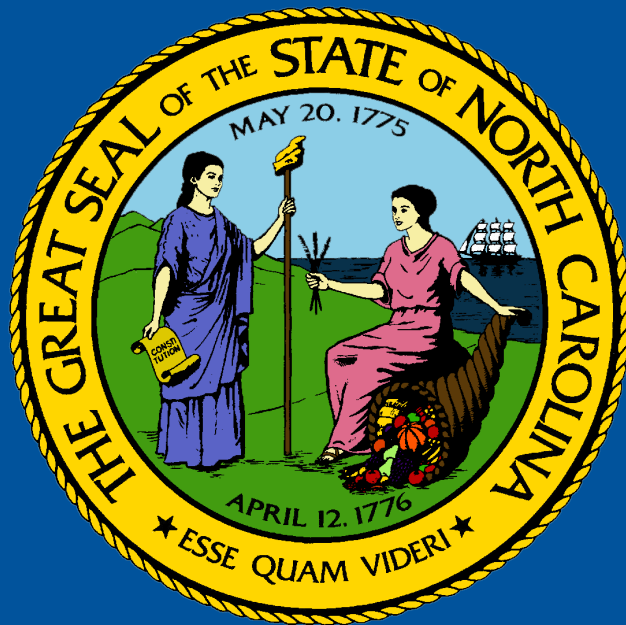


# THE GOVERNOR'S RECOMMENDED BUDGET

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**Pat McCrory**  
Governor

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The State of North Carolina  
2015 - 2017

# Education

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Allocates \$235 million more in K-12 funding than the 2014-2015 budget - a 2.8% increase in new spending.

Upholds our commitment to increase starting teacher base pay to \$35,000 a year and funds salary increases for those teachers eligible to move to the next tier on the salary schedule.

Maintains recurring funding for almost 2,000 existing teacher assistant positions.

Increases funding for instructional resources including textbooks, instructional supplies and equipment.

Allows local school districts the flexibility to spend these funds on the resources they determine are most important.

Refines the master's degree salary schedule to reward teachers with applicable high-need, in-field graduate preparation who are teaching in STEM (Science, Technology, Engineering, and Math) and exceptional children fields.

Enhances digital learning opportunities for students by funding the equipment and installation costs to provide Wi-Fi access to classrooms across the state.

Rewards high-performing teachers through performance plans funded through the North Carolina Education Endowment Fund.

Funds a critical upgrade of the College Information System, the central data system used by all 58 community colleges.

Provides funding for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers.

Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident military veterans.

Stabilizes the Brody School of Medicine at East Carolina University by providing \$8 million for medical education and maintaining community preceptorships at regional training sites.

## *Public Education*

Department of Public Instruction

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget			% Δ from 2014-15 Authorized	2015-16 Base Budget
				Net Recurring	Net Non-Recurring	Total Change		
Requirements	\$ 9,826,190,626	\$ 11,571,287,421	\$ 12,545,807,373	\$ (188,203,373)	\$ -	\$ (188,203,373)	(1.50%)	\$ 12,357,604,000
Receipts	\$ 2,058,512,652	\$ 3,408,994,193	\$ 4,383,473,145	\$ (131,902,245)	\$ -	\$ (131,902,245)	(3.01%)	\$ 4,251,570,900
Appropriations	\$ 7,767,677,973	\$ 8,162,293,228	\$ 8,162,334,228	\$ (56,301,128)	\$ -	\$ (56,301,128)	(0.69%)	\$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(6.870)	0.000	(6.870)	(0.54%)	1,273.827

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16			Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
			Net Recurring	Net Non Recurring	Recommended Change			
Requirements	\$ 12,545,807,373	\$ 12,357,604,000	\$ 276,206,743	\$ 15,054,350	\$ 291,261,093	\$ 12,648,865,093	0.82%	2.36%
Receipts	\$ 4,383,473,145	\$ 4,251,570,900	\$ -	\$ -	\$ -	\$ 4,251,570,900	(3.01%)	0.00%
Appropriation	\$ 8,162,334,228	\$ 8,106,033,100	\$ 276,206,743	\$ 15,054,350	\$ 291,261,093	\$ 8,397,294,193	2.88%	3.59%
FTE	1,280.697	1,273.827	0.000	0.000	0.000	1,273.827	(0.54%)	0.00%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget			% Δ from 2014-15 Authorized	2016-17 Base Budget
				Net Recurring	Net Non-Recurring	Total Change		
Requirements	\$ 9,826,190,626	\$ 11,571,287,421	\$ 12,545,807,373	\$ (189,690,645)	\$ -	\$ (189,690,645)	(1.51%)	\$ 12,356,116,728
Receipts	\$ 2,058,512,652	\$ 3,408,994,193	\$ 4,383,473,145	\$ (133,389,517)	\$ -	\$ (133,389,517)	(3.04%)	\$ 4,250,083,628
Appropriations	\$ 7,767,677,973	\$ 8,162,293,228	\$ 8,162,334,228	\$ (56,301,128)	\$ -	\$ (56,301,128)	(0.69%)	\$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(121.870)	0.000	(121.870)	(9.52%)	1,158.827

