division of North Carolina Aquariums to plan for the development of an oyster hatchery and public education program regarding the hatcheries at each of the three North Carolina aquariums.

**(3.0) Forest Resources****83 Reduce Funding for Equipment and Vehicles**

(\$1,036,921) R

(\$1,036,921) R

Reduce funding increases allowed in the continuation budget for equipment and vehicles within the Division of Forest Resources. With the reduction, the Division would still receive a \$1,809,500 increase to these line items in the continuation budget.

**84 Reduce Operating Support**

(\$25,000) R

(\$25,000) R

Reduce operating support to the Division of Forest Resources.

**85 Establish 3.0 positions for Fire Suppression**

\$297,618 R

\$297,618 R

Provide funding for 3.0 new Forestry Pilot II positions. These positions would aid in improving early detection of wildland fire and providing initial attack support.

3.00

3.00

**86 Establish 3.0 Water Quality Forester positions**

\$132,879 R

\$132,879 R

Provide funding for 3.0 Water Quality Forester positions. These positions would be responsible for preventing and controlling water quality degradation.

3.00

3.00

**87 Forest Resources Receipt Supported Position**

Allows for the establishment of 1.0 full-time permanent position with the Division of Forest Resources from aircraft deployment receipts. This position will be responsible for the Division's fixed wing and rotary wing fleet parts program

Program Assistant V 1.0 \$31,941

**88 Forest Resources Receipt Supported Positions**

Establish 3.0 time-limited positions in the Division of Forest Resources upon receipt of federal grant funds. No state funds will be expended on these positions.

Fire & Rescue Training Instructor	1.0	\$45,605
Extension Education & Training Specialist I	1.0	\$37,892
Forester III	1.0	\$44,755

**(3.0) Museum of Natural Sciences****89 NC Museum of Natural Science Continuation of UNC-TV Show**

Provide funds to continue production with UNC-TV of season two of Exploring NC

\$250,000 NR

**(3.0) NC Zoological Park****90 Eliminate Vacant Position**

Eliminate a vacant Marketing Director position.

(\$60,165) R

(\$60,165) R

-1.00

-1.00

**91 NC Zoological Park Receipt Supported Positions**

Establish 4.0 two-year time-limited, full-time positions in the Division of the NC Zoological Park from non-capital gift revenue. These positions are involved in the construction of a new Elephant/Rhino exhibit and holding facilities.

Maintenance Mechanic II 4.0 \$136,500

**(3.0) Parks and Recreation****92 Reduce Operating Reserve**

(\$1,000,000) R

(\$1,000,000) R

Reduce the increase in operating reserve support allowed in the continuation budget for the Division of Parks and Recreation. With this reduction, the Division would receive a \$2.2 million increase in operating reserve support in FY 2005-06.

**93 Reduce Operating Support**

(\$25,000) R

(\$25,000) R

Reduce operating support for the Division of Parks and Recreation.

**94 Parks and Recreation Receipt Supported Position**

Establish 1.0 permanent, full-time position in the Division of Parks and Recreation. This position will plan, supervise and monitor design and construction contracts for park facilities funded by the Parks and Recreation Trust Fund.

Facility Engineering Specialist 1.0 \$43,907

**(3.0) Soil and Water Conservation****95 Eliminate Vacant Position**

(\$40,718) R (\$40,718) R

Eliminate a vacant Soil Specialist position.

-1.00

-1.00

**96 Reduce Operating Support**

(\$40,000) R (\$40,000) R

Reduce various operating line items within the Division of Soil and Water Conservation

**97 Establish 1.0 Position**

\$40,000 R \$40,000 R

Establish 1.0 permanent position in the Division of Soil and Water Conservation for the expansion of a pilot program that inspects animal waste management systems.

1.00

1.00

Environmental Specialist II 1.0

**(4.0) Reserves and Transfers****98 Eliminate Water Quality Workgroup Funds**

(\$87,300) R (\$87,300) R

Eliminate funding for Water Quality Workgroup research grants.

**99 Shift Beaver Management Assistance Program funding to receipt support**

(\$100,000) R (\$100,000) R

Fund shift \$100,000 R of the Beaver Management Assistance Program from General Fund support in the Wildlife Resources Commission to available receipt support in the Department of Transportation.

**100 Shift LEO Salary Adjustment Support to Receipts**

(\$456,481) R (\$456,481) R

Shift funding for a LEO salary adjustment that has been historically funded with General Fund monies to existing Wildlife Resources Commission receipts.

**101 Resource Conservation and Development Councils**

Provides each of the State's ten Resource Conservation and Development Councils with a grant of \$25,000.

\$250,000 NR

**102 Superfund State Match Funds**

Provides funds to meet the 10% state match requirement for drawing down the maximum available federal funds for the clean up of National Priority List sites.

\$1,000,000 NR

**103 Clean Water SRF Match Funds**

Provide funds to meet the 20% state match requirement for drawing down the maximum available federal funds for the Clean Water State Revolving Fund.

\$3,889,571 NR

**104 Drinking Water SRF Match Funds**

Provide funds to meet the 20% state match requirement for drawing down the maximum available federal funds for the Drinking Water State Revolving Fund.

\$1,415,980 NR

**105 Increase Grassroots Funding**

Increase funding to the Grassroots Science Museums for two additional museums: Eastern and Port Discovery.

\$100,000 R \$100,000 R

**106 Funds for Global Warming Initiatives, Inc.**

Provides funds for Global Warming Initiatives, Inc., a non-profit that promotes awareness and reporting of greenhouse gas emissions.

\$10,000 NR

**107 Henderson-Vance Cleanup Funds**

Provide funds to the Friends of Clean Up Henderson to support cleanup efforts.

\$100,000 NR

**108 Farmville-Greene County Water Project**

Provide \$1 million to the Town of Farmville and \$1 million to Greene County for the Farmville-Greene County water project.

\$2,000,000 NR

**109 Wildlife Resources Commission Receipt Supported Positions**

Allows for the establishment of the following 8.0 positions.

Wildlife Technician II	3.0	\$107,886	75% Federal / 25%
Wildlife			
Wildlife Technician III	1.0	\$32,662	NMFS and FWS Section 6
Wildlife Technician III	1.0	\$32,662	Waterfowl Fund
Processing Assistant V	1.0	\$29,814	Wildlife Fund
Applications Analyst	1.0	\$69,806	Wildlife Fund
Applications Specialist	1.0	\$91,250	Wildlife Fund

**110 Partnership for the Sounds**

Increase funding to enhance tourism marketing and economic development in the region. Up to \$35,000 may be used to fund buildings and exhibit repairs needed at the Columbia Theater Cultural Resources Center in Tyrrell County.

\$1,535,000 NR

**111 Town of Bryson City Grant-In-Aid**

Provide a grant-in-aid to the Town of Bryson City for a wastewater treatment facility.

\$25,000 NR

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<b>Total Legislative Changes</b>	<b>(\$675,770)</b>	<b>R</b>	<b>(\$736,504)</b>	<b>R</b>
	<b>\$10,683,551</b>	<b>NR</b>		
<b>Total Position Changes</b>	28.60		28.60	
<b>Revised Budget</b>	<b>\$177,197,119</b>		<b>\$167,451,089</b>	

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## Commerce

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$35,532,306		\$35,583,572	
Legislative Changes				
Administrative Services				
112 Reduce Inflationary Increases	(\$24,287)	R	(\$24,287)	R
Reduce increases for office equipment and legal services.				
113 Eliminate Vacant Position	(\$48,287)	R	(\$48,287)	R
Eliminate one Community Development Specialist position for the Wanchese Seafood Industrial Park that has not been filled since 3/31/2000.	-1.00		-1.00	
114 Wanchese Seafood Industrial Park	\$48,287	R	\$48,287	R
Provide operating funds for security at the Park.				
Business and Industry				
115 Reduce Funds for Purchased Services and Equipment	(\$67,000)	R	(\$67,000)	R
Reduce expenditures for operations based on historical reversions.				
Community Assistance				
116 Eliminate Vacant Position	(\$53,377)	R	(\$53,377)	R
Eliminate one Community Development Planner I position that has not been filled since 7/1/04.	-1.00		-1.00	
117 Reduce Funds for Purchased Services and Equipment	(\$35,000)	R	(\$35,000)	R
Reduce expenditures for operations based on historical reversions.				
Executive Aircraft				
118 Reduce Funds for Purchased Services, Supplies and Equipment	(\$100,000)	R	(\$100,000)	R
Reduce expenditures for operations based on historical reversions.				
119 Reduce Inflationary Increases	(\$43,150)	R	(\$123,150)	R
Reduce increases for purchased services for FY 05/06 and reduces funds for purchased services and repairs for FY 06/07.				
120 Eliminate Vacant Position	(\$64,634)	R	(\$64,634)	R
Eliminate vacant Executive Pilot II position that has not been filled since 7/1/2004.	-1.00		-1.00	

**Finance Center****121 Funds for One North Carolina Fund**

Provide funds for the One North Carolina Fund for FY 05/06. \$6,000,000 NR

**Industrial Commission****122 Budget Over-Collected Receipts**

Require the Department to reduce General Funds for the Industrial Commission based on a projected over-collection of fees. (\$125,000) NR

**123 Establish Receipt-Supported Positions**

Establish four (4) receipt-supported positions with the Industrial Commission.

Legal Specialist 1	1.0	\$45,280
Program Assistant V	1.0	\$29,516
Special Deputy Commissioners	2.0	\$113,438

**124 Establish Receipt-Supported Positions**

Establish thirteen (13) receipt-supported positions in the Industrial Commission with revenue generated by implementing a fee for the required review of Form 21 Agreements.

Administrative Officer II Positions (Workers' Comp. Fraud Investigators)	2.0
Administrative Officer II Positions (Ombudsman)	2.0
Program Assistant V	2.0
Receptionist III	1.0
Industrial Safety Representative II	4.0
Special Deputy Commissioners	2.0

Total Receipts Required \$628,099

**International Trade****125 Eliminate Inflationary Increase for Purchased Services**

(\$38,144) R (\$38,144) R

Eliminate an increase for purchased services for the biennium

**Marketing****126 Furniture Market Advertising**

Provide funds to promote the North Carolina furniture industry, including the International Home Furnishings Market. \$750,000 NR

**127 Industrial Marketing**

Provide funds to promote North Carolina industries. \$750,000 NR

**Policy and Research**

<b>128 Eliminate Vacant Position</b>	(\$26,244)	R	(\$26,244)	R
Eliminate a vacant Processing Assistant III position that has not been filled since 1/1/04.	-1.00		-1.00	
<b>129 North Carolina Economic Development Information System</b>	\$297,898	R	\$297,898	R
Establish one (1.0) Data Base Administrator position and provide operating support for the NC EDS.	\$500,000	NR	\$500,000	NR
	1.00		1.00	

**Reserves and Transfers**

<b>130 Duplin Agribusiness Center</b>				
Provide funds to Duplin County to match federal and local funds to construct the Duplin Commons Agribusiness Center.	\$500,000	NR		
<b>131 Gaston County Economic Development Commission</b>				
Provide funds for the Gaston County Economic Development Commission for economic development and job creation initiatives in response to significant loss of textile industry and textile industry related jobs.	\$300,000	NR		
<b>132 Pilot Economic Development Project</b>				
Provide funds to Kerr-Tar Regional Economic Development Corporation for a four-county, pilot project designed by the University of North Carolina at Chapel Hill.	\$4,000,000	NR		
<b>133 Tourism Promotion</b>				
Provide funds to the Town of Valdese to promote travel and tourism	\$25,000	NR		
<b>134 Local Economic Development</b>				
Provide funds to the Town of Spindale for economic development.	\$25,000	NR		
<b>135 21st Century Development</b>				
Provide funds to Caswell County to support local 21st Century initiatives.	\$5,000	NR		
<b>136 Hoke County Regional Industrial Park</b>				
Provide funds to aid in marketing and advertising the Hoke County Regional Industrial Park.	\$100,000	NR		
<b>137 Local Tourism Promotion</b>				
Provide funds to the Forsyth Development Tourism Authority for the Winston-Salem Convention and Visitors Bureau to advertise and promote travel and tourism in the Forsyth County area.	\$100,000	NR		

**Science and Technology**

<b>138 Reduce Funds for Purchased Services and Equipment</b>	(\$20,000)	R	(\$20,000)	R
Reduce expenditures for operations based on historical reversions.				



## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****139 Establish Position**

\$80,000 R

\$80,000 R

Provide funds for the Deputy Director/Chief Policy Analyst position for the N.C. Board of Science and Technology. This position has historically been funded through the University of North Carolina.

1.00

1.00

**Travel and Tourism****140 Budget Over-Collected Receipts**

(\$45,000) R

(\$45,000) R

Require the Department to budget receipts that have been consistently collected during the previous three fiscal years.

**141 Eliminate Inflationary Increase**

(\$41,369) R

(\$41,369) R

Eliminate increase for legal services for both years of the biennium.

**142 Reduce Funds for Purchased Services, Supplies and Equipment**

(\$200,000) R

(\$200,000) R

Reduce expenditures for operations based on historical reversions.

**143 Statewide Marketing Reserve**

\$1,000,000 R

\$1,000,000 R

Provide funds for promoting travel and tourism statewide.

**144 Heritage Tourism**

\$50,000 R

\$50,000 R

Provide funds for operations for Blue Ridge National Heritage Area.

**145 Heritage Tourism Positions**

\$100,000 R

\$100,000 R

Provide funds to the Division of Travel and Tourism to support a Piedmont-Triad Heritage Tourism Officer position and a Maritime Area Heritage Tourism Officer position.

2.00

2.00

**146 Tourism Promotion**

Provide promotional funds for an entertainment complex in Roanoke Rapids.

\$500,000 NR

**Utilities Commission****147 Establish Receipt-Supported Position**

Establish one (1.0) Attorney IV position at \$94,204 for the Utilities Commission Public Staff.

**Welcome Centers****148 Reduce Funds for Purchased Services, Supplies and Equipment**

(\$45,000) R

(\$45,000) R

Reduce expenditures for operations based on historical reversions.

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<b>Total Legislative Changes</b>	<b>\$724,693</b>	<b>R</b>	<b>\$644,693</b>	<b>R</b>
	<b>\$13,430,000</b>	<b>NR</b>	<b>\$500,000</b>	<b>NR</b>
<b>Total Position Changes</b>	<b>0.00</b>		<b>0.00</b>	
<b>Revised Budget</b>	<b>\$49,686,999</b>		<b>\$36,728,265</b>	

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Adjusted Continuation Budget		FY 05-06	FY 06-07
		\$11,222,085	\$11,222,085
Legislative Changes			
<b>149 NC Institute of Minority Economic Development</b>			
Increase funding for the NC Institute of Minority Economic Development by \$1 million NR	\$1,000,000	NR	
<b>150 NC Assoc. of Community Development Corporations (CDCs)</b>			
Increase funding for the NC Assoc. of CDCs by \$200,000 NR	\$200,000	NR	
<b>151 Minority Support Center</b>			
Provide \$2.5 million NR for the Minority Support Center to be allocated as follows: \$1.25 million to the Generations Credit Union and \$1.25 million to the Latino Community Credit Union.	\$2,500,000	NR	
<b>152 Community Development Initiative (CDI)</b>			
Increase the General Fund appropriation for CDI by \$500,000 R and \$1.5 million NR	\$500,000	R	\$500,000
	\$1,500,000	NR	
<b>153 Sandhills Family Heritage Association</b>			
Provide funds to the Sandhills Family Heritage Association for land preservation in Harnett, Cumberland, Richmond and Moore Counties.	\$15,000	NR	
<b>154 Coalition of Farm and Rural Families</b>			
Provide funding for the Coalition of Farm and Rural Families.	\$125,000	NR	
<b>155 Manchester CDC, Inc.</b>			
Provide funds to Manchester CDC, Inc. to develop cultural and recreational activities in the Manchester Township of Cumberland County.	\$10,000	NR	
<b>156 River City Community Development Corporation</b>			
Provide a grant-in-aid to River City CDC to construct the Renaissance Square Business Incubator and Training Center.	\$100,000	NR	
<b>157 Advanced Vehicle Research Center</b>			
Provide a \$7.5 million NR appropriation to the Advanced Vehicle Research Center Reserve. These funds may be transferred to the Department of Commerce for allocation to the Advanced Vehicle Research Center of North Carolina, Inc. for the construction and operation of the Center.	\$7,500,000	NR	

**158 Rebuilding Broken Places Community Development Corporation**

Provide a grant-in-aid to Rebuilding Broken Places CDC to support affordable housing, alternative education, and housing for the aged programs. \$10,000 NR

**159 Liberty Community Development Corporation, Inc.**

Provide a grant-in-aid to Liberty CDC, Inc. to assist small businesses with start-up costs and capital purchases in the Liberty Street development area. \$20,000 NR

**160 Microenterprise Loan Program of Winston-Salem, Forsyth County, Inc.**

Provide a grant-in-aid to the Microenterprise Loan Program of Winston-Salem Forsyth County, Inc. to provide grants and loans to small businesses and non-profit organizations. \$20,000 NR

**161 Roxboro Uptown Development Corporation**

Provide a grant-in-aid to the Roxboro Uptown Development Corporation to provide completion money for a public pavilion project. \$10,000 NR

**162 Henderson-Vance Downtown Development Commission, Inc.**

Provide a grant-in-aid to Henderson-Vance Downtown Development Commission, Inc. to support the development of the downtown business district. \$5,000 NR

**163 Gateway Community Development Corporation**

Provides a grant-in-aid to Gateway Community Development Corporation to help support a housing repair initiative to address the problem of abandoned and deteriorating housing. \$25,000 NR

**Regional Economic Development Commissions****164 Funding for Vision Plan Implementation**

Provide \$250,000 to each of the seven Regional Economic Development Commission for the continued implementation of their vision plans. \$1,750,000 NR

**Total Legislative Changes**

\$500,000 R \$500,000 R

\$14,790,000 NR

**Total Position Changes****Revised Budget**

\$26,512,085 \$11,722,085

## N.C. Biotechnology Center

### GENERAL FUND

	FY 05-06		FY 06-07	
<b>Adjusted Continuation Budget</b>	<b>\$9,083,395</b>		<b>\$9,083,395</b>	
<b>Legislative Changes</b>				
<b>NC Biotechnology Center</b>				
<b>165 Increase funding for the NC Biotechnology Center</b>	<b>\$1,500,000</b>	<b>R</b>	<b>\$1,500,000</b>	<b>R</b>
Increase support for New Jobs Across North Carolina: A Strategic Plan for Growing the Economy Statewide through Biotechnology.	\$1,500,000	NR		
<b>Total Legislative Changes</b>	<b>\$1,500,000</b>	<b>R</b>	<b>\$1,500,000</b>	<b>R</b>
	<b>\$1,500,000</b>	<b>NR</b>		
<b>Total Position Changes</b>				
<b>Revised Budget</b>	<b>\$12,083,395</b>		<b>\$10,583,395</b>	

## Rural Economic Development Center

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$4,802,607		\$4,802,607	
<hr/>				
Legislative Changes				
Rural Economic Development Center				
166 Rural Economic Infrastructure Program	\$20,000,000	R	\$20,000,000	R
Provide funding to continue the North Carolina Infrastructure Program				
167 Community Development Centers Grant Program				
Provide funding to increase the CDC Grants Program providing additional assistance to minority community development corporations.	\$250,000	NR	\$250,000	NR
168 Grant-in-Aid for Rural Development				
Provide funding for rural development projects in Pitt, Martin and Hertford County.	\$225,000	NR		
<hr/>				
Total Legislative Changes	\$20,000,000	R	\$20,000,000	R
	\$475,000	NR	\$250,000	NR
Total Position Changes				
Revised Budget	\$25,277,607		\$25,052,607	

**JUSTICE  
&  
PUBLIC SAFETY  
Section I**

## Judicial

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$341,443,618		\$345,243,618	

## Legislative Changes

## Equipment and Other Reserves

<b>1 Reserve for DWI Task Force Recommendations</b>	\$1,137,000	R	\$1,869,834	R
Provides funds to implement the provisions of HB 1048, SB 1069, or substantially similar bill implementing the Governor's DW Task Force recommendations. Funds may be used to establish positions or for other purposes as authorized in the ratified bill.				
<b>2 Mecklenburg Telephone System</b>	\$1,500,000	NR		
Appropriates \$1.5 million non-recurring to equip the new Mecklenburg County Courthouse with a telephone system				
<b>3 Reduce Salary Reserve</b>	(\$500,000)	R	(\$500,000)	R
Takes a recurring reduction to the AOC Salary Reserve Fund, which is generated by the difference between the budgeted salary for a position, and the lower amount paid for the position. This is an agency recommendation.				
<b>4 Reduce Equipment and Reserves</b>	(\$500,000)	R	(\$500,000)	R
Takes a \$500,000 recurring reduction in the line items for equipment and other reserves.				
<b>5 Reduce Pay Plan and Longevity Reserves</b>	(\$933,897)	R	(\$933,897)	R
Takes a reduction in the reserve accounts which support judicial pay plans and the judicial longevity. This cut is possible due to recent turnover which brings down the number of positions eligible for these benefits. This is an agency recommendation.				

