

**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# **Agriculture, Natural, and Economic Resources Overview**

Joint Appropriations Committees on  
Agriculture, Natural, and Economic Resources

**February 19, 2019**

# Outline

- Committee Logistics
- Fiscal Research
  - Confidentiality
  - Fiscal Notes/Fiscal Memos
- Budgeting 101
- The AgNER Budget



# Committee Website

**Joint AgNER Meetings have a website that is linked off either the House or Senate committee websites.**

- Agendas
- All committee handouts
- Follow-up information
- Meeting audio
- Mandated agency reports



**Joint Meetings of the House and Senate Appropriations on Agriculture, Natural, and Economic Resources**



# Fiscal Research Division

- Nonpartisan, professional staff serving all 170 members
- 32 analysts divided into 8 teams
- Primary responsibilities during Session:
  - **Staff Appropriations committees**
  - **Respond to member requests**
  - **Write fiscal notes, fiscal memos, and incarceration notes**

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"My spreadsheet says we must lighten by 152 pounds."



# Nine Fiscal Research Teams

☐ **Agriculture, Natural, & Economic Resources (AgNER)**

☐ **Economy & Taxation (Finance)**

☐ **Education**

☐ **General Government (GenGov)**

☐ **Health & Human Services (HHS)**

☐ **Justice & Public Safety (JPS)**

☐ **Statewide**

☐ **Transportation**

☐ **Budget Development**



# Confidentiality

- **ALL** requests made to fiscal staff are confidential
- Requests to agencies by fiscal staff are **NOT** confidential unless directly related to a fiscal note



# Fiscal Research Division

## Fiscal Notes

- Five-year analysis of all estimated fiscal effects of a bill on expenditures or revenue of the State
- Prepared upon request of bill sponsor or other member
- Request and information about note remain confidential until note becomes public



## Fiscal Memo

- Same analysis as a Fiscal Note
- Usually prepared for draft bills or PCS
- Remains confidential after completion

## Incarceration Note

- Required for proposed changes that may impact incarceration rates in State facilities
- Two-week completion time



# Fiscal Research Division

**Fiscal or incarceration note requests should be e-mailed to:**

**@Fiscal Note Requests**

**Include:**

- **Requestor's name**
- **Bill number (or draft number for a memo or PCS)**
- **Short title**





# How to Reach Fiscal Research?

**Suite 619 LOB**

<http://www.ncleg.gov/FiscalResearch/>



**FISCAL RESEARCH DIVISION**  
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Mark Trogon, Director

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**Fiscal Research Division**

Google™ Custom Search  Search  powered by Google™

**Staff Directory**

STAFF BY SUBJECT AREA:

Or

STAFF BY LAST NAME:

**Select Legislation and Reports**

**Bill Text** - Current Operations and Capital Improvements Appropriations Act of 2016

**Committee Report** - The Joint Conference Committee Report on the Base, Capital and Expansion Budgets for House Bill 1030