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17			Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
			Net Recurring	Net Non Recurring	Recommended Change			
Requirements	\$ 12,545,807,373	\$ 12,356,116,728	\$ 281,186,378	\$ 21,654,350	\$ 302,840,728	\$ 12,658,957,456	0.90%	2.45%
Receipts	\$ 4,383,473,145	\$ 4,250,083,628	\$ -	\$ -	\$ -	\$ 4,250,083,628	(3.04%)	0.00%
Appropriation	\$ 8,162,334,228	\$ 8,106,033,100	\$ 281,186,378	\$ 21,654,350	\$ 302,840,728	\$ 8,408,873,828	3.02%	3.74%
FTE	1,280.697	1,158.827	2.000	0.000	2.000	1,160.827	(9.36%)	0.17%

## Recommended Changes for Department of Public Instruction

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>1. Fulfill Commitment to Increase Beginning Teacher Salary</b>							
Increases the beginning teacher salary for teachers on the first tier of the North Carolina Public School Salary Schedule from \$33,000 to \$35,000.		Req \$ 41,846,123	\$ -	\$ 41,846,123	\$ 41,846,123	\$ -	\$ 41,846,123
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ 41,846,123	\$ -	\$ 41,846,123	\$ 41,846,123	\$ -	\$ 41,846,123
		Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>2. Fund Movement on the Teacher Salary Schedule</b>							
Supports movement of eligible teachers, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.		Req \$ 64,871,243	\$ -	\$ 64,871,243	\$ 64,871,243	\$ -	\$ 64,871,243
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ 64,871,243	\$ -	\$ 64,871,243	\$ 64,871,243	\$ -	\$ 64,871,243
		Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>3. Provide One-Time Bonus to Retain 2014-15 Teacher Salaries</b>							
Funds a nonrecurring \$1,000 salary bonus to those teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.		Req \$ -	\$ 4,545,525	\$ 4,545,525	\$ -	\$ 4,545,525	\$ 4,545,525
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ -	\$ 4,545,525	\$ 4,545,525	\$ -	\$ 4,545,525	\$ 4,545,525
		Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>4. Increase Beginning Teacher Salary for State Agency Teachers</b>							
Increases the beginning teacher salary for state agency teachers on the first tier of the North Carolina Public School Salary Schedule from \$33,000 to \$35,000.		Req \$ 103,200	\$ -	\$ 103,200	\$ 103,200	\$ -	\$ 103,200
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ 103,200	\$ -	\$ 103,200	\$ 103,200	\$ -	\$ 103,200
		Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>5. Fund Movement on the State Teacher Salary Schedule for State Agency Teachers</b>							
Supports movement of state agency teachers in the Department of Public Instruction who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.		Req \$ 57,500	\$ -	\$ 57,500	\$ 57,500	\$ -	\$ 57,500
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ 57,500	\$ -	\$ 57,500	\$ 57,500	\$ -	\$ 57,500
		Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>6. Fund Movement on the School-Based Administrator Salary Schedule</b>							
Supports the movement of principals and assistant principals who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.		Req \$ 3,494,924	\$ -	\$ 3,494,924	\$ 3,494,924	\$ -	\$ 3,494,924
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ 3,494,924	\$ -	\$ 3,494,924	\$ 3,494,924	\$ -	\$ 3,494,924
		Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>7. Provide One-Time Bonus to Retain 2014-15 State Agency Teacher Salaries</b>							
Funds a nonrecurring \$1,000 salary bonus to those state agency teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.		Req \$ -	\$ 52,830	\$ 52,830	\$ -	\$ 52,830	\$ 52,830
		Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Appr \$ -	\$ 52,830	\$ 52,830	\$ -	\$ 52,830	\$ 52,830
		Pos 0.000	0.000	0.000	0.000	0.000	0.000