## Family Court

<b>6 Reduce Family Court Program</b>	(\$155,000)	R	(\$155,000)	R
Reduces appropriation to Family Court program by \$155,000. Eliminates one position in the central office (\$80,000) and one secretarial position in District 26 (\$40,000), and takes a \$35,000 reduction in operating line items.				
	\$175,000	NR		
	-2.00		-2.00	
Appropriates \$175,000 NR to establish a Family Court Program in Judicial District 10, Wake County.				

## Superior Court

<b>7 Create Mecklenburg Business Court</b>	\$76,000	R	\$76,000	R
Establishes a Business Court site in Mecklenburg County similar to the one currently operating in Guilford County.				
	\$149,000	NR		
	2.00		2.00	



## Systemwide

**8 Create New Judicial Districts**

\$148,039	R	\$561,027	R
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Provides funding to split two current judicial districts. Superior Court District 20A (Anson and Richmond) and 20B (Stanly and Union) will be reconfigured with Stanly moving into 20A, leaving Union alone as 20B, effective December 1, 2005. District Court District 20 currently includes all four counties, but will align with the Superior Court District effective December 1, 2005. The Prosecutorial District will realign with the same county split effective January 1, 2007.

4.00

9.00

Superior and District Court District 29, encompassing Henderson, McDowell, Polk, Rutherford, and Transylvania Counties, will be split into 29A (McDowell and Rutherford) and 29B (Henderson, Polk, and Transylvania) effective December 1, 2005. The Prosecutorial District will split on the same lines effective January 1, 2007. The current Trial Court Administrator will continue to serve both districts.

**9 Establish Receipt-Supported Positions**

The Administrative Office of the Courts has received grants to create the following time-limited positions. These positions will expire when their grant funding runs out.

Position	Salary
Assistant District Attorney (7 pos)	\$328,114
Victim Witness Legal Assistant (2 pos)	\$57,000
DA Investigator	\$35,000
Case Manager (2 pos)	\$72,000
Drug Court Coordinator	\$36,000

## Trial Courts

**10 Durham Mediation Funds**

\$65,000	R	\$65,000	R
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Appropriates \$65,000 to Women-in-Action for the Prevention of Violence and its Causes, Inc., to provide mediation services in Durham County.

**Total Legislative Changes**

(\$662,858)	R	\$482,964	R
\$1,824,000	NR		

**Total Position Changes**

4.00	9.00
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**Revised Budget**

\$342,604,760	\$345,726,582
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## Judicial - Indigent Defense

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$96,688,190		\$91,688,190	
<b>Legislative Changes</b>				
<b>Aid to Non-State Entities</b>				
<b>11 Reduce Grant-in-Aid to State Bar</b>	(\$88,500)	R	(\$88,500)	R
Reduces the funding passed through to the State Bar to support the Center for Death Penalty Litigation by 15%				
<b>Attorney Fee Fund</b>				
<b>12 Reduce Indigent Persons Attorney Fee Fund</b>	(\$1,381,432)	R	(\$1,770,991)	R
Takes a recurring reduction to the Indigent Persons Attorney Fee Fund's continuation growth, which was just over \$13 million.				
<b>Sentencing Services</b>				
<b>13 Reduce and Restructure Sentencing Services Program</b>	(\$1,180,285)	R	(\$1,180,285)	R
Reduces current appropriation to the Sentencing Services program from \$3.68 million to \$2.5 million. In order to achieve this reduction, the Office of Indigent Defense Services shall close low-performing programs in certain districts within the state. Districts with State-run programs may be eliminated if their utilization indicates lack of local support and interest, and associated positions may be cut by the agency. The agency will consult with the Senior Resident Superior Court Judge in each district prior to eliminating the local program				
<b>Total Legislative Changes</b>	<b>(\$2,650,217)</b>	<b>R</b>	<b>(\$3,039,776)</b>	<b>R</b>
<b>Total Position Changes</b>				
<b>Revised Budget</b>	<b>\$94,037,973</b>		<b>\$88,648,414</b>	

## Justice

## GENERAL FUND

	<b>FY 05-06</b>	<b>FY 06-07</b>
<b>Adjusted Continuation Budget</b>	<b>\$78,155,004</b>	<b>\$78,855,004</b>

## Legislative Changes

## Criminal Justice Training &amp; Standards

**14 Budget Over-realized Receipts** (\$50,000) R (\$50,000) R  
Reduce the budget to offset increased receipts, based on revenue collections in FY 2003-04.

**15 Reduce Over-budgeted Worker's Compensation** (\$46,587) R (\$46,587) R  
The budget for worker's compensation is reduced due to a decrease in projected need.

## Department-wide

**16 Reduce Travel Line Items** (\$58,589) R (\$58,589) R  
Reduce travel line items to actual 2003-04 expenditures.

**17 Eliminate vacant positions** (\$198,940) R (\$198,940) R  
Eliminate five vacant positions in the Department:  
3613-0000-0004-210 (Comp. Supp. Tech I) -5.00 -5.00  
3613-0000-0002-029 (Comp. Supp. Tech I)  
3613-0000-0003-999 (Proc. Asst. V)  
3613-0000-0004-231 (Proc. Asst. V)  
3612-0000-0000-867 (Volunteer Services Coordinator)

**18 Reduce Contractual Line Item** (\$39,571) R (\$50,000) R  
Line item 532140, Information Technology contracts, is reduced.

**19 NC D.A.R.E.** \$25,000 NR  
Provide one-time funds to be passed through to The North Carolina D.A.R.E. (Drug Abuse Resistance Education) Officers Association, Inc. to be used in the program's efforts to teach the students of North Carolina the skills to help them make sound decisions about alcohol, tobacco, marijuana, and other drugs and to provide in-service training to enhance the effectiveness of law enforcement officers in the classroom.

## Law Enforcement - SBI

**20 Reduce Vehicle Replacement Increase** (\$261,104) NR  
One-year elimination of the recurring increase for vehicle replacement recommended in the Governor's continuation budget. This leaves a budget of approximately \$1.1 million in 2005-06 and \$1.4 million in 2006-07.

**21 Reduce SBI Increase for Equipment**

(\$115,368) R

(\$115,368) R

Reduce the increase for equipment recommended in the Governor's continuation budget by 50 percent. The Department may use federal asset forfeiture funds to purchase additional equipment.

**22 Budget Increased Receipts From DCI-PIN Fee**

(\$325,548) R

(\$651,096) R

Budget anticipated receipts from an increase in the monthly fee for access to the Division of Criminal Information - Police Information Network (DCI-PIN) from \$6 to \$12 for mobile data terminals, effective January 1, 2006.

**23 Reduce Over-budgeted Longevity**

(\$136,828) R

(\$136,828) R

The longevity budget is reduced due to a decrease in projected longevity payments.

**24 Expand Methamphetamine Response Team**

\$30,485 R

\$365,820 R

Provides six sworn forensic drug chemists and two non-sworn drug technicians, and related expenditures, to respond to clandestine methamphetamine labs and perform drug analyses. Positions are effective June 1, 2006 due to the projected completion date of the new SBI lab wing.

\$49,016 NR  
8.00\$33,240 NR  
8.00**25 Expand Computer Crimes Section**

\$107,560 R

\$197,394 R

Two Computer Crimes Agents/Criminal Specialists and two Forensic Computer Analysts are added to the SBI. Computer Crimes Agents will partner with the FBI National Internet Crimes Against Children Task Force and will work primarily on child exploitation and sexual predator cases. Positions are effective January 1, 2006.

\$10,868 NR  
4.00

4.00

**26 Expand Utilization of DNA Evidence**

\$102,169 R

\$478,221 R

Provides funding to expand the SBI Crime Lab's ability to effectively process DNA evidence. Funding for 7 non-sworn positions - 6 Geneticists and 1 Evidence Technician - and related travel, equipment and supplies. Budgets anticipated federal grant funds of \$658,117 in FY 2005-06 and \$62,611 in FY 2006-07. Two Geneticists and the Evidence Technician are effective January 1, 2006. The remaining positions are effective June 1, 2006 due to space constraints and the projected completion date of the new SBI lab wing.

7.00

7.00

**Legal Services****27 Establish Receipt-Supported Position**

The Department may establish one receipt-supported Attorney IV position to provide legal assistance to the Retirement Systems Division of the NC Treasurer's Office. Salary for the position is \$89,220; salary and benefits total \$104,665. Salary, benefits, and related expenditures will be funded by the Treasurer's Office as provided in the cooperative agreement between the two agencies.

## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****28 Animal Shelter Regulations - Legal Services**

\$75,000 R

\$75,000 R

One new Attorney II position is established to provide services to the Department of Agriculture in its actions or proceedings associated with the Animal Welfare Act. Funds are provided for salary, benefits, travel, and other related expenditures.

1.00

1.00

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**Total Legislative Changes**

(\$656,217) R

(\$190,973) R

(\$176,220) NR

\$33,240 NR

**Total Position Changes**

15.00

15.00

**Revised Budget**

\$77,322,567

\$78,697,271

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## Juvenile Justice & Delinquency Prevention

GENERAL FUND
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	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$139,857,825		\$140,157,825	
<b>Legislative Changes</b>				
<b>Department-wide</b>				
<b>29 Reduce Non-salary Line Items</b>	(\$158,614)	R	(\$158,614)	R
Reduce the budget for data processing supplies and pc/printer equipment replacement				
<b>30 Reduce Travel Budget</b>	(\$63,882)	R	(\$63,882)	R
Reduce the continuation budget increase for employee travel.				
<b>31 Budget Prior Year Receipts</b>	(\$300,000)	NR		
Increase the amount budgeted for prior year receipts to approximate the actual amount realized in recent fiscal years.				
<b>Detention Centers</b>				
<b>32 Budget Over-Realized Detention Receipts</b>	(\$500,000)	R	(\$500,000)	R
DJJDP states that receipts for the local share of detention costs will not decline at the rate anticipated. DJJDP states that receipts will be \$1 million more than projected in the 2005-07 continuation budget. This allows for a reduction of \$500,000 in the General Fund appropriation.				
<b>Intervention/Prevention</b>				
<b>33 Juvenile Crime Prevention Councils</b>	\$250,000	R	\$250,000	R
Funds are provided to expand Alternatives to Commitment Demonstration Projects. These funds shall be awarded on a competitive basis to county JCPCs to provide alternative, community-based diversion and dispositional programs for juveniles who would otherwise be committed to youth development centers.				
<b>34 Juvenile Crime Prevention Councils</b>	(\$593,663)	R	(\$593,663)	R
Reduce the continuation budget for JCPC formula grants by 2.5 percent.				
<b>35 JCPC Funds for Gang Prevention</b>	\$2,000,000	NR		
\$2,000,000 NR is provided to be awarded on a competitive basis to JCPCs for gang prevention programs throughout the state.				

**36 Gang Prevention Funds for Law Enforcement Agencies**

Funds are provided for gang violence and other crime prevention activities in the following law enforcement agencies:

\$104,500 NR

Cumberland Co. Sheriff's Dept. - \$3,500  
 Fayetteville Police Dept. - \$11,000  
 Durham Police Dept. - \$40,000  
 Charlotte-Mecklenburg Police Dept. - \$50,000

**Special Initiatives****37 NC Communities In Schools**

(\$103,500) R (\$103,500) R

Reduce pass-through funding in the DJJDP continuation budget for the NC Communities in Schools (NCIS) administrative office. The goal of NCIS is to improve student school performance and its functions primarily to support the mission of the Department of Public Instruction. NCIS will continue to receive continuation funding of \$169,000 R from DJJDP, \$200,000 R from the Governor's Office, and \$607,500 R from DPI. In addition, the Education Appropriations Subcommittee's budget provides \$500,000 (NR) in expansion funding, as requested in the Governor's Recommended Budget. In total, NCIS will receive \$1,476,500 in state funds in FY05-06.

**38 Project P.R.I.D.E.**

(\$140,000) R (\$140,000) R

Eliminate continuation budget funding for this program. Program should seek state funding available through the county JCPs or federal grants from the Governor's Crime Commission.

**39 Eckerd Wilderness Camps**

\$1,600,000 R \$1,600,000 R

Funds are transferred from the Department of Public Instruction to DJJDP to offset the educational costs of Eckerd services provided to juveniles admitted from all referral sources.

**40 Project Challenge**

\$30,000 R \$30,000 R

Funding for Project Challenge is increased to restore a NR reduction in FY 2002 which was erroneously retained in the continuation budget for 2003-05 and 2005-07.

**Youth Development Centers****41 Reduce Funding for YDC Beds**

(\$1,855,000) R (\$1,855,000) R

The funding for Youth Development Centers is over \$44 million dollars. This funding level is based on operating over 600 beds. Average daily population in 2004 was 485. DJJDP currently has 539 beds open. This action reduces funding by approximately 4%. In implementing this reduction, DJJDP shall not close any YDCs and shall implement the reduction throughout the YDC system including positions and YDC non-salary line items.

-46.00

-46.00

## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****42 Expand Treatment Staffing Model**

\$250,000 R

\$250,000 R

Provides funds for training, and reclassification of staff once training is completed, in order to expand treatment positions in the YDCs.

**Total Legislative Changes**

(\$1,284,659) R

(\$1,284,659) R

\$1,804,500 NR

**Total Position Changes**

-46.00

-46.00

**Revised Budget**

\$140,377,666

\$138,873,166



## Correction

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$1,045,627,365		\$1,060,627,365	

## Legislative Changes

## Alcohol and Chemical Dependency

<b>43 DART Substance Abuse Treatment</b>	\$165,000	R	\$165,000	R
Funding is provided to expand in-prison residential treatment capacity by up to 34 beds. Priority should be given to programs 90 days or longer. Positions are Substance Abuse Program Supervisor, Substance Abuse Counselor II, Substance Abuse Counselor I, and Substance Abuse Worker.	4.00		4.00	

## Central Administration

<b>44 Travel</b>	(\$264,022)	R	(\$264,022)	R
Eliminate continuation increase in travel for DOC central administration.				
<b>45 Safety Positions</b>	\$104,725	R	\$157,398	R
Establish three safety related positions: a Safety Officer II (Industrial Hygienist); a Safety Officer I; and, an Occupational Health Nurse. Positions are effective November 1, 2005.	\$15,458	NR		
	3.00		3.00	
<b>46 IT Security Equipment</b>	\$105,000	NR		
One-time funding to improve the information technology infrastructure by funding security software and security-related computer equipment.				
<b>47 Medical Audit and Analysis Positions</b>	\$75,478	R	\$102,581	R
Funding for one Reimbursement Officer (Field Auditor) and one Accountant II position. The two positions will be assigned to the DOC Controller's Office to do field audits of medical services and billing and to develop reports matching bills with contract rates and services. These two positions will be effective October 1, 2005.	\$8,567	NR		
	2.00		2.00	

## Community Corrections

<b>48 Reduce Miscellaneous Contract Line Item</b>	(\$90,000)	R	(\$90,000)	R
Reduce line item. This will leave funds in excess of 2003-04 actual expenditures, to be used for risk assessments and other needs.				
<b>49 Reduce Office Equipment</b>	(\$45,000)	R	(\$45,000)	R
Reduce the budget for office equipment to more closely reflect actual 2003-04 expenditures.				

**50 Reduce Probation/Parole Officer I Positions**

(\$1,117,400) R

(\$1,117,400) R

Eliminate 25 vacant Probation/Parole Officer I positions. Caseloads for these positions have been increased from 90:1 to 110:1, leaving 59 positions that are not necessary to meet caseload goals. DCC may reallocate the remaining 34 positions for trainers, supervising officers, and other positions as needed.

-25.00

-25.00

**51 Reduce Increase for CJPP**

(\$1,000,000) R

(\$1,000,000) R

Eliminate the \$1 million increase in the Governor's recommended continuation budget. No more than 25 percent of each county's funds may be used for pre-trial release services in FY 2005-06, and no funds may be used for pre-trial release services in FY 2006-07.

**52 Summit House, Inc.**

Provide one-time expansion funds to be passed through to Summit House, Inc., a non-profit organization that serves women probationers and their children.

\$60,000 NR

**Department Wide****53 Computer Equipment**

(\$821,920) R

(\$821,920) R

Reduce personal computer/printer line item budget to more closely reflect 2003-04 expenditures.