**Technical Corrections** - North Carolina Measurability Assessment Act of 2016

**History of budget legislation 2005-2016**



**FISCAL RESEARCH DIVISION**

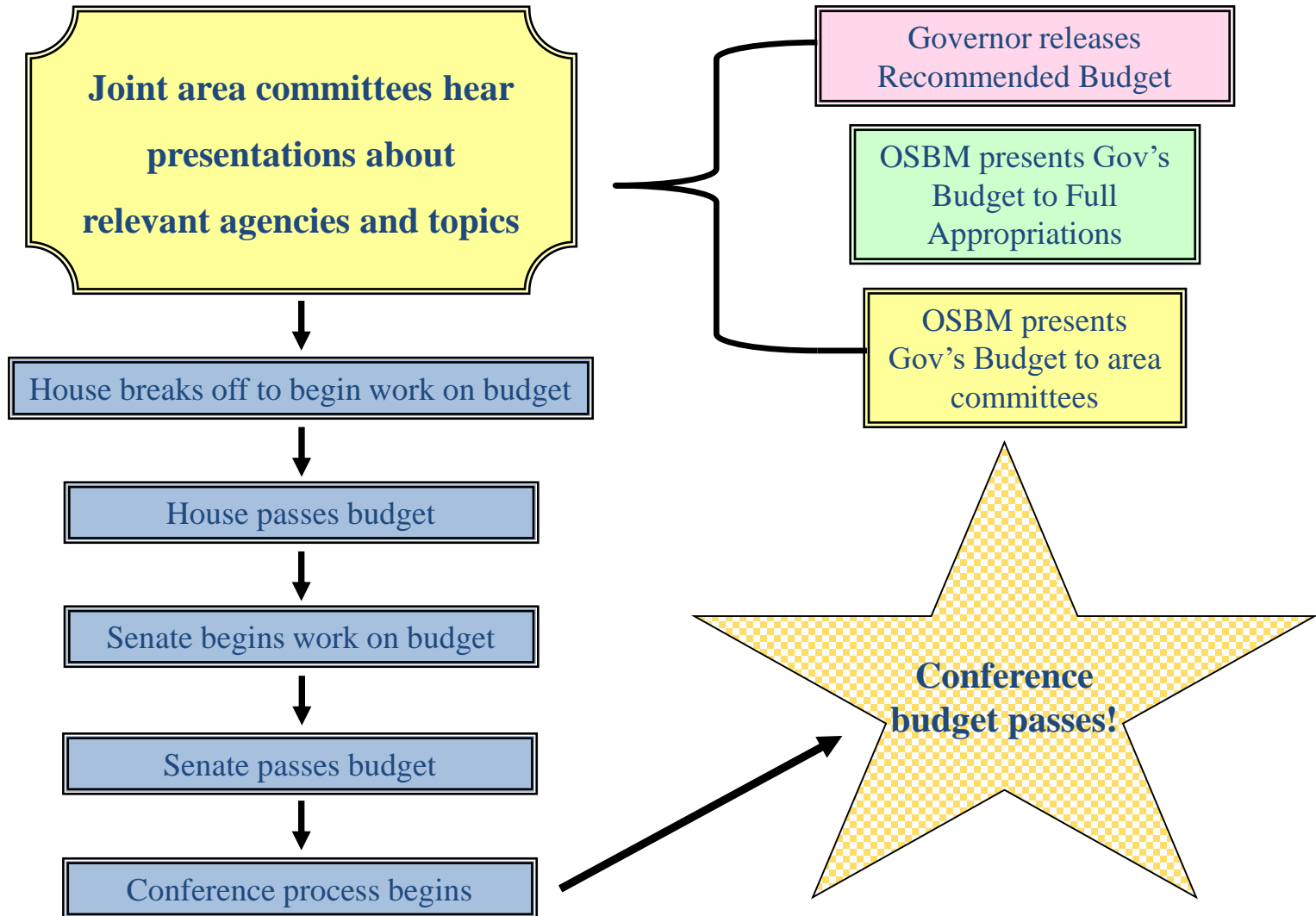
A Non-Partisan Staff Agency of the North Carolina General Assembly

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- **Budgeting 101**
- The AgNER Budget



# Budget Process



# Budget Terms: Appropriation

## Appropriation

An enactment by the General Assembly authorizing the withdrawal of money from the State treasury

*State Budget Act – Chapter 143C-1-1(d)(1)*

“No money shall be drawn from the State treasury but in consequence of appropriations made by law.”

*NC Constitution, Art. V, Section 7*



# Budget Terms: Base Budget



- Previous year's authorized budget
- Backs out nonrecurring reductions or increases
- May also include adjustments for:
  - Annualization of programs
  - Federal payroll tax changes
  - Contracted lease rate increases
  - Receipt projections
  - Reconciliation of intra- and intergovernmental transactions

# Budget Terms: Base Budget

## **Total Requirements**

The total cost associated with a proposed expenditure of funds regardless of the source of funds

## **Departmental Receipts**

Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies that are applied to the cost of a program

## **Net General Fund Appropriation**

An appropriation of the General Fund's general purpose revenue

$$\begin{aligned} &\textbf{Total Requirements} - \textbf{Department Receipts} \\ &= \textbf{Net General Fund Appropriation} \end{aligned}$$