	2015-2016			2016-2017		
	Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>8. Provide One-time Bonus to School-Based Administrators</b>						
Funds a nonrecurring \$1,000 (salary and benefits) bonus to school-based administrators who received the bonus in 2014-15. This ensures that school-based administrators who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req \$ -	\$ 1,055,995	\$ 1,055,995	Req \$ -	\$ 1,055,995	\$ 1,055,995
	Rec \$ -	\$ -	\$ -	Rec \$ -	\$ -	\$ -
	Appr \$ -	\$ 1,055,995	\$ 1,055,995	Appr \$ -	\$ 1,055,995	\$ 1,055,995
	Pos 0.000	0.000	0.000	Pos 0.000	0.000	0.000
<b>9. Fund Movement on the Salary Schedule for State Agency School-Based Administrators</b>						
Supports movement of state agency principals and assistant principals in the Department of Public Instruction who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req \$ 2,900	\$ -	\$ 2,900	Req \$ 2,900	\$ -	\$ 2,900
	Rec \$ -	\$ -	\$ -	Rec \$ -	\$ -	\$ -
	Appr \$ 2,900	\$ -	\$ 2,900	Appr \$ 2,900	\$ -	\$ 2,900
	Pos 0.000	0.000	0.000	Pos 0.000	0.000	0.000
<b>10. Maintain Teacher Assistants</b>						
Appropriates recurring funds to maintain the 2014-15 level of funding for teacher assistants to ensure the retention of teacher assistant positions that were supported with lottery receipts in Session Law 2014-100. Lottery revenue projections for 2015-16 will not support these positions on a recurring basis.	Req \$ 64,039,628	\$ -	\$ 64,039,628	Req \$ 64,039,628	\$ -	\$ 64,039,628
	Rec \$ -	\$ -	\$ -	Rec \$ -	\$ -	\$ -
	Appr \$ 64,039,628	\$ -	\$ 64,039,628	Appr \$ 64,039,628	\$ -	\$ 64,039,628
	Pos 0.000	0.000	0.000	Pos 0.000	0.000	0.000
<b>11. Reward High Performing Teachers</b>						
This appropriation shall be deposited in the North Carolina Education Endowment Fund in the Department of Public Instruction's budget. This appropriation, in addition to other remittances to the trust fund, interest accrued to the trust fund, and the current balance residing in the trust fund shall be used to implement a teacher pay for performance plan. Per GS 115C-472.16, the funds shall only be used for a pay for performance plan that is directly related to improving student outcomes. The funds deposited in this trust fund will not revert.	Req \$ 5,000,000	\$ -	\$ 5,000,000	Req \$ 10,000,000	\$ -	\$ 10,000,000
	Rec \$ -	\$ -	\$ -	Rec \$ -	\$ -	\$ -
	Appr \$ 5,000,000	\$ -	\$ 5,000,000	Appr \$ 10,000,000	\$ -	\$ 10,000,000
	Pos 0.000	0.000	0.000	Pos 0.000	0.000	0.000
<b>12. Fully Fund Enrollment Growth</b>						
Ensures adequate funding for instructional positions and instructional supplies that are allocated to the school districts per average daily membership (ADM). ADM is currently budgeted for 1,520,305 for 2014-15. Projected ADM for FY 2015-16 is 1,537,643, an increase of 17,333 ADM. This appropriation supports an additional 678 teacher positions in 2015-16. The incremental increase of \$106,959,322 to support the projected 2016-17 enrollment increase of 17,701 ADM will be placed in a statewide reserve for distribution to the Department of Public Instruction for the 2016-17 school year. The distribution from the statewide reserve will be adjusted for revised 2016-17 ADM projections. Current projected ADM for FY 2016-17 is 1,555,344 and the 2016-17 appropriation supports 753 additional teacher positions for a projected increase in teacher positions for the biennium of 1,431. The total projected ADM increase for 2015-16 and 2016-17 is 35,034.	Req \$ 100,236,542	\$ -	\$ 100,236,542	Req \$ 100,236,542	\$ -	\$ 100,236,542
	Rec \$ -	\$ -	\$ -	Rec \$ -	\$ -	\$ -
	Appr \$ 100,236,542	\$ -	\$ 100,236,542	Appr \$ 100,236,542	\$ -	\$ 100,236,542
	Pos 0.000	0.000	0.000	Pos 0.000	0.000	0.000

	2015-2016			2016-2017		
	Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>13. Allow Local Flexibility and Increase Funding for Textbooks and Other Instructional Resources</b>						
Increases funding for textbooks and other instructional resources. Districts may use this funding source for textbooks, instructional supplies and equipment, and for payment to use the optional services of Home Base. Home Base consists of instructional content that includes lesson plans and interactive activities, instructional tools that will aid in differentiated learning, instructional assessments, a learning management system, and an advanced professional development management tool. The textbook fund is renamed and redefined in special provision to combine the Instructional Supplies and Equipment allotment as well as this appropriation. The new definition and additional dollars allow school districts flexibility in the utilization of these funds for instructional resources as determined by local need. This instructional resource funding also complements the funds available to districts in the School Technology Fund.	Req \$ 35,000,000	\$ -	\$ 35,000,000	\$ 35,000,000	\$ -	\$ 35,000,000
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ 35,000,000	\$ -	\$ 35,000,000	\$ 35,000,000	\$ -	\$ 35,000,000
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>14. Provide Classroom Connectivity to Support Digital Learning</b>						
Provides funds to support the equipment purchase and installation costs necessary to provide WI-FI access needed in the classroom to enhance digital learning opportunities for students. This appropriation supports WI-FI access to all North Carolina classrooms by the end of the 2016-17 school year, and allows for ongoing equipment upgrade and replacement for approximately 20% of schools each year. Some school districts have begun this process with one-time Race to the Top funds which expire early in FY 2015-16. The total cost is offset by rebates from the E-rate Modernization Act intended for this purpose, and represents the cost that will be incurred by school districts after E-rate rebates.	Req \$ -	\$ 7,400,000	\$ 7,400,000	\$ -	\$ 12,000,000	\$ 12,000,000
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ -	\$ 7,400,000	\$ 7,400,000	\$ -	\$ 12,000,000	\$ 12,000,000
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>15. Invest in New Cooperative Innovative High Schools</b>						
Funds eight new Cooperative Innovative High Schools (CIHS) in five LEAs that have been approved by the State Board of Education. Funding requests are for (i) four schools in Guilford County: the Academy at High Point, the Academy at Smith, the STEM Early College at NC A&T, and the Middle College at UNC Greensboro; (ii) one school in Pitt County: Pitt Early College High School; (iii) one in Wake County: Vernon Malone College and Career Academy; (iv) one in Watauga County: Watauga Career Academy; and (v) one in Wilson County: Wilson Academy of Applied Technology. Each school will receive \$310,669, the same dollar amount that has been appropriated to existing CIHS programs.	Req \$ 2,485,352	\$ -	\$ 2,485,352	\$ 2,485,352	\$ -	\$ 2,485,352
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ 2,485,352	\$ -	\$ 2,485,352	\$ 2,485,352	\$ -	\$ 2,485,352
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>16. Align Average Salary with Projections</b>						
Adjusts budgeted average salaries using actual 2014-15 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel. Due to attrition in these positions, actual salaries are typically lower than budgeted salaries and savings can be realized.	Req \$ (14,839,270)	\$ -	\$ (14,839,270)	\$ (14,977,035)	\$ -	\$ (14,977,035)
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ (14,839,270)	\$ -	\$ (14,839,270)	\$ (14,977,035)	\$ -	\$ (14,977,035)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000