**54 Reduce Overtime Budget**

(\$1,244,184) R

(\$1,244,184) R

Eliminate the recommended continuation budget increase in overtime pay.

**Post-Release Supervision & Parole Commission****55 Eliminate Vacant Positions**

(\$94,642) R

(\$94,642) R

Eliminate two vacant case analyst positions.

-2.00

-2.00

**56 Restructure Parole Commission**

(\$102,662) R

(\$102,662) R

Reduce two of the three Commissioner positions from full-time to half-time positions. The Chair will remain a full-time position.

-1.00

-1.00

**57 Special Issues Case Analyst Position**

\$37,873 R

\$37,873 R

A new case analyst position is established to focus on the medical aspects of release plans and expedite releases involving extradition. Initially, this position will also be devoted in part to implementing Sections 17.27 and 17.28 of this Act.

1.00

1.00

**Prisons****58 Carpentry/Hardware Supplies**

(\$500,000) R

(\$500,000) R

Reduce this line item by 10%

**59 Increase Inmate Medical Co-pay**

(\$149,000) R

(\$149,000) R

Increase inmate co-pay for sick call from \$3 to \$5 and for sick call outside normal hours from \$5 to \$7.

**60 Inmate Work Release Charges**

(\$536,000) R

(\$536,000) R

The amount inmates pay towards the administration of the work release program is \$16 a day in per diem and \$2.50 a day for transportation. This increases per diem to \$18 and transportation to \$3.

**61 Inmate Medical -- Physician Charges**

(\$1,850,000) R

(\$1,850,000) R

This reduction assumes that DOC will reduce the cost of external physician services for DOC inmates by renegotiating reimbursement rates, continuing efforts to regionalize medical services, increasing efforts to audit bills, and taking other cost containment actions. Also assumes savings will result from eight new positions established to help control medical costs. A portion of these reductions may be achieved using DOC available funds under conditions detailed in this Act.

**62 Inmate Medical -- Hospital Charges**

(\$2,750,000) R

(\$2,750,000) R

This reduction assumes that DOC will reduce the cost of inpatient and outpatient hospital services for DOC inmates by renegotiating reimbursement rates, continuing efforts to regionalize medical services, increasing efforts to audit hospital bills, and taking other cost containment actions. Also assumes savings will result from eight new positions established to help control medical costs. A portion of these reductions may be achieved using DOC available funds under conditions detailed in this Act.

**63 Delay Maury Correctional Center Positions**

(\$1,061,088) NR

Maury Correctional center is due to open November 05; the inmate occupancy date is April 06. Positions are established on a rolling schedule from August 05 to November 05; this action pushes back the establishment of each position one month but is not intended to delay the opening of the prison.

**64 Delay Maury Regional Medical Positions**

(\$1,415,623) NR

DOC included funding for a regional medical program at Maury Correctional Center in its continuation budget. Based on the length of time for startup of a similar facility at Alexander Correctional Center, it is believed position establishment can be delayed until June of 05-06.

**65 Delay Bertie Positions**

(\$1,155,007) NR

Construction of Bertie Correctional center is due to be completed in February, 2006; the inmate occupancy date is July 2006. Positions are established on a rolling schedule from September 05 to February 06. This action pushes back the establishment of each position one month but is not intended to delay the opening of the prison.

## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****66 Reduce line items in Maury and Bertie budgets**

(\$207,455) R

(\$207,455) R

Reduce non-security line items by 10% at each prison  
(equipment, supplies etc)

**67 Maury and Bertie Salary Reserve**

(\$631,120) R

(\$631,120) R

Reduce salary reserve line item in new prisons. \$100,000  
remains in line item. DOC can use department-wide salary  
reserve for position reallocation needs at Maury and Bertie.

**68 Holiday Pay**

(\$1,340,000) R

(\$1,340,000) R

Reduce the continuation budget for holiday pay from 1.75  
times regular pay to 1.5, the same holiday pay rate that  
other eligible state employees receive. DOC may use  
available funds to offset this reduction.

**69 Reduce Unit Management Function in Prisons**

(\$176,473) R

(\$176,473) R

DOC uses unit management positions at eighteen prisons to  
assist security and program staff with the day to day  
operation of housing units. This action eliminates five  
vacant positions.

-5.00

-5.00

**70 Inmate Medical Positions**

\$114,546 R

\$161,076 R

Establish six medical records clerks (Prison Health  
Services). The records clerks will assist in data entry and  
review of medical claims. These positions are effective  
November 1, 2005.

\$20,400 NR

6.00

6.00

**71 Domestic Violence Offender Treatment**

\$111,565 R

\$161,087 R

The 2004 General Assembly mandated the establishment of an  
intervention program for domestic violence offenders  
sentenced to prison. These funds establish programs in two  
prisons, with two case managers per prison, and funds for  
training, equipment and related expenses. Positions are  
established October 1, 2005.

\$30,040 NR

4.00

4.00

**Total Legislative Changes**

(\$12,310,691) R

(\$12,134,863) R

(\$3,392,253) NR

**Total Position Changes**

-13.00

-13.00

**Revised Budget**

\$1,029,924,421

\$1,048,492,502

## Crime Control and Public Safety

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$29,861,632		\$29,961,632	

## Legislative Changes

## Administration

<b>72 State/Local Redevelopment Liaison</b>	(\$90,294)	R	(\$90,294)	R
Eliminate the State/Local Redevelopment Liaison Position (4910-2000-0001-212). The function of this position duplicates that of the staff in the Division of Community Assistance (DCA) at the Department of Commerce. DCA assists local governments across the state with community development, housing, economic development, and revitalization. In addition, the Institute of Government at UNC-CH provides community and economic development assistance to county and local governments.	-1.00		-1.00	

## Alcohol Law Enforcement

<b>73 Leased Space</b>	(\$120,000)	R	(\$120,000)	R
Reduce the continuation budget for leases to correct an erroneous increase.				

## Department-wide

<b>74 Increase Budgeted Receipts</b>	(\$290,000)	NR		
Increase the amount budgeted for receipts to approximate actual amounts realized in recent years.				
<b>75 Reduce Non-salary Line Items</b>	(\$176,066)	R	(\$176,066)	R
Reduce the continuation amount budgeted for contracts, supplies, equipment, and other non-salary expenses in Alcohol Law Enforcement, Butner Public Safety, and Administration.				

## National Guard

<b>76 National Guard Pension Fund</b>	\$4,500,000	R	\$4,500,000	R
Provide \$4,500,000 for the NC National Guard Pension Fund. Effective July 1, 2005, these funds will be used to increase the monthly pension benefit payment to current and future retirees from a maximum of \$100 to a maximum of \$150.				
<b>77 Staffing for New Fort Bragg Facility</b>	\$58,662	R	\$78,216	R
Funding is provided for 2 new positions, effective October 1, 2005, for the new \$21 million NC National Guard training facility:				
1) Facility Maintenance Manager (PG66)				
2) Maintenance Mechanic (PG62)				

**FY 05-06****FY 06-07****78 Tuition Assistance Program**

\$200,000 R

\$200,000 R

Funds are provided to increase the continuation budget for the National Guard Tuition Assistance Program to \$2,014,288. This will allow the program to address the anticipated increase in requests for tuition assistance as deployed NC National Guard members begin returning from Afghanistan and Iraq.

**79 Armory Asbestos & Lead Abatement**

\$50,000 NR

Funds are provided for asbestos and lead abatement at the National Guard Armory in Warsaw, NC.

**State Highway Patrol****80 VIPER**

\$0 R

\$0 R

Funding is provided from the Highway Fund for the Voice Interoperable Communications Plan for Emergency Responders (VIPER) system as follows:

1 position: Network Control Tech I, \$51,087 R

Equipment Purchases: \$8,000,000 NR

**81 Additional Trooper Positions**

\$0 R

\$0 R

Highway Funds are provided to add ten (10) new trooper positions:

FY2005-06	FY2006-07
\$550,000 R	\$550,000 R
\$450,000 NR	

**82 MCE Receipt-supported Position**

\$0 R

\$0 R

Establish one position, using federal receipts, in the Motor Carrier Enforcement Section (MCE) to conduct motor carrier safety audits. The total annual salary and benefit costs for this position shall not exceed \$54,003.

Administrative Officer I (PG67)

**83 Motor Carrier Position Transition**

\$0 R

\$0 R

Governor's Recommendation: Highway Funds are provided to train and transition all filled Motor Carrier Enforcement Officer positions so that they have the same level of arrest authority and pay as other troopers.

FY 2005-06	FY2006-06
\$2,488,986 R	\$2,488,986 R
\$ 482,829 NR	

**84 Sharing of Weigh-In-Motion Data**

\$0 R

\$0 R

Highway Funds are provided to enable the Highway Patrol to access data collected by DOT at all existing weigh-in-motion sites.

\$40,500 NR

**FY 05-06****FY 06-07****85 Civilian Weight & Vehicle Safety Inspection Teams**

\$0 R

\$0 R

Highway Funds are provided for four (4) Grade 58 Data Collector II positions to staff a pilot program to increase the effectiveness of Motor Carrier Enforcement Officers operating remotely from permanent weigh station facilities.

FY 2005-06	FY2006-07
\$147,448 R	\$147,448
\$ 58,442 NR	

**Victim and Justice Services****86 Crime Victims Compensation**

\$800,000 R

\$800,000 R

\$800,000 R is provided to pay crime victims' compensation claims. This amount will increase the general fund continuation budget for victims compensation payments from \$3,700,000 to \$4,500,000. The expansion will increase federal VOCA receipts, which provide a 60% match to state victims compensation payments, by \$480,000.

**Total Legislative Changes**

\$5,172,302 R

\$5,191,856 R

(\$240,000) NR

**Total Position Changes**

-1.00

-1.00

**Revised Budget**

\$34,793,934

\$35,153,488

**GENERAL  
GOVERNMENT  
Section J**



## Administration

## GENERAL FUND

## Adjusted Continuation Budget

FY 05-06

\$60,053,752

FY 06-07

\$61,483,537

## Legislative Changes

## 1123 Historically Underutilized Businesses

**1 Construction Database Mgm't System Enhancement**

\$74,915 R

\$74,915 R

Provides funding to enhance the existing HUBSCO Construction Reporting System to meet the current State Technical Architecture standards and to establish one Application Analyst Programmer position. The Department developed the system to capture HUB expenditures and construction data for the HUB Office and the State Construction Office.

\$250,000 NR  
1.00

1.00

Recurring	FY 2005-06	FY2006-07
531211 Salaries	\$63,000	\$63,000
531511 Social Security	\$4,820	\$4,820
531521 Retirement	\$3,663	\$3,663
531561 Med Ins	\$3,432	\$3,432
Total Recurring	\$74,915	\$74,915

Nonrecurring	
532140 IT-HUBSCO Upgrades	\$250,000

## 1230 Non-Public Education

**2 Non-Public Education Personnel**

\$79,661 R

\$79,661 R

Provides funding to establish an Education Program Specialist position (\$30,354) and an Office Assistant IV position (\$23,316). Also provides additional funding for operating cost. The additional positions and operating cost will allow the Division to expand non-public school visitation, respond to citizen complaints about specific home schools, provide more careful review of annual standardized test results, and to contract out annual mailings to the home schools.

\$1,900 NR  
2.00

2.00

Recurring	FY2005-06	FY2006-07
531211 Salaries	\$53,670	\$53,670
531511 Social Security	\$4,106	\$4,106
531521 Retirement	\$3,121	\$3,121
531561 Med Ins	\$6,864	\$6,864
532199 Annual Mailings	\$4,100	\$4,100
532714 Expanded Home Visitations	\$4,350	\$4,350
532840 Postage	\$3,000	\$3,000
532811 Telephones	\$450	\$450
Total Recurring	\$79,661	\$79,661

Nonrecurring	
534522 PCs	\$1,900

**1241 Management Information Systems****3 Information Technology Security Personnel**

\$81,334 R

\$81,334 R

Provides funding to establish an IT Security Associate Analyst position (\$54,811) to address the department's IT security issues that have been identified in the IT Security Assessment conducted by the Office of Information Technology Services.

1.00

1.00

Recurring	FY2005-06	FY2006-07
531211 Salaries	\$54,811	\$54,811
531511 Social Security	\$4,193	\$4,193
531521 Retirement	\$3,187	\$3,187
531561 Med Ins	\$3,432	\$3,432
534710 Computer Software	\$500	\$500
534522 Equipment - Computers	\$3,000	\$3,000
532811 Telephone Service	\$600	\$600
532942 Oth Emp Ed Expenses	\$3,000	\$3,000
532930 Registration Fees	\$250	\$250
532725 Meals - Out of State	\$150	\$150
532722 Lodging - Out of State	\$625	\$625
532440 Maint Agree - DP Equip	\$2,565	\$2,565
532441 Maint Agree - Software	\$5,021	\$5,021
Total Recurring	\$81,334	\$81,334

**1311 Office of State Personnel****4 Operating Budget Increases**

\$71,600 NR

Appropriates funds to purchase equipment and software for the OSP Training Center, and to continue training for mediation services.

	FY 05-06	FY 06-07
532942 Oth Svs/ Training	\$ 21,600	\$ 0
534521 Office Equipment	\$ 25,000	\$ 0
534711 Computer Software	\$ 25,000	\$ 0

**1511 Purchase and Contract****5 E-Procurement Compliance Personnel**

Provides funding to establish 2 compliance officer positions (\$51,334 each) to provide E-procurement educational outreach, manage the E-procurement contract, and perform compliance reviews. The E-procurement contract requires a review of all direct payments for all NCAS agencies on a quarterly basis.

\$135,846	R	\$135,846	R
\$3,800	NR	\$0	NR
2.00		2.00	

Recurring	FY2005-06	FY2006-07
531211 Salaries	\$102,668	\$102,668
531511 Social Security	\$7,854	\$7,854
531521 Retirement	\$5,970	\$5,970
531561 Med Ins	\$6,864	\$6,864
532714 Trans-ground	\$2,200	\$2,200
532727 Trans-other	\$25	\$25
532721 Lodging-In State	\$1,800	\$1,800
532724 Meals-In State	\$1,000	\$1,000
532811 Telephone Service	\$950	\$950
532814 Cellular Phones	\$1,700	\$1,700
532930 Registration Fees	\$3,500	\$3,500
533110 Gen Office Supplies	\$1,315	\$1,315
Total Recurring	\$135,846	\$135,846

Nonrecurring	
534511 Furniture Office	\$1,200
534539 Other Equipment	\$2,600
Total Nonrecurring	\$3,800

**1731 NC Council for Women/DV Commission****6 Domestic Violence Commission Staff**

Provides funding for the salary and benefits for an additional staff position to oversee the Abuser Treatment Program within the NC Council for Women and Domestic Violence Commission.

\$35,245	R	\$35,245	R
1.00		1.00	

**7 Albemarle Hopeline, Inc.**

Provides a grant-in-aid to Albemarle Hopeline, Inc., a private, non-profit organization dedicated to serving victims of family violence, sexual assault, and teen dating violence. The grant will assist with the purchase and retrofitting of a facility that will provide direct services to victims of sexual and domestic violence in six northeastern NC counties.

\$150,000	NR
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**8 Coastal Horizons Center, Inc.**

Provides a grant to Coastal Horizons Center, Inc. in Wilmington, NC for the continued operation of the Center's Rape Crisis Center.

\$25,000	NR
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**9 Domestic Violence Shelter and Services, Inc.**

Provides a grant for the continued operation of Domestic Violence Shelter and Services, Inc. in Wilmington, NC.

\$25,000	NR
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**10 Family Services of Davidson County, Inc.**

Provides a grant-in-aid to Family Services of Davidson County, Inc., a nonprofit organization, for treatment and counseling services for domestic violence victims. \$25,000 NR

**11 Safe Space, Inc.**

Provides a grant-in-aid to Safe Space, Inc., a nonprofit organization, to support domestic violence and community-based public health programs in Franklin County. \$25,000 NR

**12 Women's Center of Fayetteville**

Provides a grant-in-aid to Women's Center of Fayetteville, a nonprofit organization, to provide programs and services that assist entrepreneurs by developing and enhancing their business skills and encouraging the exchange of information. \$50,000 NR

**1741 Human Relations Commission****13 City of Durham**

Provides a grant for the operating support for the city's Human Relations Commission. \$15,000 NR

**1771 Veterans Affairs Division****14 Scholarships Partially Funded From Escheats**

(\$1,491,106) R (\$2,679,379) R

Transfers funding for 76.4% of the scholarships from appropriation-support to receipt-support. The receipts will come from the Escheats Funds. This funding shift continues the funding shift that was made in the 2003 Appropriations Act., S.L. 2003-284. The funding shift does not impact the total amount available for the scholarship program. The total available for scholarships is \$5,625,058 for fiscal year 2005-06 and \$5,704,249 for fiscal year 2006-07.

**15 NC Veterans Park Funds**

Provides a grant-in-aid to the City of Fayetteville to establish the NC Veterans Park. The General Assembly made plans for the park in the 1990s that were never implemented. \$2,300,000 NR

**16 Edgecombe County Veterans Military Museum**

Provides a grant-in-aid to the Edgecombe County Veterans' Military Museum, a nonprofit organization, for operating expenses and for the development of a museum honoring Edgecombe County veterans (HB 1337). \$10,000 NR

**17 NC Veterans Memorial Committee, Inc.**

Provides a grant-in-aid for the construction and maintenance of the North Carolina Veterans Memorial in Broadway, NC. \$150,000 NR

**1811 GACPD****18 Personnel Reduction**

(\$67,686) R

(\$67,686) R

Eliminates salary and fringe benefits equivalent to that of the Assistant Director position (4140-1540-0000-480). The Division Director's position has been vacant since November 2001. The Division also has an Administrative Secretary III position that has been vacant since January 2004. These vacancies have been allowed to remain pending the Governor's decision regarding redesignation of the Council to a non-profit status. The responsibilities of the Director have been performed by the Assistant Director. With the elimination of the salary and fringe benefits in the amount of \$67,686, the Department may select which of the Council's 7.28 General Fund positions it will eliminate.

-1.00

-1.00

**1861 Commission of Indian Affairs****19 Indian Cultural Center**

Provides funding for preparation and construction of picnic shelters and visitors' restrooms and to upgrade public ceremonial grounds at the North Carolina Indian Cultural Center.

\$30,000 NR

**20 Lumbee River Council of Governments**

Provides a grant-in-aid to the Lumbee River Council of Governments to support youth opportunity projects throughout Robeson County.

\$5,000 NR

**21 NC Indian Economic Development Initiative**

Provides a grant to the North Carolina Indian Economic Development Initiative, a nonprofit corporation that was created as an outgrowth of the NC Commission on Indian Affairs Year 2004 Strategic Planning effort. The purpose of the grant is to continue the work of the North Carolina Indian Economic Development Initiative, aimed at spurring economic development and creating jobs in rural Indian communities.