	2015-2016			2016-2017		
	Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>17. Achieve Efficiencies in the Department of Public Instruction</b>						
The State Board of Education shall direct and approve the implementation of a plan to achieve efficiencies in the Department of Public Instruction's budget, allowing for a 10 percent reduction in appropriation. In implementing this plan the State Board of Education shall make no reduction to funding or positions for the NC School for the Deaf, the Eastern School for the Deaf, the Governor Morehead School, the North Carolina Center for the Advancement of Teaching (NCCAT), the Communities in Schools, Inc., Teach for America, Inc., or Beginnings for Parents of Children who are Deaf and Hard of Hearing.	Req \$ (4,117,254)	\$ -	\$ (4,117,254)	\$ (4,117,254)	\$ -	\$ (4,117,254)
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ (4,117,254)	\$ -	\$ (4,117,254)	\$ (4,117,254)	\$ -	\$ (4,117,254)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>18. Adjust Central Office Allotment</b>						
Implements efficiencies in local school administrative units' central office functions to achieve a two percent reduction. The balance for this allotment is \$92.8 million for the 2015-16 school year.	Req \$ (1,894,338)	\$ -	\$ (1,894,338)	\$ (1,900,938)	\$ -	\$ (1,900,938)
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ (1,894,338)	\$ -	\$ (1,894,338)	\$ (1,900,938)	\$ -	\$ (1,900,938)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>19. Align School Bus Fuel Budget with Actual Need</b>						
Reflects an adjustment to the budgeted price per gallon for fuel from \$3.16 to \$2.35 per gallon. This adjustment is based upon actual fuel prices and projected per gallon costs.	Req \$ (20,079,807)	\$ -	\$ (20,079,807)	\$ (20,079,807)	\$ -	\$ (20,079,807)
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ (20,079,807)	\$ -	\$ (20,079,807)	\$ (20,079,807)	\$ -	\$ (20,079,807)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>20 Reward Teaching in High Need Fields with In-Field Graduate Preparation</b>						
Provides Master's level pay to those teachers in a high need field with in-field graduate preparation. High need fields are defined as Science, Technology, Engineering and Math (STEM) and Exceptional Children. There is no increased appropriation associated with this item as the recurring appropriation for master's pay resides in the Department of Public Instruction's budget.	Req \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>21 NC GEAR - Leverage Buying Power for School Districts</b>						
Establishes regional or statewide shared services to provide support services more efficiently and consistently across LEAs. Potential areas for implementation include administrative and financial services, janitorial and facilities management, IT, procurement, security, transportation, and nutrition services. Other states implementing similar shared service models have seen material cost savings.	Req \$ -	\$ 2,000,000	\$ 2,000,000	\$ 124,000	\$ 4,000,000	\$ 4,124,000
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ -	\$ 2,000,000	\$ 2,000,000	\$ 124,000	\$ 4,000,000	\$ 4,124,000
	Pos 0.000	0.000	0.000	2.000	0.000	2.000
<b>Total Requirements</b>	<b>\$ 276,206,743</b>	<b>\$ 15,054,350</b>	<b>\$ 291,261,093</b>	<b>\$ 281,186,378</b>	<b>\$ 21,654,350</b>	<b>\$ 302,840,728</b>
<b>Total Receipts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Appropriation</b>	<b>\$ 276,206,743</b>	<b>\$ 15,054,350</b>	<b>\$ 291,261,093</b>	<b>\$ 281,186,378</b>	<b>\$ 21,654,350</b>	<b>\$ 302,840,728</b>
<b>Positions</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>2.000</b>	<b>0.000</b>	<b>2.000</b>



## *NC Community Colleges*

NC Community Colleges System (16800)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14		2014-15		Changes to Base Budget			% Δ from 2014-15 Authorized	2015-16	
	Actual	Certified	Authorized		Net Recurring	Net Non-Recurring	Total Change		Base Budget	
Requirements	\$ 1,440,356,392	\$ 1,466,206,999	\$ 1,462,859,992	\$	(551,752)	\$ -	\$ (551,752)	(0.04%)	\$ 1,462,308,240	
Receipts	\$ 424,395,744	\$ 417,160,132	\$ 413,813,125	\$	-	\$ -	\$ -	0.00%	\$ 413,813,125	
Appropriations	\$ 1,015,960,648	\$ 1,049,046,867	\$ 1,049,046,867	\$	(551,752)	\$ -	\$ (551,752)	(0.05%)	\$ 1,048,495,115	
FTE	193.250	194.100	192.500		(7.000)	0.000	(7.000)	(3.64%)	185.500	

Recommended Change Budget for 2015-16

	2014-15		2015-16		Recommended Change Budget for 2015-16			% Δ from 2014-15 Authorized	2015-16	
	Authorized Budget	Base Budget	Authorized		Net Recurring	Net Non Recurring	Recommended Change		Base Budget	
Requirements	\$ 1,462,859,992	\$ 1,462,308,240	\$ (8,974,623)	\$	-	\$ (8,974,623)	\$ 1,453,333,617	(0.74%)	(0.70%)	
Receipts	\$ 413,813,125	\$ 413,813,125	\$ 4,631,615	\$	-	\$ 4,631,615	\$ 418,444,740	1.12%	1.12%	
Appropriation	\$ 1,049,046,867	\$ 1,048,495,115	\$ (13,606,238)	\$	-	\$ (13,606,238)	\$ 1,034,888,877	(1.47%)	(1.42%)	
FTE	192.500	185.500	7.000		0.000	7.000	192.500	0.00%	3.77%	

40

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14		2014-15		Changes to Base Budget			% Δ from 2014-15 Authorized	2016-17	
	Actual	Certified	Authorized		Net Recurring	Net Non-Recurring	Total Change		Base Budget	
Requirements	\$ 1,440,356,392	\$ 1,466,206,999	\$ 1,462,859,992	\$	(551,752)	\$ -	\$ (551,752)	(0.04%)	\$ 1,462,308,240	
Receipts	\$ 424,395,744	\$ 417,160,132	\$ 413,813,125	\$	-	\$ -	\$ -	0.00%	\$ 413,813,125	
Appropriations	\$ 1,015,960,648	\$ 1,049,046,867	\$ 1,049,046,867	\$	(551,752)	\$ -	\$ (551,752)	(0.05%)	\$ 1,048,495,115	
FTE	193.250	194.100	192.500		(7.000)	0.000	(7.000)	(3.64%)	185.500	

Recommended Change Budget for 2016-17

	2014-15		2016-17		Recommended Change Budget for 2016-17			% Δ from 2014-15 Authorized	2016-17	
	Authorized Budget	Base Budget	Authorized		Net Recurring	Net Non Recurring	Recommended Change		Base Budget	
Requirements	\$ 1,462,859,992	\$ 1,462,308,240	\$ (8,974,623)	\$	5,000,000	\$ (3,974,623)	\$ 1,458,333,617	(0.34%)	(0.36%)	
Receipts	\$ 413,813,125	\$ 413,813,125	\$ 3,631,615	\$	-	\$ 3,631,615	\$ 417,444,740	0.88%	0.88%	
Appropriation	\$ 1,049,046,867	\$ 1,048,495,115	\$ (12,606,238)	\$	5,000,000	\$ (7,606,238)	\$ 1,040,888,877	(0.90%)	(0.85%)	
FTE	192.500	185.500	7.000		0.000	7.000	192.500	0.00%	3.77%	