\$325,000 NR

**1881 Transition Team****22 Operating Budget Reduction**

(\$120,000) R

(\$120,000) R

Eliminates transition funds for the Council of State members. This funding will not be needed during the 2005-07 biennium.

**1882 Governor's Inauguration****23 Operating Budget Reduction**

(\$205,000) R

(\$205,000) R

Eliminates funding for the Governor's Inauguration. Funding will not be needed during the 2005-07 biennium.

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<b>Total Legislative Changes</b>	<b>(\$1,476,791)</b>	<b>R</b>	<b>(\$2,665,064)</b>	<b>R</b>
	<b>\$3,462,300</b>	<b>NR</b>	<b>\$0</b>	<b>NR</b>
<b>Total Position Changes</b>	<b>6.00</b>		<b>6.00</b>	
<b>Revised Budget</b>	<b>\$62,039,261</b>		<b>\$58,818,473</b>	

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## Cultural Resources

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$61,114,752		\$59,597,482	

## Legislative Changes

## 1110 Office of the Secretary

## 24 Boards and Commissions and North Carolina Awards

\$50,000 R

\$50,000 R

Provides funding that supports travel and work of the Director of Boards and Commissions, who serves as the departmental liaison with 39 nonprofit support groups and foundations for state historic sites and museums. Additionally, restores state funding for the North Carolina Awards Program, which has been receipt-supported for several years.

	FY 05-06	FY 06-07
532199 Misc Contractual Svs	\$ 10,000	\$ 10,000
532714 Grd Trans/In-state	\$ 9,000	\$ 9,000
532721 Lodging/In-state	\$ 8,000	\$ 8,000
532724 Meals/In-state	\$ 6,000	\$ 6,000
532727 Misc/In-state	\$ 2,000	\$ 2,000
532850 Printing	\$ 10,000	\$ 10,000
533900 Other Materials/Supplies	\$ 5,000	\$ 5,000

## 25 Operating Budget Reduction

(\$180,000) R

(\$180,000) R

Eliminates funding for historical, art and cultural grants.

## 1120 Administrative Services

## 26 Information Technology Services Expansion

\$50,000 R

\$50,000 R

Appropriates funding to establish one (1) Applications Programmer I position and to purchase additional computer equipment.

\$2,500 NR  
1.00

1.00

	FY 05-06	FY 06-07
531112 Salaries	\$ 41,000	\$ 41,000
531511 Social Security	\$ 3,137	\$ 3,137
531521 Retirement	\$ 2,384	\$ 2,384
531561 Med Ins	\$ 3,432	\$ 3,432
532199 Misc Contractual Svs	\$ 47	\$ 47
534522 Equip - Computers	\$ 2,500	

## 1230 Archives &amp; Records

## 27 Edenton Signers Memorial Funds

\$300,000 NR

Provides funding to establish a Signers Memorial on the grounds of the Chowan County Courthouse to honor Hugh Williamson, a signer of the United States Constitution.

**28 The Murfreesboro Historical Association, Inc.**

Provides a grant-in-aid in FY 2005-06 for operational and program support (\$50,000). Additionally, provides funding for renovations and the installation of an elevator at the Jeffcoat Museum in Murfreesboro and other improvements at the historic site (\$92,000).

\$142,000 NR

**1241 State Historic Sites****29 Increase Operating Budget**

Provides additional funds for maintenance of historic sites statewide.

\$500,000 R \$500,000 R

**30 Roanoke River Lighthouse Restoration Funds**

Provides funds for the Edenton Historical Commission to acquire, relocate, and restore the lighthouse.

\$300,000 NR

**31 Historic Bandon Building Restoration Funds**

Appropriates funding to acquire, move, and restore the 1827 kitchen building of the former Bandon Plantation for location to the State Historic Site in Edenton.

\$250,000 NR

**32 Historic Oak Grove School Funds**

Provides a grant-in-aid for FY 2005-06 to Washington Town Community Assn., Inc. to retire the debt for renovations of the school.

\$50,000 NR

**33 Historic Salisbury Foundation, Inc.**

Provides a grant-in-aid in FY 2005-06 for renovating Hall House.

\$25,000 NR

**34 Historic Burwell School Repair Funds**

Provides a grant-in-aid in FY 2005-06 to the Historic Hillsborough Commission for repairs to the school. (HB 1656)

\$5,000 NR

**35 Historic Hillsborough District Commission Funds**

Provides a grant-in-aid in FY 2005-06 to assist the Commission catalog, promote, and preserve the historic site. (HB 1658)

\$5,000 NR

**36 Town of Hope Mills**

Provides a grant-in-aid in FY 2005-06 for the historic preservation of the town.

\$14,000 NR

**37 New Bern's 300th Anniversary Funds**

Provides a grant-in-aid in FY 2005-06 to the Swiss Bear Downtown Development Corporation to aid the City of New Bern in preparing for its Tercentenary Anniversary. (HB 1588)

\$50,000 NR

**38 CSS Neuse Restoration Committee, Inc.**

Provides funds for the relocation and preservation of the Civil War CSS Neuse gunboat. (SB 1084)

\$30,000 NR



**1242 Tryon Palace Historic Sites****39 Increase Operating Budget**

\$570,432 R

\$570,432 R

Appropriates funding to replace budgeted admission receipts that will be deposited into a nonreverting fund to support capital improvements at the historic site.

**1243 State Capitol/Visitor Services****40 New Personnel**

\$94,000 R

\$94,000 R

Appropriates funds for two (2) Museum Specialist positions at pay grade 66 and salary of \$35,695. The total recurring expenditure is \$94,000, which includes \$85,597 for salaries and benefits and \$8,403 for operating expenses, and non-recurring expense of \$3,000 for office and computer equipment.

\$3,000 NR  
2.00

2.00

**1250 Historic Preservation****41 The Historic Preservation Foundation of NC, Inc.**

Provides a grant-in-aid in FY 2005-06 to The Historic Preservation Foundation of NC, Inc to repair and paint two (2) historic tanks at Gencoe, and to repair a historic dam on the Haw River and to control erosion along mill race at Gencoe Mill. (HB 1403)

\$50,000 NR

**1260 Office of State Archaeology****42 Queen Anne's Revenge Recovery Funds**

Provides a grant-in-aid in FY 2005-06 to support the QAR Shipwreck Recovery Project.

\$50,000 NR

**1320 Museum of Art****43 Program Diversity and New Security Personnel**

\$283,797 R

\$250,000 R

Provides funding to extend programming to schools and communities using computers, the Internet, and other means in order to broaden the museum's reach statewide. Also, provides funds to establish five (5) new Museum Guard positions.

5.00

5.00

	FY 05-06	FY 06-07
531112 Salaries	\$104,030	\$104,030
531511 Social Security	\$ 7,958	\$ 7,958
531521 Retirement	\$ 6,049	\$ 6,049
531561 Med Ins	\$ 17,160	\$ 17,160
532714 Grd Trans/In-state	\$ 4,500	\$ 4,500
532721 Lodging/In-state	\$ 2,300	\$ 2,300
532724 Meals/In-state	\$ 1,800	\$ 1,800
532727 Misc/In-state	\$ 1,100	\$ 1,100
533900 Qh Material s/Supplies	\$ 3,000	\$ 3,000
534539 Qh Equipment	\$ 15,000	\$ 15,000
534610 Art and Artifacts	\$120,899	\$ 87,102

**44 Asheville Art Museum Association, Incorporated**

Provides a grant-in-aid in FY 2005-06 for planning an expansion to the Museum's current facilities. (HB 235)

\$25,000 NR

**1330 NC Arts Council****45 Grassroots Arts Program**

\$580,000	R	\$580,000	R
\$1,000,000	NR		

Increases funding in expenditure account 536996 for grants to local arts councils. This increase provides \$1.7 million for grants to local arts councils that are awarded through the formal application process. Additionally, provides \$1 million on a nonrecurring basis in FY 05-06 to also be awarded through the formal application process.

**46 Basic Grants Program**

\$396,133	R	\$396,133	R
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Increases funding in expenditure account 536990 for grants to individuals and organizations in the categories of arts in education, visual arts, folklife, folk heritage, general and program support, organizational development, outreach, and touring/presenting. This increase provides \$2.9 million and restores funding to the FY 2000-01 level for grants that are awarded through a formal application process.

**47 Carolina Ballet**

Provides a grant-in-aid for FY 2005-06.

\$250,000	NR
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**48 'Strike at the Wind' Drama**

Provides non-recurring funding for the upgrade, replacement, and modification of electronic equipment.

\$20,000	NR
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**49 Southern Appalachian Historical Association, Inc**

Provides a grant-in-aid in FY 2005-06 for operational support of the outdoor drama, Hbrn in the Vest.

\$20,000	NR
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**50 Pocosin Arts, Inc.**

Provides a grant-in-aid in FY 2005-06 for the development and construction of the Pocosin Arts Education Center.

\$1,000,000	NR
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**51 Matthews Playhouse of Performing Arts, Inc.**

Provides a grant-in-aid in FY 2005-06 for operational support for youth to learn backstage skills.

\$50,000	NR
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**52 The Opera Company of NC, Inc.**

Provides a grant-in-aid in FY 2005-06 for educational outreach and operating expenses. (HB 1719)

\$50,000	NR
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**53 United Arts Council of Greensboro, Inc.**

Provides a grant-in-aid in FY 2005-06 for cultural facility enhancements including restoration of the Carolina Theater (\$10,000). (HB 1165)

\$25,000	NR
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**54 Alamance County Arts Council, Inc.**

Provides a grant-in-aid in FY 2005-06 for the Joe Thompson Project. Funding will complete a traveling exhibition for documentary and presentations of the life of a legendary African-American clawhammer guitar/banjo player from Orange and Alamance Counties.

\$1,000	NR
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**55 Richmond County Arts Council, Inc.**

Provides a grant-in-aid for FY 2005-06 to support an Arts/Agricultural partnership between the arts/crafts people and local farmers in the Sandhills region (\$30,000). Additionally, provides funds for the complete renovation of the old McNair Building in downtown Rockingham (\$25,000).

\$55,000 NR

**56 Chatham County Arts Council, Inc.**

Provides a grant-in-aid in FY 2005-06 for the use of arts as a tool for economic development.

\$50,000 NR

**57 Surry Arts Council**

Provides a grant-in-aid in FY 2005-06 for operational and program support of the Andy Griffith Theatre.

\$10,000 NR

**58 African-American Atelier, Inc.**

Provides a grant-in-aid in FY 2005-06 to African-American Atelier, Inc for operating expenses in providing its arts programs and exhibits. (HB 1205)

\$12,000 NR

**59 Guilford NAA Cultural Funds**

Provides a grant-in-aid in FY 2005-06 to the Guilford Native American Association, Inc. to support cultural programming for Native American and other youth. (HB 1423)

\$10,000 NR

**60 African-American Cultural Center Funds**

Provides a grant-in-aid in FY 2005-06 to the African-American Cultural Center for repairs to the facility in Robeson County. (HB 1738)

\$5,000 NR

**61 Folkmoot USA**

Provides a grant-in-aid in FY 2005-06 for rehabilitation of a former middle school as the FOLKMOOT Center. Additionally, provides funds for general programming to support "Folkmooot USA", North Carolina's official international festival (HB 1627)

\$110,000 NR

**62 Madison County Arts Council**

Provides a grant-in-aid to renovate facility to serve as Madison's Art Center.

\$10,000 NR

**63 Martin County Arts Council, Inc.**

Provides a grant-in-aid to renovate and restore historical building in downtown district.

\$5,000 NR

**64 The Farmville Community Arts Council, Inc.**

Provides a grant-in-aid in FY 2005-06 to support programs for area schools and the community.

\$5,000 NR

**65 Triad Stage, Inc.**

Provides a grant-in-aid in FY 2005-06 to Triad Stage, Inc. for operational expenses and to support a regional scene shop open to nonprofit arts organizations in the Triad. (HB 1666)

\$125,000 NR

**66 Turnage Theaters Foundation, Inc.**

Provides a grant-in-aid in FY 2005-06 to the Turnage Theaters Foundation, Inc., to assist in renovating the Theater to enhance economic development in Beaufort County.

\$500,000 NR

**67 Anson County Arts Council, Inc.**

Provides a grant-in-aid in FY 2005-06 for restoration of the historic Ansonia Theater in Wadesboro, NC.

\$25,000 NR

**68 Caldwell Arts Council, Inc.**

Provides a grant-in-aid in FY 2005-06 to the Caldwell Arts Council in Lenoir County.

\$20,000 NR

**69 Penland School of Crafts**

Provides a grant-in-aid in FY 2005-06 to the Penland School of Crafts to provide assistance with crafts programming for western North Carolina.

\$100,000 NR

**70 Jewish Heritage Foundation of North Carolina**

Provides funding to assist the Jewish Heritage Foundation of NC in the production of its heritage project, "Down Home: Jewish Life in North Carolina". (SB 451)

\$50,000 NR

**1340 NC Symphony****71 Grant-In-Aid**

Provides grant-in-aid to the NC Symphony for FY 2005-06.

\$500,000 NR

**72 Greensboro Symphony Society, Incorporated**

Provides a grant-in-aid in FY 2005-06 to support the orchestra's Second Annual Gospel Concert and education programs. (HB 1648)

\$50,000 NR

**1410 State Library Services****73 Services to the Blind and Physically Handicapped**

Appropriates funds to install and maintain a new telephone system and a card access security system for the building and the computer server room.

\$16,100 R

\$9,100 R

\$27,300 NR

	FY 05-06	FY 06-07
532199 Misc Contractual Svs	\$ 8,000	\$ 1,000
532811 Telephone Service	\$ 7,000	\$ 7,000
532812 Telecomm Data Charges	\$ 1,100	\$ 1,100
534539 Other Equipment	\$ 27,300	

**1480 State Library Statewide Programs****74 Aid to Counties**

Provides additional funds to support grants to public libraries based upon the formula for State-Aid to Libraries. The additional funding provides \$15.8 million for aid to local libraries.

\$1,000,000 R

\$1,000,000 R

**75 Mecklenburg County Library**

Provides a grant-in-aid to Mecklenburg County Library in FY 2005-06 to provide computer stations for expansion of InaginCh children's education programs and activities.

\$1,000,000 NR

**76 Cumberland County Public Library**

Provides a grant-in-aid in FY 2005-06 to Friends of Cumberland County Public Library & Information Center, Inc to support a 'Visiting Authors' series for the Cumberland County community. This program creates awareness of the opportunities offered by the libraries of Cumberland County and focuses efforts to enrich the cultural advantages available to Cumberland County Citizens.

\$1,500 NR

**77 Bethel Public Library**

Provides a grant-in-aid in FY 2005-06 to renovate and update the library facility.

\$5,000 NR

**78 Robersonville Public Library**

Provides a grant-in-aid in FY 2005-06 to upgrade old computers and purchase new books.

\$5,000 NR

**79 Hoke County Public Library**

Provides a grant-in-aid in FY 2005-06 toward the purchase of a bookmobile, and to renovate and update the library facility.

\$25,000 NR

**80 Rose Hill Community Memorial Library**

Provides a grant-in-aid in FY 2005-06 for the operation, programming, and expansion of the library.

\$10,000 NR

**1500 Museum of History****81 Sit-In Movement, Inc. (I C R C & M)**

Provides a grant in FY 2005-06 for final renovation costs of the Museum

\$500,000 NR

**82 Vance County Visitor Center Museum**

Provides a grant-in-aid in FY 2005-06 for operational support.

\$100,000 NR

**83 Sparta Teapot Museum**

Provides a grant-in-aid in FY 2005-06 for design and planning the future home of the Kamm Historic Teapot Collection.

\$400,000 NR

**84 Museum of the New South, Inc.**

Provides funding as a grant-in-aid in FY 2005-06 for operating programs.

\$50,000 NR

**85 Graveyard of the Atlantic Museum**

Provides a grant-in-aid for FY 2005-06 for operational support and capital expenses.

\$100,000 NR

**86 Charlotte Museum of History, In.**

Provides funding as a grant-in-aid in FY 2005-06 for an exhibit and to enhance the school curriculum in history of the region and State.

\$50,000 NR

**87 Sampson County History Museum, Inc.**

Provides a grant-in-aid for FY 2005-06 for operational support.

\$5,000 NR

**88 Rowan Museum, Inc**

Provides a grant-in-aid in FY 2005-06 for a 1,700 square foot addition that will house an elevator to make the 2nd and 3rd floors handicapped accessible.

\$25,000 NR

**89 Rutherford County Farm Museum**

Provides a grant-in-aid in FY 2005-06 for a 10,000 square foot display. This item is also supported by donations.

\$10,000 NR

**90 Raeford-Hoke Museum, Inc**

Provides a grant-in-aid in FY 2005-06 for repairs and maintenance. (HB 1733)

\$30,000 NR

**91 Tobacco Farm Life Museum, Inc.**

Provides a grant-in-aid in FY 2005-06 to assist the museum in preserving and celebrating farmlife in NC. (HB 1140)

\$25,000 NR

**92 Person County Museum of History, Inc.**

Provides a grant-in-aid in FY 2005-06 for maintenance of the facility. (HB 1611)

\$20,000 NR

**93 Scotland County**

Provides a grant-in-aid in FY 2005-06 to assist with the renovation of a vacant building that is owned by Scotland County for the purpose of converting it to a county museum

\$20,000 NR

**94 Discovery Place, Inc.**

Provides a grant-in-aid in FY 2005-06 for "The Dead Sea Scrolls" traveling exhibition.

\$40,000 NR

**95 Badin History Museum, Inc.**

Provides a grant-in-aid in FY 2005-06 for the continued operation and maintenance of the Badin Historic Museum (HB 1669)

\$25,000 NR

**96 National Mary Potter Club, Inc.**

Provides a grant-in-aid in FY 2005-06 for the George C. Shaw Museum in Granville County.

\$25,000 NR

**97 Museum of the Cape Fear**

Provides a grant-in-aid in FY 2005-06 to the Museum of the Cape Fear Historical Complex Foundation, Inc. for planning the expansion and enhancement of the Museum of the Cape Fear.