## Recommended Changes for NC Community Colleges System (16800)

	2015-2016			2016-2017		
	Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>1. Provide In-State Tuition for Military Veterans</b>						
Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident veteran students. \$1 million is appropriated to the NC Community College System and \$1 million in the Yellow Ribbon Reserve is reallocated to offset the \$2 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.						
Req	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rec	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ -	\$ (1,000,000)
Appr	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>2. Modernize the College Information System</b>						
Provides a critical upgrade for the College Information System (CIS). CIS serves all 58 community colleges as their central data system of student information and college operations and must be upgraded to a new programming language within the next three years. In addition, NCCCS will be moving CIS to a hosted, cloud solution, under the guidance of the state Office of Information Technology Services.						
Req	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appr	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000
Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>3. Retain Program Audit Function</b>						
Restores program auditors to the Community College System Office. The State Board of Community Colleges shall maintain an accountability function that conducts program and compliance reviews of community colleges. The State Board may develop rules and guidelines governing the frequency, scope, and standards for compliance. These periodic reviews may include reviews of each college's enrollment and the verification of college data used to allocate state appropriations. The State Board shall make public, to the extent possible, the results of these audits.						
Req	\$ 551,752	\$ -	\$ 551,752	\$ 551,752	\$ -	\$ 551,752
Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appr	\$ 551,752	\$ -	\$ 551,752	\$ 551,752	\$ -	\$ 551,752
Pos	7.000	0.000	7.000	7.000	0.000	7.000
<b>4. Invest in STEM Equipment</b>						
Provides \$5 million nonrecurring for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers. To prepare students to fill today's jobs, community colleges must train those students on the current equipment used in the workforce.						
Req	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000
Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appr	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000
Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>5. Enrollment Growth Adjustment</b>						
Adjusts the budget for North Carolina community colleges to reflect decreased enrollment. Enrollment has declined by 1.6% from 2014-15 budgeted levels. Enrollment for 2015-16 will be 231,350 full-time equivalent (FTE) students. Enrollment will be 111,969 FTE for curriculum; 14,739 for continuing education; and 17,226 for Basic Skills. Total enrollment includes summer term 2014 enrollment growth of 8,721 FTE.						
Req	\$ (14,526,375)	\$ -	\$ (14,526,375)	\$ (14,526,375)	\$ -	\$ (14,526,375)
Rec	\$ (11,507,178)	\$ -	\$ (11,507,178)	\$ (11,507,178)	\$ -	\$ (11,507,178)
Appr	\$ (3,019,197)	\$ -	\$ (3,019,197)	\$ (3,019,197)	\$ -	\$ (3,019,197)
Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016				2016-2017			
		Recurring Changes	Non Recurring Changes	Total		Recurring Changes	Non Recurring Changes	Total	
<b>6. Generate Additional Tuition Revenue</b>									
Increases tuition rate to generate additional funds to support the operations of North Carolina community colleges. North Carolina community college tuition currently ranks 14th lowest out of 16 southeastern states. Tuition rates shall be increased \$4 per credit hour – from \$72 per hour to \$76 per hour for resident students; and from \$264 per hour to \$268 per hour for nonresidents. Full-time resident students will pay \$1,216 per semester, an increase of \$128 per year.	Req	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Rec	\$ 16,138,793	\$ -	\$ 16,138,793	\$ 16,138,793	\$ -	\$ 16,138,793		
	Appr	\$ (16,138,793)	\$ -	\$ (16,138,793)	\$ (16,138,793)	\$ -	\$ (16,138,793)		
	Pos	0.000	0.000	0.000	0.000	0.000	0.000		
<b>Total Requirements</b>		\$ (8,974,623)	\$ -	\$ (8,974,623)	\$ (8,974,623)	\$ 5,000,000	\$ (3,974,623)		
<b>Total Receipts</b>		\$ 4,631,615	\$ -	\$ 4,631,615	\$ 3,631,615	\$ -	\$ 3,631,615		
<b>Total Appropriation</b>		\$ (13,606,238)	\$ -	\$ (13,606,238)	\$ (12,606,238)	\$ 5,000,000	\$ (7,606,238)		
<b>Total GF Positions</b>		7.000	0.000	7.000	7.000	0.000	7.000		

## *The University of North Carolina*

The University of North Carolina (160xx)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget			Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
				Net Recurring	Net Non-Recurring				
Requirements	\$ 4,275,146,894	\$ 4,303,524,712	\$ 4,342,417,394	\$ 482,122	\$ -	\$ 482,122		0.01%	\$ 4,342,899,516
Receipts	\$ 1,702,389,651	\$ 1,656,710,613	\$ 1,695,603,295	\$ -	\$ -	\$ -		0.00%	\$ 1,695,603,295
Appropriations	\$ 2,572,757,242	\$ 2,646,814,099	\$ 2,646,814,099	\$ 482,122	\$ -	\$ 482,122		0.02%	\$ 2,647,296,221
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000		0.00%	34,763.579

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16				Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
			Net Recurring	Net Non Recurring	Recommended Change				
Requirements	\$ 4,342,417,394	\$ 4,342,899,516	\$ 11,509,072	\$ 2,085,430	\$ 13,594,502	\$ 4,356,494,018		0.32%	0.31%
Receipts	\$ 1,695,603,295	\$ 1,695,603,295	\$ 21,444,745	\$ 18,106,794	\$ 39,551,539	\$ 1,735,154,834		2.33%	2.33%
Appropriation	\$ 2,646,814,099	\$ 2,647,296,221	\$ (9,935,673)	\$ (16,021,364)	\$ (25,957,037)	\$ 2,621,339,184		(0.96%)	(0.98%)
FTE	34,763.579	34,763.579	11.600	0.000	11.600	34,775.179		0.03%	0.03%