\$1,000,000 NR

## Conference Report on the Continuation, Capital, and Expansion Budget

FY 05-06

FY 06-07

**98 Exploris**

Provides a grant-in-aid in FY 2005-06 to obtain new exhibits and sustain current operations at the Exploris Museum in Raleigh, NC

\$100,000 NR

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**Total Legislative Changes****\$3,360,462** R**\$3,319,665** R**\$8,958,300** NR**Total Position Changes**

8.00

8.00

**Revised Budget****\$73,433,514****\$62,917,147**

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## General Assembly

GENERAL FUND
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	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$43,864,588	\$46,965,432
Legislative Changes		
1900 Reserves and Transfers		
99 Operating Reserves		
Reduces operating reserve funds.	(\$930,000)	NR
Total Legislative Changes	(\$930,000)	NR
Total Position Changes		
Revised Budget	\$42,934,588	\$46,965,432



## Housing Finance Agency

## GENERAL FUND

	FY 05-06	FY 06-07
<b>Adjusted Continuation Budget</b>	<b>\$4,750,945</b>	<b>\$4,750,945</b>
<b>Legislative Changes</b>		
<b>8102 HTF State Appropriations</b>		
<b>100 Additional Funding for Housing Finance</b>		
Provides additional funding for programs administered by the Housing Finance Agency.	\$5,000,000	NR
<b>8104 NC Housing Foreclosure</b>		
<b>101 Continue/Expand the Home Protection Pilot Program</b>		
Appropriates funding to continue and expand the Home Protection Pilot Program in all counties that had greater than seven percent (7%) average unemployment in FY 2004-05. The pilot was established in Section 20A-1 of S.L. 2004-124.	\$700,000	NR
<b>Total Legislative Changes</b>	<b>\$5,700,000</b>	<b>NR</b>
<b>Total Position Changes</b>		
<b>Revised Budget</b>	<b>\$10,450,945</b>	<b>\$4,750,945</b>

## Insurance

## GENERAL FUND

	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$27,831,701	\$27,866,769

## Legislative Changes

## 1200 Company Services Group

## 102 Information Technology Personnel

\$153,852	R	\$153,852	R
\$7,200	NR	\$0	NR
2.00		2.00	

Provides funding to establish an Applications Analyst Programmer II position (\$58,803) and a Computer Systems Analyst IV position (\$64,429) in the Information Services Division. One position will be used to continue the ongoing upgrade from multiple legacy systems to the new integrated Operations Tracking and Information System (OTIS). Duties include programming and the new ongoing maintenance once the OTIS system is completed. The other position will be responsible for security issues at the Department, including implementing the ISO 17799 standard for information technology security.

Recurring	FY2005-06	FY2006-07
531211 Salaries	\$123,232	\$123,232
531511 Social Security	\$9,427	\$9,427
531521 Retirement	\$7,166	\$7,166
531561 Med Ins	\$6,864	\$6,864
5327XX Transportation	\$2,213	\$2,213
5328XX Communication	\$1,200	\$1,200
5329XX Other Services	\$2,500	\$2,500
533110 Gen Office Supplies	\$1,250	\$1,250
Total Recurring	\$153,852	\$153,852
Nonrecurring		
534511 Furniture Office	\$7,000	
5358XX Other Admin. Exp.	\$200	

The Insurance Regulatory Fund will reimburse the General Fund for the appropriation.

**103 PEO Personnel and Operating Cost**

Provides funding to establish an Insurance Company Examiner III position (\$60,000) to administer and enforce the NC Professional Employer Organization Act (G.S. 58-89A). The primary emphasis of the position will be on the licensing and financial solvency of the PEOs.

\$89,961	R	\$89,961	R
\$5,500	NR		
1.00		1.00	

Recurring	FY2005-06	FY2006-07
531211 Salaries	\$60,000	\$60,000
531511 Social Security	\$4,590	\$4,590
531521 Retirement	\$3,489	\$3,489
531561 Med Ins	\$3,432	\$3,432
5327XX Transportation	\$11,600	\$11,600
5328XX Communication	\$1,350	\$1,350
5329XX Other Services	\$500	\$500
533110 General Office Supplies	\$2,500	\$2,500
533120 Data Processing Supplies	\$2,500	\$2,500
Total Recurring	\$89,961	\$89,961

Nonrecurring	
534511 Furniture Office	\$3,000
534543 PC/Printer Equipment	\$2,500
Total Nonrecurring	\$5,500

Fees collected with PEO applications and annual filings will be deposited into the Insurance Regulatory Fund and will be used to reimburse the General Fund for the appropriation.

**1500 Office of State Fire Marshall****104 Cornelius Volunteer Fire Department**

Provides a grant-in-aid for operating support.

\$25,000	NR
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**1500 Office of the State Fire Marshal****105 Hyde County**

Provides funding for the purchase of a beach access vehicle for emergency services for Ocracoke Island.

\$25,000	NR
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**106 Maxton Rescue Squad, Inc.**

Provides a grant-in-aid for operating support.

\$5,000	NR
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**107 Orange Fire Training Facility Funds**

Provides a grant-in-aid to the Orange County Chiefs Association, a nonprofit organization, for capital improvements to a regional fire training facility in Orange County. (HB 1655).

\$5,000	NR
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**108 Warrenton Rural Voluntary Fire Association, Inc.**

Provides a grant-in-aid to the Warrenton Rural Voluntary Fire Association, Inc., a nonprofit organization, for operating expenses. (HB 1692).

\$7,500	NR
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**109 Ansonville Volunteer Fire Department**

Provides a grant-in-aid for operating support.

\$25,000 NR

**110 Rowland Rescue Squad, Inc.**

Provides a grant-in-aid to the Rowland Rescue Squad, Inc., a nonprofit organization, for roof repairs. (HB 1740).

\$5,000 NR

**111 Warren County Rescue Squad, Inc.**

Provides a grant-in-aid to the Warren County Rescue Squad, Inc., a nonprofit organization, for operating expenses. (HB 1693).

\$5,000 NR

**112 Scotland County**

Provides a grant-in-aid to Scotland County to be used by the Wagram Volunteer Fire Department for equipment purchases and for repairs to its facility. (HB 1743).

\$5,000 NR

**113 Union Volunteer Fire Department**

Provides a grant-in-aid for operating support.

\$25,000 NR

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**Total Legislative Changes****\$243,813** R **\$243,813** R**\$145,200** NR **\$0** NR**Total Position Changes**

3.00 3.00

**Revised Budget****\$28,220,714** **\$28,110,582**

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# Insurance - Workers' Compensation for Volunteer Firemen

GENERAL FUND

	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$4,500,000	\$4,500,000
<b>Legislative Changes</b>		
<b>1900 Reserves and Transfers</b>		
<b>114 Volunteer Safety Workers' Compensation Fund</b>		
Reduces the General Fund appropriation to the Volunteer Safety Workers' Compensation Fund on a non-recurring basis. This reduction will not affect the operations of the Fund. The balance in the Fund as of February 28, 2005 was \$21.98 million. The average of the Fund's balances for the past 4 years is \$21.47 million.	(\$2,500,000)	NR
<b>Total Legislative Changes</b>	<b>(\$2,500,000)</b>	<b>NR</b>
<b>Total Position Changes</b>		
<b>Revised Budget</b>	<b>\$2,000,000</b>	<b>\$4,500,000</b>

## Lieutenant Governor

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$690,697		\$690,697	
Legislative Changes				
1110 Administration				
115 Increase Office Assistant Position to Full Time	\$8,404	R	\$8,404	R
Increases an Office Assistant position (Pos # 3100-000-0016-035) from 30 to 40 hours per week.	0.25		0.25	
116 Increase Operating Budget	\$2,400	R	\$2,400	R
Provides funding to increase the operating budget in the following line items:				
	FY 05-06		FY 06-07	
532811 Telephone service	\$600		\$600	
532814 Cellular phone service	\$1,200		\$1,200	
532850 Printing, Binding, Dup	\$600		\$600	
117 Additional Personnel	\$51,536	R	\$51,536	R
Provides funding to establish a second Policy Development Analyst to serve as an Assistant to the Lieutenant Governor for Policy and Research.	\$1,700	NR		
	1.00		1.00	
	FY 05-06		FY 06-07	
531111 Salaries	\$42,307		\$42,307	
531511 Social Security	\$3,237		\$3,237	
531521 Retirement	\$2,460		\$2,460	
531561 Med Ins	\$3,432		\$3,432	
533110 Gen Office Sup	\$100		\$100	
534534 PC/Printer Equipment	\$1,200			
534713 PC Software	\$500			
Total Legislative Changes	\$62,340	R	\$62,340	R
	\$1,700	NR		
Total Position Changes	1.25		1.25	
Revised Budget	\$754,737		\$753,037	

## Office of Administrative Hearings

## GENERAL FUND

	FY 05-06		FY 06-07	
<b>Adjusted Continuation Budget</b>	<b>\$2,976,210</b>		<b>\$2,967,712</b>	
<b>Legislative Changes</b>				
<b>1100 Administration and Operations</b>				
<b>118 Software Upgrade</b>	\$2,000	R	\$2,000	R
Provides funding for a software upgrade that allows the North Carolina Register to be published on the Internet. Recurring funds are provided for the software's on-going maintenance support and hosting service, and nonrecurring funds are provided to purchase the upgrade.	\$9,200	NR		
<b>Total Legislative Changes</b>	<b>\$2,000</b>	<b>R</b>	<b>\$2,000</b>	<b>R</b>
	<b>\$9,200</b>	<b>NR</b>		
<b>Total Position Changes</b>				
<b>Revised Budget</b>	<b>\$2,987,410</b>		<b>\$2,969,712</b>	

## Revenue

## GENERAL FUND

## Adjusted Continuation Budget

FY 05-06

\$82,817,444

FY 06-07

\$82,960,444

## Legislative Changes

## 1602 Security

## 119 Additional Personnel

Provides funds to establish one (1) Systems Security Analyst position. This position will address issues raised in the 2004 Statewide Security Assessment conducted by the Office of Information Technology Services.

\$79,134 R

\$80,000 R

\$500,000 NR

1.00

1.00

	FY 05-06	FY 06-07
531211 Salaries	\$ 64,429	\$ 64,429
531511 Social Security	\$ 4,929	\$ 4,929
531521 Retirement	\$ 3,747	\$ 3,747
531561 Med Ins	\$ 3,432	\$ 3,432
532140 Ch IT	\$ 350,000	\$ 2,565
532714 Trans Grd In State	\$ 2,597	\$ 898
534713 PC Software Purchases	\$ 75,000	
534714 Server Software Purchases	\$ 75,000	

## 1605 Information Technology

## 120 Increase IT Operating Funds

Appropriates funding to support salaries, benefits, and computer equipment for three (3) additional positions: Computing Consultant III (\$38,773), Applications Analyst Programmer I (\$42,307), and Senior Computer Operator (\$28,038).

\$134,107 R

\$134,107 R

\$28,871 NR

3.00

3.00

	FY 05-06	FY 06-07
531211 Salaries	\$ 109,118	\$ 109,118
531511 Social Security	\$ 8,348	\$ 8,348
531521 Retirement	\$ 6,345	\$ 6,345
531561 Med Ins	\$ 10,296	\$ 10,296
534534 PC & Printer Purchases	\$ 24,000	
534713 PC Software	\$ 4,871	

## 1607 Tax Research

## 121 Personnel Adjustments

Eliminates salary and related benefits of two positions that have been vacant for more than six months: Office Assistant III, #4774-0000-0040-010 (\$29,561); and Statistical Assistant V, #4774-0000-0040-315 (\$29,814).

(\$59,375) R

(\$59,375) R

-2.00

-2.00



**1629 Property Tax****122 New Personnel**

\$136,916	R	\$136,916	R
\$12,000	NR		
2.00		2.00	

Appropriates funds to establish two (2) Property Tax Valuation Specialist positions. The cost associated with the positions will be reimbursed on a monthly basis through the allowance for administrative cost available per G.S. 105-501 in the year subsequent to the year the cost is incurred. Property tax expenses are reimbursed by the local sales tax at 100%.

	FY 05-06	FY 06-07
531211 Salaries	\$ 102,668	\$ 102,668
531511 Social Security	\$ 7,854	\$ 7,854
531521 Retirement	\$ 5,970	\$ 5,970
531561 Med Ins	\$ 6,864	\$ 6,864
532448 Maint Agreement - Software	\$ 460	\$ 460
532714 Trans Grd In State	\$ 9,000	\$ 9,000
532721 Lodging In State	\$ 1,200	\$ 1,200
532724 Meals In State	\$ 1,200	\$ 1,200
532811 Telephone Service	\$ 700	\$ 700
533110 Gen Office Supplies	\$ 1,000	\$ 1,000
534511 Furniture - Office	\$ 9,000	
534534 PC & Printer Purchases	\$ 1,800	
534713 PC Software Purchases	\$ 1,200	

**1660 Examination and Collection****123 Operating Budget Reduction**

(\$3,664,145)	R	(\$3,664,145)	R
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Adjusts budget with a recurring reduction that is the result of transferring General Fund operations to receipt-support in FY 04-05 using funds from the 20% Collection Assistance Fee in Budget Code 24704-2474.

**124 Personnel Transfer**

(\$75,339)	R	(\$75,339)	R
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Transfers salaries and related benefits from General Fund to receipt-support from the 20% Collection Assistance Fee in Budget Code 24704-2472 for two (2) positions: Revenue Administrative Officer I, #4784-0000-0076-593 (\$47,426); and Processing Assistant IV, #4784-0000-0076-598 (\$27,913).

-2.00		-2.00	
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**125 Revenue Enhancement**

Appropriates funds to employ forty-five (45) positions to enhance compliance, enforcement, and debt collection services.

\$2,389,229	R	\$2,389,229	R
\$413,805	NR		
45.00		45.00	

**Collection Personnel**

4	Information Processing Tech (CCJ-Raleigh)	- \$100,144
11	Revenue Officer I (Charlotte)	- \$377,124
4	Revenue Officer I (Durham)	- \$137,136
2	Revenue Officer I (Fayetteville)	- \$68,568
4	Revenue Officer I (Greensboro)	- \$137,136
2	Revenue Officer I (Hickory)	- \$68,568
7	Revenue Officer I (Raleigh)	- \$239,988
2	Revenue Officer II (Charlotte)	- \$74,288
1	Revenue Officer II (Durham)	- \$37,144
1	Revenue Officer II (Greensboro)	- \$37,144
2	Revenue Officer II (Raleigh)	- \$74,288
1	Revenue Officer II (CCJ-Raleigh)	- \$37,144

	FY 05-06	FY 06-07
531211 SPA Regular Salaries	\$1,388,672	\$1,388,672
531521 Retirement Cont	\$80,751	\$80,751
531511 Soc Security Cont	\$105,747	\$105,747
531561 Med Insurance	\$140,712	\$140,712
532446 Maint - LAN (switch) Charlotte (1)	\$300	\$300
532446 Maint - LAN (switch) Greensboro (2)	\$600	\$600
532446 Maint - LAN (switch) Fayetteville (1)	\$300	\$300
532447 Maint - PC & Printer (desktop)	\$1,542	\$
532447 Maint - PC & Printer (laptop)	\$15,708	\$
532448 Maint - PC Software (desktop)	\$500	\$500
532448 Maint - PC Software (laptop)	\$3,600	\$3,600
532448 Maint - PC Software (licenses)	\$3,600	\$3,600
532512 Rent/Lease - Office Bldgs (A)	\$36,720	\$36,720
532714 Tran/Gd - In - State	\$74,000	\$74,000
532814 Cellular Svs (smart phone)	\$14,350	\$14,350
532811 Telephone Svs	\$16,800	\$16,800
532817 Internet Service Provider	\$5,904	\$5,904
532818 Data Wring Svs Charge	\$25,000	\$
532819 Telephone Wring Svs Chg	\$25,000	\$
532821 Computer Data Process	\$344,400	\$344,400
533110 Gen Office Supplies	\$20,500	\$20,500
534521 Office Equip (calculator)	\$4,100	\$
534511 Furniture - Office	\$184,500	\$
534528 Voice Comm Equip (phone)	\$8,200	\$
534528 Voice Comm Equip (smart phone)	\$5,000	\$
534533 LAN Equip (switch) - Charlotte (1)	\$5,000	\$
534533 LAN Equip (switch) - Greensboro (2)	\$10,000	\$
534533 LAN Equip (switch) - Fayetteville (1)	\$5,000	\$
534534 PC & Printer Pur (desktop)	\$1,545	\$

**Revenue**

534534 PC & Printer Pur (laptop)	\$ 35,280	\$
534534 PC & Printer Pur (travel carr)	\$ 3,600	\$
534534 PC & Printer Pur (monitor)	\$ 8,569	\$
534713 PC Software Pur (software)	\$ 16,400	\$
534713 PC Software Pur (license)	\$ 24,600	\$
Subtotal		
Recurring	\$2,237,456	\$2,237,456
Nonrecurring	\$ 379,044	

## Processing Support Personnel

1 Information Processing Tech	- \$ 25,036
1 Processing Assistant IV	- \$ 21,576

	FY 05-06	FY 06-07
531211 SPA Regular Salaries	\$ 46,612	\$ 46,612
531511 Soc Security Cont	\$ 3,550	\$ 3,550
531521 Retirement Cont	\$ 2,710	\$ 2,710
531561 Med Insurance	\$ 6,864	\$ 6,864
532447 Maint - PC & Printer (laptop)	\$ 514	\$
532448 Maint - PC Software	\$ 200	\$ 200
532811 Telephone Svs	\$ 700	\$ 700
532817 Internet Service Provider	\$ 288	\$ 288
534511 Furniture - Office	\$ 9,000	\$
533110 Gen Office Supplies	\$ 1,000	\$ 1,000
534528 Voice Comm Equip (phone)	\$ 400	\$
534534 PC & Printer Pur (desktop)	\$ 618	\$
534534 PC & Printer Pur (monitor)	\$ 570	\$
534713 PC Software Pur (software)	\$ 800	\$
534534 PC & Printer Pur (printer)	\$ 3,600	\$
534521 Office Equip (calculator)	\$ 200	\$
Subtotal	\$ 61,924	\$
61,924		
Nonrecurring	\$ 15,702	

## Taxpayer Assistance Personnel

2 Revenue Officer I (Durham)	- \$ 68,568
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	FY 05-06	FY 06-07
531211 SPA Regular Salaries	\$ 68,568	\$ 68,568
531511 Soc Security Cont	\$ 5,221	\$ 5,221
531521 Retirement Cont	\$ 3,987	\$ 3,987
531561 Med Insurance	\$ 6,864	\$ 6,864
532447 Maint - PC & Printer (laptop)	\$ 514	\$
532446 Maint - LAN Equip (switch)	\$ 300	\$ 300
532448 Maint - PC Software	\$ 200	\$ 200
532512 Rent/Lease - Office Bldgs (A)	\$ 2,720	\$ 2,720
532811 Telephone Svs	\$ 700	\$ 700
532817 Internet Service Provider	\$ 288	\$ 288
533110 Gen Office Supplies	\$ 1,000	\$ 1,000
534511 Furniture - Office	\$ 9,000	\$
534521 Office Equip (calculator)	\$ 200	\$
534528 Voice Comm Equip (phone)	\$ 400	\$
534533 LAN Equip (switch)	\$ 5,000	\$
534534 PC & Printer Pur (desktop)	\$ 618	\$
534534 PC & Printer Pur (monitor)	\$ 418	\$

534713 PC Software Pur	\$	800	\$
534534 PC & Printer Pur (printer)	\$	1,800	\$
Subtotal	\$	89,848	\$ 89,848
Nonrecurring	\$	18,750	

**1662 Taxpayer Call Center****126 Operating Expense Transfer**

(\$2,007,624)	R	(\$2,008,039)	R
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Transfers 47 positions from General Fund to receipt-support from the 20% Collection Assistance Fee in Budget Code 24704-2472. The positions provide Level I call center support for the Taxpayer Assistance and Collection Center (TACC).