44

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget			Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
				Net Recurring	Net Non-Recurring				
Requirements	\$ 4,275,146,894	\$ 4,303,524,712	\$ 4,342,417,394	\$ 490,557	\$ -	\$ 490,557		0.01%	\$ 4,342,907,951
Receipts	\$ 1,702,389,651	\$ 1,656,710,613	\$ 1,695,603,295	\$ -	\$ -	\$ -		0.00%	\$ 1,695,603,295
Appropriations	\$ 2,572,757,242	\$ 2,646,814,099	\$ 2,646,814,099	\$ 490,557	\$ -	\$ 490,557		0.02%	\$ 2,647,304,656
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000		0.00%	34,763.579

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17				Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
			Net Recurring	Net Non Recurring	Recommended Change				
Requirements	\$ 4,342,417,394	\$ 4,342,907,951	\$ 11,752,838	\$ 806,318	\$ 12,559,156	\$ 4,355,467,107		0.30%	0.29%
Receipts	\$ 1,695,603,295	\$ 1,695,603,295	\$ 17,007,259	\$ 10,000,000	\$ 27,007,259	\$ 1,722,610,554		1.59%	1.59%
Appropriation	\$ 2,646,814,099	\$ 2,647,304,656	\$ (5,254,421)	\$ (9,193,682)	\$ (14,448,103)	\$ 2,632,856,553		(0.53%)	(0.55%)
FTE	34,763.579	34,763.579	14.400	0.000	14.400	34,777.979		0.04%	0.04%

## Recommended Changes for The University of North Carolina (160xx)

	2015-2016			2016-2017		
	Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>1. Provide In-State Tuition for Military Veterans</b>						
Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident veteran students. \$4.4 million is appropriated to UNC and \$4.9 million in the Yellow Ribbon Reserve is reallocated to offset the \$9.3 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law.						
Req	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rec	\$ -	\$ -	\$ -	\$ (4,437,486)	\$ -	\$ (4,437,486)
Appr	\$ -	\$ -	\$ -	\$ 4,437,486	\$ -	\$ 4,437,486
Pos	0.000	0.000	0.000	0.000	0.000	0.000
UNC General Administration shall not revise the Enrollment Growth Funding Model to request future appropriations as an offset for tuition lost by classifying nonresident veteran students as residents pursuant to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.						
<b>2. Fund Enrollment Growth</b>						
Provides enrollment growth funding for the projected increase in regular term and distance education student full-time equivalents (FTE) in the university system. The 2014-15 budgeted FTE of 199,814 is estimated to increase by 3,345 FTE (1.7%) in 2015-16 and an additional 3,016 FTE in 2016-17 (1.5%). The total increase for the biennium is 6,361 FTE, which represents a 3.2% increase from the 2014-15 budgeted FTE. An additional \$30.9 million is placed in a statewide reserve for distribution to UNC for the 2016-17 academic year.						
Req	\$ 70,769,486	\$ -	\$ 70,769,486	\$ 70,769,486	\$ -	\$ 70,769,486
Rec	\$ 21,444,745	\$ -	\$ 21,444,745	\$ 21,444,745	\$ -	\$ 21,444,745
Appr	\$ 49,324,741	\$ -	\$ 49,324,741	\$ 49,324,741	\$ -	\$ 49,324,741
Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>3. Fund Building Reserves</b>						
Provides funding to operate and maintain UNC facilities supported by the General Fund that will be completed in the 2015-17 biennium.						
Req	\$ 470,912	\$ 170,282	\$ 641,194	\$ 714,678	\$ 91,170	\$ 805,848
Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appr	\$ 470,912	\$ 170,282	\$ 641,194	\$ 714,678	\$ 91,170	\$ 805,848
Pos	11.600	0.000	11.600	14.400	0.000	14.400
<b>4. Support Competitive Technology Improvements for Elizabeth City State University</b>						
Creates a reserve administered by UNC General Administration to upgrade and modernize Elizabeth City State University's (ECSU) aging IT network infrastructure, implement an online enrollment management system, and automate the financial aid process in order to more competitively recruit and retain students. UNC General Administration shall report quarterly to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on ECSU's progress.						
Req	\$ -	\$ 1,904,705	\$ 1,904,705	\$ -	\$ 704,705	\$ 704,705
Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appr	\$ -	\$ 1,904,705	\$ 1,904,705	\$ -	\$ 704,705	\$ 704,705
Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>5. Stabilize East Carolina University Brody School of Medicine</b>						
Provides operating funding to support medical education at East Carolina University's Brody School of Medicine and to maintain community preceptorships at regional training sites.						
Req	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ 8,000,000
Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appr	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -	\$ 8,000,000
Pos	0.000	0.000	0.000	0.000	0.000	0.000