-47.00	-47.00
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**127 Additional Revenue Enhancement Personnel**

\$425,246	R	\$425,246	R
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Appropriates funding for 15 Processing Assistant IV positions to support work of the new compliance, enforcement, and debt collection personnel in the Examination and Collection Division.

15.00	15.00
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	FY 05-06	FY 06-07
531211 SPA Regular Salaries	\$ 323,640	\$ 323,640
531511 Soc Security Cont	\$ 24,646	\$ 24,646
531521 Retirement Cont	\$ 18,820	\$ 18,820
531561 Med Insurance	\$ 51,480	\$ 51,480
532817 Internet Service Provider	\$ 2,160	\$ 2,160
532523 Rent/Lease-Voice Comm Eq (ITS Lease)	\$ 4,500	\$ 4,500

**1663 Project Compliance****128 Tax Information Initiative**

\$250,000	R	\$250,000	R
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Provides funding to continue the tax information initiative implemented in the 2004 Session that will improve tax compliance rates.

**1670 Unauthorized Substance Tax****129 Additional Personnel**

Appropriates funds to establish one (1) Unauthorized Substance (USUB) Tax Enforcement Agent I. The cost associated with the position will be reimbursed on a monthly basis through the allowance for administrative cost available per G.S. 105-501 in the year subsequent to the year the cost is incurred. USUB expenses are reimbursed by the local sales tax at 70% with the General Fund supporting the remaining 30% of funding.

\$61,206	R	\$61,206	R
\$6,000	NR		
1.00		1.00	

	FY 05-06	FY 06-07
531211 Salaries	\$ 43,046	\$ 43,046
531511 Social Security	\$ 3,293	\$ 3,293
531521 Retirement	\$ 4,655	\$ 4,655
531561 Med Ins	\$ 3,432	\$ 3,432
532448 Maint Agreement - Software	\$ 230	\$ 230
532714 Trans Grd In State	\$ 4,500	\$ 4,500
532721 Lodging In State	\$ 600	\$ 600
532724 Meals In State	\$ 600	\$ 600
532811 Telephone Service	\$ 350	\$ 350
533110 Gen Office Supplies	\$ 500	\$ 500
534511 Furniture - Office	\$ 4,500	
534534 PC & Printer Purchases	\$ 900	
534713 PC Software Purchases	\$ 600	

**1710 Fuel Tax Compliance****130 Expansion of Revenue Tax Evasion Project**

Provides funding to add nine (9) positions to staff the project that was authorized in the 2004 Session, resulting in a total of nineteen (19) positions. Receipt-support continues for the project with the transfer of funding from the Highway Trust Fund. Total funding for the additional personnel is \$548,633 in FY 05-06 and \$470,701 in FY 06-07.

**Positions**

1 Processing Unit Supervisor (Gr. 61)	-	\$23,251
1 Processing Assistant V (Gr. 61)	-	\$23,251
1 Information Processing Tech (Gr. 63)	-	\$30,684
4 Revenue Tax Auditor I (Gr. 73)	-	\$148,576
1 Revenue Tax Auditor II (Gr. 75)	-	\$51,334
1 Revenue Admin Officer III (Gr. 78)	-	\$58,803

	FY 05-06	FY 06-07
531211 Salaries	\$ 335,899	\$ 335,899
531511 Social Security	\$ 25,696	\$ 25,696
531521 Retirement	\$ 19,533	\$ 19,533
531561 Med Ins	\$ 30,888	\$ 30,888
532448 Maint Agreement - Software	\$ 0	\$ 1,035
532714 Trans Grd In State	\$ 32,000	\$ 32,000
532721 Lodging In State	\$ 4,000	\$ 4,000
532724 Meals In State	\$ 4,000	\$ 4,000
532811 Telephone Service	\$ 3,150	\$ 3,150
532821 Comp Data Processing	\$ 10,000	\$ 10,000
533110 Gen Office Supplies	\$ 4,500	\$ 4,500
Total Recurring	\$ 469,666	\$ 470,701

532447 Maint Agree - PC Printer	\$ 2,456
532942 Oth Emp Ed Expenses	\$ 12,881
534511 Furniture - Office	\$ 40,500
534521 Office Equip (calculator)	\$ 900
534534 PC Printer (laptops & desks)	\$ 12,380
534534 PC Printer Equipment	\$ 4,450
534713 PC Software Purchases	\$ 5,400
Total Non-Recurring	\$ 78,967

<b>Total Legislative Changes</b>	<b>(\$2,330,645)</b>	<b>R</b>	<b>(\$2,330,194)</b>	<b>R</b>
	<b>\$960,676</b>	<b>NR</b>		
<b>Total Position Changes</b>	<b>16.00</b>		<b>16.00</b>	
<b>Revised Budget</b>	<b>\$81,447,475</b>		<b>\$80,630,250</b>	

## Secretary of State

## GENERAL FUND

	FY 05-06		FY 06-07
Adjusted Continuation Budget	\$8,568,943		\$8,549,857

## Legislative Changes

## 1210 Corporations Division

## 131 Decrease Budgeted Receipts

\$61,900	R	\$61,900	R
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Reduces budgeted receipts for sale of data tapes to reflect actual receipts. The demand for bulk data through the purchase of data tapes has significantly decreased over the past several years. The budgeted requirements for producing the tapes has been reduced but there has been no corresponding decrease in budgeted receipts. The decrease in budgeted receipts to reflect actual receipts requires a corresponding increase in appropriations.

## 1220 Uniform Commercial Code Division

## 132 Decrease Budgeted Receipts

\$64,175	R	\$64,175	R
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Reduces budgeted receipts for sale of data tapes to reflect actual receipts. The demand for bulk data through the purchase of data tapes has significantly decreased over the past several years. The budgeted requirements for producing the tapes has been reduced but there has been no corresponding decrease in budgeted receipts. The decrease in budgeted receipts to reflect actual receipts requires a corresponding increase in appropriations.

## 1230 Securities Division

## 133 Operating Cost Increase

\$89,000	R	\$89,000	R
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Provides funding for new lease costs for the Department's Securities Division. The Department had to enter into a lease for space for its Securities Division when it was required to vacate the Legislative Office Building.

**1XXX Lobbyist Section****134 Lobbyist Registration Enhancement**

Provides funding for additional staff and operating cost for the Lobbyist Registration Section to meet the additional lobbyist registration requirements that will result if Senate Bill 612, 2005 Regular Session, becomes law. The funding for the 2005-06 fiscal year will support the development of a more enhanced system for the registration of lobbyists and to maintain the expenditure reports. The funding for the 2006-07 fiscal year will support the following positions: one (1) grade level 75 Lobbyist Director (\$40,516); five (5) grade level 65 Administrative Assistant II positions (\$26,968); and three (3) grade level 61 Processing Assistant IV positions (\$23,251).

			\$389,375	R
\$150,045	NR		\$115,326	NR
			9.00	

Recurring	FY 2005-06	FY 2006-07
531211 Salaries	\$0	\$245,109
531511 Social Security	\$0	\$18,751
531521 Retirement	\$0	\$14,253
531561 Insurance	\$0	\$30,888
5327XX Transportation	\$0	\$6,000
532942 Employee Education	\$0	\$7,200
532811 Telephone Service	\$0	\$1,674
533110 Office Supplies	\$0	\$9,000
532840 Postage	\$0	\$2,500
532512 Rent/Lease-Building/Offices	\$0	\$54,000
Total Recurring	\$0	\$389,375

Nonrecurring	FY 2005-06	FY 2006-07
534711 Computer Software	\$150,045	\$0
532811 Telephone System	\$0	\$7,326
534511 Office Furniture	\$0	\$31,100
534521 Office Equipment	\$0	\$56,200
534534 Computers/Printers	\$0	\$20,700
Total Non-recurring	\$0	\$115,326

<b>Total Legislative Changes</b>	<b>\$215,075</b>	<b>R</b>	<b>\$604,450</b>	<b>R</b>
	<b>\$150,045</b>	<b>NR</b>	<b>\$115,326</b>	<b>NR</b>
<b>Total Position Changes</b>			9.00	
<b>Revised Budget</b>	<b>\$8,934,063</b>		<b>\$9,269,633</b>	



## State Board of Elections

## GENERAL FUND

		FY 05-06		FY 06-07	
<b>Adjusted Continuation Budget</b>		<b>\$4,957,543</b>		<b>\$4,959,307</b>	
<b>Legislative Changes</b>					
<b>1100 Administration</b>					
<b>135 Training and Support on Voting Systems</b>					
Provides funding to allow the State Board of Elections to purchase furniture and computer equipment for any additional staff that it may employ, with HAVA Funding, to facilitate the training and support of voting systems utilized by the counties if Senate Bill 223, 2005 Regular Session becomes law. Facilitation of the training and support of the counties' voting systems by the State Board is a requirement of SB 223.		\$40,000	NR		
By special provision, the State Board is directed to develop its plan for facilitating the training and support and to report on that plan and any additional funding requirements by April 1, 2006.					
<b>1200 Campaign Reporting</b>					
<b>136 Campaign Reporting IT Support</b>					
Provides funding to establish one Applications Analyst Programmer I position (\$46,306) to assist in supporting and enhancing the Campaign Finance Management System		\$110,000	R	\$110,000	R
		1.00		1.00	
	FY2005-06	FY2006-07			
531211 Salaries	\$46,306	\$46,306			
531511 Social Security	\$3,542	\$3,542			
531521 Retirement	\$2,693	\$2,693			
531561 Med Ins	\$3,432	\$3,432			
532143 LAN Support Services	\$54,027	\$54,027			
<b>Total Legislative Changes</b>		<b>\$110,000</b>	<b>R</b>	<b>\$110,000</b>	<b>R</b>
		<b>\$40,000</b>	<b>NR</b>		
<b>Total Position Changes</b>		<b>1.00</b>		<b>1.00</b>	
<b>Revised Budget</b>		<b>\$5,107,543</b>		<b>\$5,069,307</b>	

## State Budget &amp; Management

## GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$4,904,371		\$4,908,931	
Legislative Changes				
1310 Office of State Budget and Management				
137 NEON Maintenance Contract	\$7,000	R	\$7,000	R
Provides funding to pay for an annual Shadow Web Server maintenance contract. This cost is required for the maintenance of OSBM budget-related, Web-enabled applications located on the State-owned mainframe computer system				
138 Personnel Increases	\$105,864	R	\$105,864	R
Provides funding to establish one Standard Level Analyst for the Justice and Public Safety (JPS) Section at a salary of \$48,321 and one Standard Level Analyst for the Education and Transportation sections at a salary of \$38,772. The JPS Analyst will assist in the budget preparation, administration, and oversight for the Administrative Office of the Courts and for the Departments of Crime Control and Public Safety, Justice, Correction, Indigent Defense, and Juvenile Justice. The time and effort for the second position will be devoted to the Education Section (50%) and to the Transportation Section (50%) to assist in the budget preparation, administration, and oversight for the University System, the Department of Public Instruction, the North Carolina Community College System and for the Department of Transportation, the Highway Fund, and the Highway Trust Fund.	\$2,500	NR	\$0	NR
	2.00		2.00	
Recurring				
531211 SPA Regular Salaries	\$87,093		\$87,093	
531511 Social Security	\$6,663		\$6,663	
531521 Retirement	\$5,064		\$5,064	
531561 Medical Insurance	\$6,864		\$6,864	
Total Recurring	\$105,684		\$105,684	
Nonrecurring				
534511 Furniture - Office	\$700			
534534 PC & Printer Purchases	\$1,800			
Total Legislative Changes	\$112,864	R	\$112,864	R
	\$2,500	NR	\$0	NR
Total Position Changes	2.00		2.00	
Revised Budget	\$5,019,735		\$5,021,795	

# State Budget & Management - Special Appropriations

GENERAL FUND

	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$3,180,000	\$3,180,000

## Legislative Changes

### 139 Pitt County Council on Aging

Provides funds to the Pitt County Council on Aging for construction of a multipurpose facility serving the aging population. \$50,000 NR

### 1022 2005 Special Appropriations

#### 140 71st Township Civic Improvement

Provides a grant-in-aid to Cumberland County to be allocated to the 71st Township Civic Improvement Association for civic, cultural, and senior citizen activities. (HB 1677). \$10,000 NR

#### 141 Town of Bolton

Provides a grant-in-aid to the town to renovate the old fire department for use as a Town Hall. (HB 1647). \$40,000 NR

#### 142 Montgomery County

Provides a grant-in-aid for the Old County Home Cemetery Fund. \$20,000 NR

#### 143 Martin Luther King, Jr. Park

Provides capital funds to the Fayetteville/Cumberland County Dr. Martin L. King, Jr. Committee as a grant-in-aid for a museum at the Martin Luther King Park. \$30,000 NR

#### 144 Hollywood Heights Community Club, Inc.

Provides a grant-in-aid to the Hollywood Heights Community Club, Inc., a nonprofit organization, for community association improvements. (HB 1677). \$15,000 NR

#### 145 Caswell Soccer Complex Funds

Provides a grant-in-aid to Caswell County Recreation Commission, Inc., a nonprofit organization, for capital improvements to the soccer complex for youth athletic activities in Caswell County. (HB 1676). \$5,000 NR

#### 146 Scotland County

Provides funds to Scotland County for the Parks and Recreation Department. \$5,000 NR

#### 147 Town of Beulaville

Provides funding to the town for the renovation and conversion of the old Beulaville Elementary School and the subsequent relocation of the Beulaville Town Hall. \$75,000 NR

**148 Town of Oak City**

For repairs and renovations of facility to house senior center activities and community meetings. \$10,000 NR

**149 Madison County**

Provides funds for a new arena and fairgrounds for the Madison Agricultural Complex and Fairgrounds. \$10,000 NR

**150 Rockingham County**

Provides funding for a two-ring 400 stall Equestrian Center. \$1,000,000 NR

**151 Town of Gibson**

Provides a grant-in-aid to the town to assist with the renovation of the old town train depot station. The building will be used for the Tower Hall, community building, adult classrooms, etc. \$5,000 NR

**152 Robeson County**

Provides capital funds to the Pembroke Prospect Drainage District. \$50,000 NR

**153 Town of Louisburg**

Provides a grant-in-aid to the town to complete the final leg of the Bunn Road to Depot Hill bicycle path in Louisburg. \$50,000 NR

**154 Durham County**

Provides operating and programming support for sentencing services. \$50,000 NR

**155 Haliwa-Saponi Tribe, Incorporated**

Provides funds to build a community center to benefit the citizens of Warren County. \$100,000 NR

**156 The Lynnwood Foundation**

Provides funds to support the building of collaborative leadership. \$100,000 NR

**157 Town of Parkton**

Provides a grant-in-aid to the town to assist with the renovation of the Town Hall. The scope of the work includes new restrooms, carpentry repairs, painting, landscaping, etc. \$5,000 NR

**158 Town of St. Pauls**

Provides a grant-in-aid to the town to assist with the renovation of the R.E. Hooks Community Building that is owned by the town. The scope of the work includes landscaping, a new kitchen, restrooms, floor covering, and repairs to the plumbing, electrical, heating, and air conditioning systems. \$40,000 NR

**159 Town of Whitaker**

Provides a grant-in-aid to the town for updates to its code enforcement book and ordinance book. \$10,000 NR

**160 Town of Enfield**

Provides a grant-in-aid to the Town for its community center and to update its code enforcement book and ordinance book. \$40,000 NR

**161 Wilmington Road Improvement Group**

Provides funds for community revitalization. \$10,000 NR

**162 Yancey County**

Build a construction trades facility for the Construction Trades Job Training Collaborative Project, which involves Mountain Heritage High School and Habitat for Humanity.. \$15,000 NR

**163 Charlotte-Mecklenburg Urban League, Inc.**

Provides funding to study health disparities, minority economic development, and the presentation of the African-American Leadership Summit. \$100,000 NR

**164 Mountain Projects, Inc.**

Provides funding to furnish Canton Senior Center destroyed by flood. \$20,000 NR

**165 City of Washington**

Provides funds for Beebe Park, a park for family, community, and civic events. \$100,000 NR

**166 Phi Omega, Incorporated**

Provides renovation funds for housing for the elderly. \$10,000 NR

**167 Winston-Salem NAACP**

Provides funds for a computer lab and learning center \$30,000 NR

**168 Northampton County Education Foundation, Inc.**

Provides funds for operating expense. \$5,000 NR

**169 Oxford Community Project, Inc.**

Provides funds for operations and for educational programs. \$50,000 NR

**170 Jackson County**

Provides capital funding for a new senior center. \$25,000 NR

**171 Town of Burgaw**

Provides capital funds for train depot. \$20,000 NR

**172 The Health Adventure, Inc.**

Provides funds for expansion planning. \$25,000 NR

**173 Town of Yanceyville**

Provides funding for capital improvements in the Maud Gatewood Park. \$5,000 NR

**174 Bladenboro Historical Association**

Provides capital funding as a grant-in-aid in FY 2005-06 for the Bladenboro Historical Building. \$50,000 NR

**175 Cumberland Community Foundation, Inc.**

Provides funding for Eastover Civic Center renovation and community involvement activities. \$7,000 NR

**176 ACC Hall of Champions**

Provides a grant-in-aid to the City of Greensboro for the establishment of an Atlantic Coast Conference Hall of Champions. \$2,000,000 NR

**177 Southern Documentary Fund**

Provides a grant-in-aid to The Southern Documentary Fund, a nonprofit organization, to promote documentary and educational media. \$25,000 NR

**178 African American Museum of Sports**

Provides a grant-in-aid to the Legacy Basketball Classic Foundation, a nonprofit organization, to plan and develop the National African American Museum of Sports, a unique tourism attraction that would aid in the development of West Charlotte. \$100,000 NR

**179 NC Humanities Council**

Provides funding for the operations of the Teachers' Institute which is operated by the NC Humanities Council. (HB 1232). \$50,000 NR

**180 East Stokes Community Center, Inc.**

Provides a grant-in-aid to the community center for repairs. \$5,000 NR

**181 Central Intercollegiate Athletic Association**

Provides a grant-in-aid for tourism and marketing. \$500,000 NR

**182 Kids Voting NC Funds**

Provides funding to Kids Voting of North Carolina, Inc, a nonprofit corporation. Of the \$250,000 appropriated, \$50,000 shall be used to implement new Kids Voting programs in non-participating counties across the State. The remaining \$200,000 shall be divided on the basis of the North Carolina Department of Public Instruction's Average Daily Membership with a minimum of \$2,500 for the following counties: Buncombe, Cabarrus, Catawba, Clay, Cumberland, Durham, Greene, Guilford, Haywood, Henderson, Iredell, Jackson, Madison, Mecklenburg, New Hanover, Onslow, Randolph, and Wake to assist those counties with their Kids Voting programs (SB 690 and HB 895). \$250,000 NR

**FY 05-06****FY 06-07****1023 Fire Protection Grant Fund****183 Fire Protection Grants-in-Aid**

\$800,000 R

\$800,000 R

Increases funding for the Fire Protection Grants-in-Aid program. New State-owned buildings have been constructed statewide, and this increase will provide additional grants-in-aid to local fire fighting districts that provide fire protection and other services for these new facilities.