46

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>6. Establish the University Innovation Commercialization Grant Program</b>							
Provides \$2.5 million in 2015-16 and \$5.0 million in 2016-17 to the Office of State Budget and Management for the University Innovation Commercialization Grant Program. The program would use NC's community of industry and commercialization experts, organized and funded through two hosting nonprofit or other relevant entities, to: (1) select university technologies based on commercial potential, (2) create a development plan of key activities to make the technologies more attractive to investors, and (3) guide implementation of these activities to assure efficient development of funds and commercial-quality results.	Req	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>7. Increase Scholarships for Children with Disabilities</b>							
Transfers \$2,124,934 from the exceptional children budget in the Department of Public Instruction to the North Carolina State Education Assistance Authority (NCSEAA) for the Special Education Scholarships for Children with Disabilities Program as authorized by GS 115C-112.6. This item partially aligns increased use of the scholarships with corresponding anticipated changes in public school enrollment. There is a corresponding special provision authorizing these funds which brings total funding for the program to \$6,103,100 and provides scholarships for approximately 800 students.	Req	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>8. Increase Beginning Salary for NC School of Science and Math Teachers</b>							
Increases the beginning teacher salary for NCSSM teachers on the first tier of the North Carolina Public School Salary Schedule.	Req	\$ 3,244	\$ -	\$ 3,244	\$ 3,244	\$ -	\$ 3,244
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr	\$ 3,244	\$ -	\$ 3,244	\$ 3,244	\$ -	\$ 3,244
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>9. Fund NCSSM Teacher Salary Step Increase</b>							
Provides funds to support the movement of NCSSM teachers who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	\$ 92,486	\$ -	\$ 92,486	\$ 92,486	\$ -	\$ 92,486
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr	\$ 92,486	\$ -	\$ 92,486	\$ 92,486	\$ -	\$ 92,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
<b>10. Provide One-Time Bonus to Retain 2014-15 NCSSM Teacher Salary</b>							
Funds nonrecurring salary bonus of \$1,000 to NCSSM teachers who received the bonus in 2014-15 to ensure retention of 2014-15 salary level.	Req	\$ -	\$ 10,443	\$ 10,443	\$ -	\$ 10,443	\$ 10,443
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr	\$ -	\$ 10,443	\$ 10,443	\$ -	\$ 10,443	\$ 10,443
	Pos	0.000	0.000	0.000	0.000	0.000	0.000



	2015-2016			2016-2017		
	Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
<b>11. Allow Flexibility to Achieve Efficiencies</b>						
Directs the UNC Board of Governors to implement efficiencies to achieve a 2% savings from the UNC System's 2014-15 certified appropriation excluding financial aid. The Board of Governors shall not allocate any portion of the reduction to financial aid, Elizabeth City State University, Fayetteville State University, NC School of Science and Mathematics, UNC Asheville or UNC School of the Arts. Before taking reductions in instructional budgets, the Board of Governors should consider reducing senior and middle management positions, identifying new opportunities for shared services, adjusting faculty workloads, eliminating redundant and low enrollment programs, restructuring research activities, and using alternative funding sources.	Req \$ (49,913,244)	\$ -	\$ (49,913,244)	\$ (49,913,244)	\$ -	\$ (49,913,244)
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ (49,913,244)	\$ -	\$ (49,913,244)	\$ (49,913,244)	\$ -	\$ (49,913,244)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>12. Cap Taxpayer Expenditures on Advancement Programs</b>						
Increases the reliance of campus advancement programs on non-state funds generated by fundraising activities. Campuses may use up to \$1 million of state funds annually for advancement programs. Any expenditures in excess of \$1 million must be funded from non-state funds.	Req \$ (17,913,812)	\$ -	\$ (17,913,812)	\$ (17,913,812)	\$ -	\$ (17,913,812)
	Rec \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appr \$ (17,913,812)	\$ -	\$ (17,913,812)	\$ (17,913,812)	\$ -	\$ (17,913,812)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>13. Support UNC Need-Based Aid</b>						
Increases Escheat Fund support of the UNC Need-Based Financial Aid program and offsets appropriations from the General Fund. Total funding available for scholarships remains unchanged at \$125,930,498.	Req \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rec \$ -	\$ 18,106,794	\$ 18,106,794	\$ -	\$ 10,000,000	\$ 10,000,000
	Appr \$ -	\$ (18,106,794)	\$ (18,106,794)	\$ -	\$ (10,000,000)	\$ (10,000,000)
	Pos 0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Requirements</b>	<b>\$ 11,509,072</b>	<b>\$ 2,085,430</b>	<b>\$ 13,594,502</b>	<b>\$ 11,752,838</b>	<b>\$ 806,318</b>	<b>\$ 12,559,156</b>
<b>Total Receipts</b>	<b>\$ 21,444,745</b>	<b>\$ 18,106,794</b>	<b>\$ 39,551,539</b>	<b>\$ 17,007,259</b>	<b>\$ 10,000,000</b>	<b>\$ 27,007,259</b>
<b>Total Appropriation</b>	<b>\$ (9,935,673)</b>	<b>\$ (16,021,364)</b>	<b>\$ (25,957,037)</b>	<b>\$ (5,254,421)</b>	<b>\$ (9,193,682)</b>	<b>\$ (14,448,103)</b>
<b>Total GF Positions</b>	<b>11.600</b>	<b>0.000</b>	<b>11.600</b>	<b>14.400</b>	<b>0.000</b>	<b>14.400</b>