**1900 Reserves and Transfers****184 Reserve for Rent Expenses**

\$1,131,429 R

\$1,131,429 R

\$1,125,000 NR

Provides funding to establish a reserve for rent for State agencies with office space in the Polk Building in Charlotte. The Polk Building has been sold and the agencies in that building are required to relocate. Also provides nonrecurring funding to cover the relocation expenses of the agencies moving from the Polk Building as well as for the relocation expenses of State agencies that will be affected by the anticipated sale of the Blount Street properties in Raleigh.

**Total Legislative Changes**

\$1,931,429 R

\$1,931,429 R

\$6,247,000 NR

**Total Position Changes****Revised Budget**

\$11,358,429

\$5,111,429

## State Controller

## GENERAL FUND

		FY 05-06		FY 06-07	
Adjusted Continuation Budget		\$9,960,527		\$9,966,970	
<hr/>					
Legislative Changes					
1000 Administration					
185 Additional Personnel		\$77,541	R	\$77,541	R
Appropriates funding for the addition of an Internal Control position to conduct on-site compliance reviews, prepare reports based on the findings, and perform follow-up on State property incident reports when warranted.		\$5,200	NR		
		1.00		1.00	
		FY 05-06		FY 06-07	
531112	Salaries	\$ 58,803		\$ 58,803	
531511	Social Security	\$ 4,498		\$ 4,498	
531521	Retirement	\$ 3,419		\$ 3,419	
531561	Med Ins	\$ 3,432		\$ 3,432	
532447	Maint Agree-PC & Printer	\$ 300		\$ 300	
532448	Maint Agree-PC software	\$ 300		\$ 300	
532714	Trans Grd In State	\$ 1,725		\$ 1,725	
532721	Lodging In State	\$ 2,977		\$ 2,977	
532724	Meals In State	\$ 1,586		\$ 1,586	
533110	Gen Office Supplies	\$ 500		\$ 500	
534534	PC & Printer Purchases	\$ 5,200			
<hr/>					
Total Legislative Changes		\$77,541	R	\$77,541	R
		\$5,200	NR		
Total Position Changes		1.00		1.00	
Revised Budget		\$10,043,268		\$10,044,511	



## Treasurer

GENERAL FUND
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### Adjusted Continuation Budget

FY 05-06
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\$8,222,117

FY 06-07
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\$8,228,365

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#### Legislative Changes

#### 1310 Local Government Operations

##### 186 Information Technology Enhancements

Provides funding to perform feasibility studies along with the development of the requirements of a new document imaging system and a new debt management system. The funds will be used to hire consultants to: 1) document current business processes and workflows, 2) prepare business and technical requirements for the new systems, 3) prepare a request for proposals, 4) research and provide a list of potential vendors, 5) develop a high level project plan, 6) develop a high level risk analysis, and 7) develop an estimated budget for the implementation of these 2 systems. Of the total provided, \$150,000 is for the document imaging system and \$250,000 is for the debt management system.

\$400,000 NR

**1410 Retirement Systems Division****187 Operating Budget to Support Administration of 401K**

Authorizes the use of receipts for the salaries and benefits of one Administrative Officer III position as well as for operating cost to support the position. The position will be responsible for overseeing the 401(k) Supplemental Retirement Plan, its investments, and its third party administrator. The operating funds will also be used to provide an independent review of the investment performance of the program each year as well as actuarial and legal fees.

The receipts will also fund a proportionate share of existing costs that are attributable to the 401(k) Plan. Specifically, the Department shall shift 5% of the salary and benefits of the Retirement Systems Division Director (\$5,878) and its Communication Manager (\$2,726) from Retirement System receipts to 401(k) Plan receipts.

Recurring	FY 2005-06	FY 2006-07
531212 Salaries	\$52,202	\$52,202
531512 Social Security	\$3,994	\$3,994
531522 Retirement	\$3,036	\$3,036
531562 Medical Insurance	\$3,776	\$3,776
532120 Financial/Audit Services	\$86,292	\$86,292
532714 Transportation	\$3,500	\$3,500
532724 Meals	\$1,500	\$1,500
535830 Other Admin. Exp.	\$3,700	\$3,700
Total Recurring	\$158,000	\$158,000

Non-recurring	
534500 Equipment	\$2,000

Receipts to support the operating budget will come from amounts collected by the third-party administrator for the 401(k) Plan.

**188 Training Staff for Retirement System Employees**

Authorizes use of \$128,341 in Retirement System receipts to provide training for Retirement System Division employees. The receipts shall be used to establish a Staff Development Director position (\$51,683) and a Staff Developer position (\$47,297) as well as to fund the reclassification of an existing Counselor position to a Staff Developer position (\$8,081).

Recurring	FY 2005-06	FY 2006-07
531212 Salaries	\$107,061	\$107,061
531512 Social Security	\$8,190	\$8,190
531522 Retirement	\$6,226	\$6,226
531562 Medical Insurance	\$6,864	\$6,864
Total	\$128,341	\$128,341

**189 Information Technology Project/ 2005-07 Biennium**

Authorizes the use of receipts on a nonrecurring basis from the Retirement Fund for the final two phases of the Retirement Systems Division's Information Technology project (ORBITS).

ORBITS Project	FY2005-06	FY2006-07
5321XX	\$6,528,742	\$4,209,349
5324XX	\$1,086,838	\$739,216
5325XX	\$129,600	\$129,600
5345XX	\$596,300	\$396,300
5347XX	\$35,350	\$35,350
Total	\$8,376,830	\$5,509,815

Also authorizes the use of receipts on a recurring basis to establish two Applications Analyst Programmer II positions (\$58,803 each) to help develop the new system and maintain the system once the project is completed.

Salaries/ Fringes	FY2005-06	FY2006-07
531212 Salaries	\$117,606	\$117,606
531512 Social Security	\$8,997	\$8,997
531522 Retirement	\$6,839	\$6,839
531562 Med Ins	\$6,864	\$6,864
Total Recurring	\$140,306	\$140,306

No General Funds are required to fund this project.

**1510 Financial Operations Division****190 Personnel Increase**

Provides funding to establish a Debt Service Accounting position to properly account for the increased activity in the debt service area. With the substantial increased amount of debt that the State has issued and the complexity of the debt instruments, it has become very difficult to manage the increased workload with the current staffing levels.

\$67,478	R	\$67,478	R
\$1,000	NR		
1.00		1.00	

Recurring	FY2005-06	FY2006-07
531212 Salaries	\$56,181	\$56,181
531512 Social Security	\$4,298	\$4,298
531522 Retirement	\$3,267	\$3,267
531562 Med Insurance	\$3,432	\$3,432
533110 Gen Office Supplies	\$300	\$300
Total Recurring	\$67,478	\$67,478

Nonrecurring	
534511 Furniture-Office	\$1,000

The General Fund will be reimbursed from a non-tax revenue source for the amount of the appropriation.

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<b>Total Legislative Changes</b>	<b>\$67,478</b>	<b>R</b>	<b>\$67,478</b>	<b>R</b>
	<b>\$401,000</b>	<b>NR</b>		
<b>Total Position Changes</b>	<b>1.00</b>		<b>1.00</b>	
<b>Revised Budget</b>	<b>\$8,690,595</b>		<b>\$8,295,843</b>	

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# Treasurer - Retirement for Fire and Rescue Squad Workers

GENERAL FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$8,146,179		\$8,146,179	
<b>Legislative Changes</b>				
<b>1412 Gen. Fund Contribution to Fire Pension Fund</b>				
<b>191 Increase Retirement Benefits</b>	\$405,278	R	\$405,278	R
Increases the benefits in the Firemen's and Rescue Squad Workers' Pension Fund from \$161 to \$163 per month for retirees and future retirees effective July 1, 2005.				
<b>1432 Line of Duty Death Benefit</b>				
<b>192 Increase Death Benefit Funding</b>	\$100,000	R	\$100,000	R
Increases the funding for death benefits paid, pursuant to G.S. § 143-12A, to survivors of eligible persons killed in the line of duty.				
<b>Total Legislative Changes</b>	<b>\$505,278</b>	<b>R</b>	<b>\$505,278</b>	<b>R</b>
<b>Total Position Changes</b>				
<b>Revised Budget</b>	<b>\$8,651,457</b>		<b>\$8,651,457</b>	

# **TRANSPORTATION**

## **Section K**

# Transportation

## GENERAL FUND

	FY 05-06		FY 06-07	
<b>Adjusted Continuation Budget</b>	<b>\$12,027,377</b>		<b>\$12,945,066</b>	
<b>Legislative Changes</b>				
<b>(1200) Airport Grants</b>				
<b>1 Reduction in Grants</b>				
Reduces airport grants to \$11,284,198 in FY 2006. This is an increase of \$109,454 over funding in FY 2005.	(\$743,179)	NR		
<b>2 Transfer Support to Highway Fund</b>	(\$11,284,198)	R	(\$12,945,066)	R
This reduction is one part of a two step process to shift support of the aviation grant program from the General Fund to the Highway Fund.				
<b>General Fund Appropriations</b>				
<b>3 City of Lumberton</b>				
Provides funding to the City of Lumberton for the construction of a new hangar at the Lumberton Municipal Airport to provide storage for aircraft and staging of pilot training during the 2005 Aviation School.	\$200,000	NR		
<b>Total Legislative Changes</b>	<b>(\$11,284,198)</b>	<b>R</b>	<b>(\$12,945,066)</b>	<b>R</b>
	<b>(\$543,179)</b>	<b>NR</b>		
<b>Total Position Changes</b>				
<b>Revised Budget</b>	<b>\$200,000</b>		<b>\$0</b>	

## Transportation

## HIGHWAY FUND

	FY 05-06		FY 06-07	
Adjusted Continuation Budget	\$1,399,158,973		\$1,401,940,921	
Legislative Changes				
(0041) Aeronautics				
4 Transfer Support from General Fund	\$11,284,198	R	\$12,945,066	R
This increase is the second part of a two step process to shift support of the aviation grant program from the General Fund to the Highway Fund.				
5 Airline Recruitment Program	\$350,000	R	\$350,000	R
Provides funding for an incentive program to attract and retain improved airline services at North Carolina's eleven non-hub airports, where airline passenger traffic levels have been declining due to financial instability among major carriers.				
(0863) Leaking Underground Storage Tank Fund				
6 Statutory Adjustment	\$156,750	R	\$483,777	R
In accordance with G.S. 105-119.18, an adjustment based on estimated gallons of motor fuel sold is necessary to bring the Leaking Underground Storage Tank Fund allocation in line with current forecasts. The increase for FY 2006 brings total Highway Fund support for the program under this statute to \$6,010,286 in FY 2006.				
(0866) State Highway Patrol				
7 Additional Troopers	\$550,000	R	\$550,000	R
Provides funding to increase by ten the number of State Trooper positions for the North Carolina Highway Patrol. The addition of trooper positions will help the SHP advance its mission by promoting safe and efficient transportation for all motorists traveling through North Carolina.				
	\$450,000	NR		
(0866) State Highway Patrol				
8 Sharing of Weigh-In-Motion Data	\$40,500	NR		
Provides funds so that the Highway Patrol can access data collected by DOT at all existing weigh-in-motion sites.				
9 Civilian Weight and and Vehicle Safety Inspection Teams	\$205,890	NR	\$147,448	NR
Provides funding for four Grade 58 Data Collector II positions to staff a pilot program to increase the effectiveness of Motor Carrier Enforcement Officers operating remotely from permanent weigh station facilities.				



## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 05-06****FY 06-07****10 VIPER (Voice Interoperable Communications Plan for Emergency Responders)**

\$51,087 R

\$51,087 R

Provides funding to continue the deployment of the VIPER Strategic 800 MHz statewide system. In addition to funding for equipment, funding is also provided for a Network Control Technician I.

\$8,000,000 NR

**11 Motor Carrier Position Transition**

\$2,488,986 R

\$2,488,986 R

Provides funds to train and transition all filled Motor Enforcement Officer positions so that they have the same level of arrest authority and pay as other troopers.

\$482,829 NR

**(0867) DPI - Driver Training Program****12 Adjust Driver Education Funding**

(\$607,524) R

(\$615,156) R

Provides funds for a ninth grade average daily membership (ADM) of 132,780 in FY 2006 and 133,580 in FY 2007 at a level of \$240 per ADM. With this reduction, Highway Fund support for Driver Education in FY 2006 will be \$31,867,200.

**(0868) Transfer to General Fund****13 Suspend Payment in Lieu of Sales Tax**

Ongoing transfer to the General Fund is suspended for the biennium to compensate the Highway Fund for revenues lost to Fines and Forfeitures Fund.

(\$16,166,400) NR

(\$16,166,400) NR

**(0869) Global Transpark****14 Global Transpark**

\$1,600,000 R

\$1,600,000 R

Provides funding for the Global Transpark Authority.

**(0871) Employer's Retirement Contribution****15 Retirement System Contributions**

\$683,400 R

\$683,400 R

Increases the State's contribution for FY 2006 and 2007 to provide a 2.0% cost-of-living adjustment to retirees of the Teachers' and State Employees' Retirement System. This adjustment is funded in part with actuarial gains within the Retirement System.

**16 Disability Income Plan**

\$13,500 R

\$13,500 R

Additional amount needed in recurring funds for each year of the biennium to restore the reduction made during FY 2005. This increases the State's contribution from 0.445% to 0.52% of payroll as recommended by the Plan's actuary to ensure the Plan is adequately funded.

**(0872) Employer's Contributions - Death Benefit****17 Death Benefit Trust**

\$54,200	R	\$54,200	R
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Additional amount needed, after an adjustment to the Continuation Budget in the amount of \$589,000 in recurring funds for each year of the biennium to restore the reductions made during the 2003-2005 biennium. This restores the State's contribution of 0.16% of payroll as recommended by the Plan's actuary to ensure the Plan is adequately funded.

**(0873) Salary Increase****18 State Funded Compensation Increase**

\$10,364,000	R	\$10,364,000	R
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Provides funds to support the greater of an \$850 flat amount or a 2% salary increase for full-time permanent employees supported with Highway Fund appropriations.

**(0882) Reserve for Visitor Centers****19 Increase Funding**

\$25,000	R	\$25,000	R
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Provides \$25,000 in funding to support the visitor center in Transylvania County.

**(0885) State Health Plan****20 Premium Increase**

\$5,070,000	R	\$6,661,000	R
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Effective October 1, 2005, provides a 12.3% premium increase to the Plan and provides additional funding to continue non-contributory health benefit coverage for active and retired employees. The remaining financial support to keep the Plan solvent through the 2005-2007 biennium will come from increased fully contributory premiums paid by employees and retired employees to cover their families under the Plan, a reduction in the Plan's benefits, and cost containment actions implemented by the Executive Administrator of the Plan.

**(0934) Reserve for General Maintenance****21 Cover Unreimbursed Maintenance Expenditures for Emergency Relief**

\$23,400,000	NR
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Of funds DOT has expended in previous years on emergency relief for hurricane and ice storm damage, roughly \$80 million will not be reimbursed by federal agencies. Funds are appropriated to partially address this \$80 million shortfall.

**22 Increase Funding**

\$71,000,000	R	\$71,000,000	R
\$66,521,251	NR		

Provides additional funds to help bring highway infrastructure up to an acceptable level of service and to address significant increases in costs of highway construction materials. These funds are in addition to the continuation budget for maintenance, which amounts to \$614,793,288.

**(7025) Information Technology****23 Online Dealer Registration Enhancement**

Provides funding to enhance the existing Online Dealer Registration System to allow motor vehicle dealers the option of performing titling and registration services on-site. The enhancement would allow the department to write its own client-server/internet application to interface with the mainframe and replace the present outsourced application resulting in savings and service level improvements. The State CIO has approved \$200,000 for a planning project, with a "gate" approval in the project approval and reporting process before allowing the implementation to begin.

\$600,000 NR

\$200,000 R

**24 Document Management System**

Document management refers to the storage, retrieval, tracking and administration of documents within an organization. The term applies to electronic documents and paper-based documents that have been converted to electronic form. Funding is provided for a feasibility study and pre-implementation preparation for a document management system to improve and streamline information access throughout the entire department. The State CIO has approved \$500,000 for a planning project, with a "gate" approval in the project approval and reporting process before allowing the implementation to begin.

\$500,000 NR

**25 Email Replacement**

Provides funding to replace the Department of Transportation's aging and obsolete email system. The current vendor, Netscape, has stopped supporting the email system, the operating system behind it, and the application software. The State CIO has approved \$300,000 for a planning project, with a "gate" approval in the project approval and reporting process before allowing the implementation to begin.

\$550,000 R

\$550,000 R

**26 Desktop Computer Replacement**

The Information Technology Division provides technology support for approximately 8,000 computers within the department. Because of the large number of existing computers, a four year rotation is planned, resulting in one fourth of all computers being replaced each year. This provides the necessary funding.

\$1,000,000 R

\$1,000,000 R

**27 Verification of Customer Identification System**

Provides funding for hardware and software at local DMV offices to access national databases for validating identification of people applying for driver licenses. The application will be outsourced through a competitive bidding process under the auspices of the State IT Purchasing Office. The department must follow the State CIO's project approval and reporting process, including procurement review and approval. Also the department must follow applicable new and emerging homeland and security requirements.

\$1,272,000 NR

\$300,000 R

**FY 05-06****FY 06-07****28 Automated Driver License Testing Systems**

\$185,100 R

\$287,100 R

The Driver License section has installed automated testing systems in 45 of its busiest offices and will have additional systems installed in 23 more offices by spring of 2005.

\$811,760 NR

Provides additional funds to install the system in 34 more sites that are small to medium in customer volume. This will provide automated testing systems for every office that has two or more examiners.

**29 System to Stagger Commercial and Dealer Plates (Senate Bill 1083)**

\$150,000 R

Senate Bill 1083, ratified in 2004, mandated the staggered issuance of commercial license plates, dealer license plates, and motor vehicle dealer plates expire on the same date, December 31 for commercial plates and June 30 for dealer plates. The mandated change goes into effect January 1, 2006, and additional funds are provided to accommodate the changes. The department must follow the State CIO's project approval and reporting process. Accordingly, the department must receive approval of a planning project and must also receive a "gate" approval before proceeding to the implementation phase.

\$1,280,000 NR

**(7030) General Services****30 Mail Room Expenses**

\$900,000 R

\$900,000 R

Provides additional funds to match expenditures for the mail room at DMV. The General Services Division administers the mail room services for the Division of Motor Vehicles. All driver license renewal notifications, vehicle registration renewals, and all other DMV related correspondence are processed by this division.

**31 Division of Motor Vehicles Printing Contract**

\$537,500 R

\$1,075,000 R

The department's printing and finishing operations are managed by the General Services Division, with the exception of the contract printing and limited finishing services located at the DMV headquarters. The contract for the printing and finishing services expired at the end of 2004. Bids are being solicited for renewal of the existing contractual services in addition to new and expanded services. Provides funding to fully fund the services, including the expanded requirements for additional printing and finishing.

**(7812) Secondary Roads****32 Statutory Adjustment**

\$910,000 R

\$1,650,000 R

In accordance with G.S. 136-44.2A, an adjustment based on estimated gallons of motor fuel sold is necessary to bring the Secondary Roads Construction allocation in line with current forecasts. This increase brings total Highway Fund support for the program to \$91,910,000 in FY 2006.

**(7813) Small Construction****33 Increase Funding**

\$7,000,000	R	\$7,000,000	R
\$28,000,000	NR		

Provides additional funds to bring the total recurring budget for small construction to \$21,000,000, consistent with funding levels for FY 2005. Nonrecurring funds are provided for economic development, spot safety or Transportation Improvement Program projects.

**(7824) Contract Resurfacing****34 Increase Funding**

\$29,000,000	R	\$29,000,000	R
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Contract resurfacing is a major component of the State effort to maintain and preserve the State highway infrastructure. Of the \$614,793,288 continuation budget for maintenance, \$157,208,316 is for contract resurfacing. This action increases the contract resurfacing budget to \$186,208,316.

**(7825) Ferry Operations****35 Funds for Maintenance Facility**

\$1,000,000	R	\$1,000,000	R
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Provides additional funds for the ferry maintenance facility to bring Highway Fund support for the Ferry Division to \$21,264,811.

**(7829) Rail Program****36 Piedmont and Carolinian Operating Support**

\$777,000	R	\$1,570,000	R
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Increases operating support.

**37 Grants to Short Line Railroads**

\$1,000,000	NR		
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Creates a state grant program for rehabilitation projects that will strengthen North Carolina's short line infrastructure.

**(7831) Public Transportation****38 Reduction in New Start Regional Transit Projects**

(\$23,400,000)	NR		
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Delays in federal funding for the Triangle Transit Authority allow the State to postpone providing matching funds. These funds were included in the \$89,866,447 continuation budget for the Public Transportation program.

**(7836) State Aid to Municipalities****39 Statutory Adjustment**

\$910,000	R	\$1,650,000	R
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In accordance with G.S. 136-41.1, an adjustment based on estimated gallons of motor fuel sold is necessary to bring the Aid to Municipalities allocation in line with current forecasts. This increase brings total Highway Fund support for the program to \$91,910,000 in FY 2006.

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<b>Total Legislative Changes</b>	<b>\$145,853,197</b>	<b>R</b>	<b>\$152,986,960</b>	<b>R</b>
	<b>\$92,997,830</b>	<b>NR</b>	<b>(\$16,018,952)</b>	<b>NR</b>
<b>Total Position Changes</b>				
<b>Revised Budget</b>	<b>\$1,638,010,000</b>		<b>\$1,538,908,929</b>	

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# Transportation

## HIGHWAY TRUST FUND

	FY 05-06		FY 06-07	
<b>Adjusted Continuation Budget</b>	<b>\$1,076,190,000</b>		<b>\$1,100,330,000</b>	
<b>Legislative Changes</b>				
<b>(6002) Program Administration</b>				
<b>40 Funds for Highway Trust Fund Administration</b>	\$647,520	R	\$1,353,180	R
Adjusts continuation budget based on revised revenue estimates. With this adjustment, program administration in FY 2006 will be \$41,295,740.				
<b>(6003) Transfer to General Fund</b>				
<b>41 Transfers Funds to General Fund</b>	\$19,500,000	R	\$30,100,000	R
Increases General Fund transfer to reflect the forgiving of the \$125 million loan to the General Fund and the consequent elimination of debt service payments. With this adjustment, the transfer in FY 2006 will be \$252,558,117.				
<b>(9050) Intrastate System</b>				
<b>42 Funds for Intrastate System</b>	(\$1,925,108)	R	\$2,575,151	R
Adjusts continuation budget, consistent with statutory formulas, to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. With these changes, the budget will be \$472,112,366 in FY 2006.				
<b>(9052) Secondary Road Construction</b>				
<b>43 Funds for Secondary Highway Construction</b>	(\$201,989)	R	\$270,193	R
Adjusts continuation budget, consistent with statutory formulas, to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. With these changes, the budget will be \$86,825,599 in FY 2006.				
<b>(9054) Urban Loops</b>				
<b>44 Funds for Urban Loops</b>	(\$778,434)	R	\$1,041,283	R
Adjusts continuation budget, consistent with statutory formulas, to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. With these changes, the budget will be \$190,902,579 in FY 2006.				

**(9060) Aid to Municipalities****45 Funds for Aid to Municipalities**

(\$201,989) R \$270,193 R

Adjusts continuation budget, consistent with statutory formulas, to reflect new revenue estimates and changes in the amount transferred from the Highway Trust Fund to the General Fund. With these changes, the budget will be \$49,535,599 in FY 2006.

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**Total Legislative Changes**

\$17,040,000 R \$35,610,000 R

**Total Position Changes****Revised Budget**\$1,093,230,000 \$1,135,940,000

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**RESERVES/  
DEBT SERVICE/  
ADJUSTMENTS  
Section L**

## Reserves, Debt Service and Adjustments

GENERAL FUND

	FY 05-06	FY 06-07
Adjusted Continuation Budget	\$523,532,442	\$654,263,933

## Legislative Changes

## A. Employee Benefits

**1 State Funded Compensation Increases**

\$229,300,000	R	\$229,300,000	R
\$8,000,000	NR		

Provide funds to support salary increases for employees of State agencies, departments and universities, community college institutions, and public schools.

**2 Public School Salary Increases**

Certified Teaching, School Based Administrators and Non-certified Personnel in local Public Schools, State agency based Public Schools, and the NC School of Science and Math.

Teachers and Instructional Support - Funds are provided to support an experience based step increase for teachers and instructional support personnel (average salary increase of 1.89% and an increase in the teacher salary schedule of 0.35% for Fiscal Year 2005-2006. Teachers and Instructional support who are at the top of the experience based salary schedule will receive a one-time lump sum bonus equivalent to the average increase from Step 26 to Step 29 (1.58%).

Principals and Assistant Principals - Funds are provided to support an experience based step increase for school based administrators (avg. salary increase of 1.76% and an increase in the school based administrator salary schedule of 0.35% for Fiscal Year 2005-2006. School based administrators who are at the top of the salary schedule will receive a one-time lump sum bonus equivalent to 2.0%

All other Public School Personnel - Provide funds to support the greater of a \$850 flat amount or 2.0% annual salary increase.

**3 State Agency and University Salary Increases**

Provide funds to support the greater of a \$850 flat amount or 2.0% annual salary increase for full-time permanent employees of agencies, departments, and universities.

**4 Community College Salary Increases**

Provide funds to support the greater of a \$850 flat amount or 2.0% annual salary increase for full-time permanent employees of local community college institutions supported by the State and funds for an additional 2.0% average salary increase for Community College faculty and professional staff.

**5 Fair Minimum Wage for SPA Employees**

\$750,000

R

\$750,000

R

Funds are provided to support a minimum salary of at least \$20,112 for all permanent, full-time employees subject to the State Personnel Act and to support proportionate increases to permanent full-time employees working schedules requiring less than 12-months service per year.

Funds are also provided to support salary increases to address salary compression and pay inequities created by increasing the salaries of employees to the \$20,112 minimum. Allows adjustments to the salaries of supervisors and other employees who have, when considering classification, significantly more experience and length of service compared to employees receiving an increase in pay to the \$20,112 minimum.

**6 Salary Supplements for Educational Personnel**

\$314,000

R

\$314,000

R

Allows Departments of Health and Human Services, Juvenile Justice and Delinquency Prevention and Correction to increase the salary supplement currently at 5% paid to personnel licensed by the State Board of Education. The maximum increased salary supplement is the percentage supplement of the local school administrative unit where the employee's job site is located.

**7 Coastal Management Division Salary Increases**

\$112,000

R

\$112,000

R

Funding is provided for fiscal year 2005-2006 and 2006-2007 to increase salaries by 10% for all positions supported with funds appropriated from the General Fund in the Division of Coastal Management.

**8 Salary Increases for NCSU and NC A&T Agricultural Program Employees**

\$4,000,000

R

\$4,000,000

R

Funds are provided to support salary increases for Agricultural Program Employees who are exempt from the State Personnel Act. Increases shall be allocated to individuals in accordance with rules adopted by the UNC Board of Governors.

**9 Community College Presidents' Salary Increases**

\$334,147

R

\$334,147

R

Funds are appropriated to provide additional increases to the Community College Presidents. Funds will be allocated in accordance with the Salary Schedule revised by the System Office dated July 27, 2005.

**10 UNC Chancellors' Salary Increases**

\$334,147

R

\$334,147

R

Funds are appropriated to provide additional salary increases to UNC Chancellors. Increases shall be allocated to individuals in accordance with rules adopted by the UNC Board of Governors.

**11 Clerks of Superior Court Longevity Service Definition**

\$37,033

R

\$41,411

R

Funds are provided to support increased longevity payments for Clerks of Superior Court by allowing service as a magistrate to count in determining the longevity percentage payable.

**12 Retirement System Contributions**

\$13,810,800 R

\$13,810,800 R

Increases the State's contribution for fiscal year 2005-06 and 2006-07 to provide a 2% cost-of-living adjustment to retirees of the Teachers' and State Employees' Retirement System. This adjustment is funded in part with actuarial gains within the Retirement System.

**13 Retirement System Payback**

\$25,000,000 NR

Continue the repayments of funds withheld from the Retirement System in 2001-02 due to the budget crisis. This is the third year of the five-year payback period.

**14 Disability Income Plan**

\$356,400 R

\$356,400 R

Additional amount needed, after an adjustment to the Continuation Budget in the amount of \$6,230,100 in recurring funds for each year of the biennium to restore the reductions made during the 2004-05 fiscal year. This increases the State's contribution from 0.445% to 0.52% of payroll as recommended by the Plan's actuary to ensure the Plan is adequately funded.

**15 Death Benefit Trust**

\$899,200 R

\$899,200 R

Additional amount needed, after an adjustment to the Continuation Budget in the amount of \$12,000,000 in recurring funds for each year of the biennium to restore the reductions made during the 2003-2005 biennium. This restores the State's contribution of 0.16% of payroll as recommended by the Plan's actuary to ensure the Plan is adequately funded.

**16 State Health Plan -- Premium Increase**

\$108,648,000 R

\$142,728,000 R

Effective October 1, 2005, provide a 12.3% premium increase to the Plan and provide additional funding to continue non-contributory health benefit coverage for active and retired employees. The remaining financial support to keep the Plan solvent through the 2005-2007 biennium will come from increased fully contributory premiums paid by employees and retired employees to cover their families under the Plan, a reduction in the Plan's benefits, and cost containment actions implemented by the Executive Administrator of the Plan.

**B. Debt Service****17 Adjustment to Debt Service**

(\$1,600,474) R

(\$17,687,140) R

Reduces funds for debt service due to revised estimates for principal and interest payments.

**18 Debt Service Funds for New State Facilities and Land Acquisition**

\$5,958,723 R

\$21,060,827 R

Provides funds to pay debt service requirements associated with various capital improvement and land acquisition projects authorized in S.L. 2004-179 (HB 1264). The General Fund will be reimbursed for the payment of debt service requirements for these projects from various special revenue funds as required by the legislation.

**C. Information Technology****19 ITS Rate Restructuring**

(\$3,000,000)	R	(\$3,000,000)	R
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Reduces state agency IT budgets in response to a restructuring of the IT rate schedule and the implementation of a new Enterprise Fee for statewide IT activities through the Office of Information Technology Services. Implementation of the new fee schedule is expected to result in a cost savings for certain agencies that have historically subsidized enterprise-wide IT activities. The amount of anticipated cost-savings is captured in this reduction.

**20 ITS Enterprise Fee Hold Harmless**

\$700,000	R	\$700,000	R
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Provides funds to hold affected state agencies harmless as a result of implementing a new Enterprise Fee through the Office of Information Technology Services, as approved by the Office of State Budget and Management.

**21 Information Technology Fund**

\$5,500,000	R	\$5,500,000	R
\$500,000	NR		

Provides funds to the Information Technology Fund, established in S.L. 2004-129, for the purpose of carrying out statewide IT programs and activities. Statewide activities include IT project management, security, the state web portal, enterprise-wide procurement of software and hardware. In addition to the General Fund appropriation, a new Enterprise Fee to state agencies will be deposited to the IT Fund, as well as, a transfer from the ITS internal service fund. Total funds available for the 2005-2007 biennium are as follows:

	FY2005-06	FY2006-07
General Fund Appropriation	\$6,000,000	\$5,500,000
Trans. from ITS Intern. Serv. Fund	\$5,000,000	
Enterprise Fee to State Agencies	\$5,000,000	\$5,000,000
<b>Total</b>	<b>\$16,000,000</b>	<b>\$10,500,000</b>

**22 State Business Infrastructure Project**

\$2,525,000	R	\$2,525,000	R
\$15,850,000	NR		

Provides funds to the Information Technology Fund established in S.L. 2004-129 for the Office of State Controller to replace the State's aging personnel and payroll information systems, as part of the State Business Infrastructure Project. This appropriation will fund the initial phase of the HR Payroll project. The HR Payroll project is currently projected to finish by July 2007 at a total cost of \$85.7 million in fixed costs and \$7.6 million in recurring costs.

**D. Trust Funds****23 Trust Fund for MH/DD/SAS and Bridge Funding Needs**

\$10,000,000	NR
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Provides funds pursuant to G.S. 143-15.3D for the purpose of continuing mental health reform efforts.

**24 Health and Wellness Trust Fund**

Provides funds to the Health and Wellness Trust Fund for the purpose of operating the Senior Cares prescription drug program. Funds are sufficient to support the program through January 1, 2006, when the federal Medicare Part D prescription drug benefit is available.

\$10,000,000 NR

**E. Other Reserves****25 JDIG Reserve**

Provides funds to a reserve controlled by the Office of State Management and Budget from which money will be periodically transferred to meet the cash requirements of the Job Development Investment Program.

\$4,500,000 R \$7,900,000 R

**26 Reserve for Fuel Costs**

Provides funds for unanticipated increases in diesel fuel costs not included in the continuation budget. The reserve partially offsets the surge in diesel fuel prices that have held since fall of 2004. The Office of State Budget and Management shall allocate these funds to state agencies based on each agency's inability to offset increased fuel costs with other funds.

\$3,000,000 NR

**27 Reserve for Contingent Appropriations**

Provides funds to implement Section 2.2(j) of Senate Bill 622.

\$85,000,000 R \$85,000,000 R

**Total Legislative Changes**

\$458,478,976 R \$494,978,792 R

\$72,350,000 NR

**Total Position Changes****Revised Budget**

\$1,054,361,418 \$1,149,242,725

# **CAPITAL**

## **Section M**

## Capital

GENERAL FUND

FY 05-06

FY 06-07

## Legislative Changes

## Department of Commerce

**1 State Ports Authority**

Provides capital funds to the Ports of Wilmington and Morehead City for capital equipment, facilities, and infrastructure.

\$9,000,000 NR

## Department of Cultural Resources

**2 Capitol Area Visitor's Center**

Provides capital funds for the Capitol Area Visitor's Center.

\$250,000 NR

**3 NC Museum of Art**

Provides capital funds for costs related to the expansion of the NC Museum of Art, including new construction, for design completion, surveys, geotechnical testing and material testing.

\$10,000,000 NR

## Department of Environment and Natural Resources

**4 Division of Forest Resources - District 9**

Provides capital funds to conduct the planning, design, site preparation and other activities necessary for the relocation and construction of the District 9 Forestry Office for the Sylva District of the Forest Resources Division, the first phase of the State satisfying the condition of the land exchange between Southwestern Community College and the Forest Resources Division.

\$300,000 NR

**5 Water Resources Development Projects**

Provides funds for the state share of Water Resources Development Projects. Projects are specified in a special provision.

\$15,260,000 NR

## UNC System - Board of Governors

**6 NC A&T Visual/Performing Arts Building**

Provides capital planning funds for construction of a visual/performing arts building at NC A&T State University.

\$25,000 NR

**7 NCSU Engineering Complex III**

Provides capital funds for the planning and design of Engineering Complex III, Centennial Campus at NC State University, the third phase of relocating the College of Engineering to Centennial Campus.

\$8,700,000 NR



**8 Renaissance Computing Institute**

Provides capital planning funds for a new facility at UNC-Chapel Hill to house the Renaissance Computing Institute. The operating budget for the UNC System also includes \$5.9 million for FY 2005-06 and \$11.8 million for FY 2006-07 in expansion funds for operating the Renaissance Computing Institute.

\$500,000 NR

**9 UNC-Chapel Hill School of Dentistry**

Provides capital funds for the planning and design of the UNC School of Dentistry Oral Sciences Teaching and Learning Facility.

\$2,000,000 NR

**10 UNCG/NC A&T Joint Millennium Campus**

Provides capital funds for UNCG and NC A&T's Joint Millennium Campus, including funds for planning, site development, infrastructure and renovation of facilities.

\$2,000,000 NR

**11 University of North Carolina - Wilmington**

Provides planning funds for a School of Nursing.

\$2,600,000 NR

**12 WSSU Lab Planning Funds**

Provides capital planning funds for a new lab facility at Winston-Salem State University.

\$750,000 NR

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**Total Appropriation to Capital****\$51,385,000 NR**

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