# Budgeting Terms: Funds

**General Fund:** The main source of operating funds for the State; comprised of the beginning credit balance, State tax revenue, and State non-tax revenue

(1xxxx budget codes)

**Special Fund:** Fund to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose

(2xxxx budget codes)

*Example: Clean Water Management Trust Fund*

**Enterprise Fund:** Fund for any activity for which a fee is charged to external users for goods or services (5xxxx budget codes)

*Example: NC State Fair*





# Budgeting Terms: Budget Types

**Certified Budget:** The budget as enacted by the General Assembly, plus any funds appropriated to reserves to be allocated to agencies

*Ex.: The 2012 Budget appropriates \$10,000 for Agency Y to buy 10 computers.*

*Certified budget = \$10,000*

**Authorized Budget:** The certified budget updated to reflect line-item reallocations approved by the Office of State Budget and Management (OSBM) as authorized by G.S. 143C-6-4

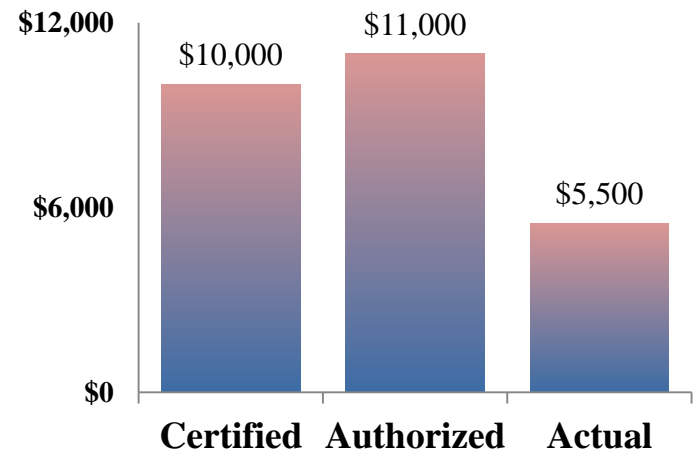
*Ex.: Agency Y needs 11 computers. They want to take some money from the furniture budget to pay for it.*

*Authorized budget = \$11,000*

**Actual Budget:** The budget as it was implemented

*Ex.: The Division of State Purchase and Contract got the State a great deal on computers. The final cost for Agency Y's 11 computers is \$5,500.*

*Actual budget = \$5,500*





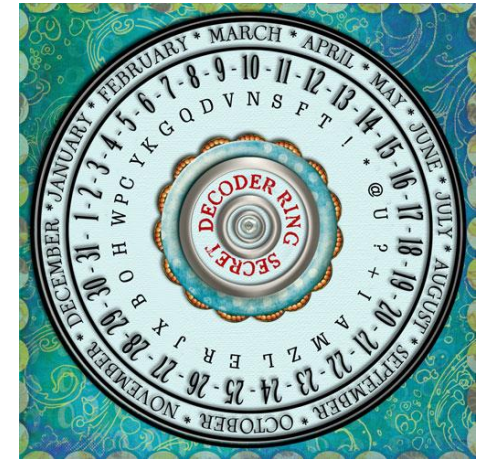
# Budgeting Terms: Codes

**Budget Code:** A five digit code assigned by OSBM that identifies the fund type (General Fund, Highway Fund, etc.) and the entity

Example: Department of Labor General Fund is **13800**

**Fund Code:** A four digit code identifying a subset of the Budget Code designated for a specific purpose or program within an agency

Example: Labor – Administrative Services is 13800-**1120**



# Budgeting Terms: Accounts



**Personal Services:** Services rendered by permanent and temporary employees and related fringe benefits



**Purchased Services:** Services provided by external firms, agencies, or divisions within the same organization; includes contracts, IT, and travel costs



**Supplies:** Supplies or materials expected to be consumed within the normal course of operating and which are generally recurring in nature

# Budgeting Terms: Accounts



**Property, Plant, and Equipment:** Payments for acquiring property, constructing additions to buildings, and purchasing equipment, furniture, and machinery that is not consumable or expendable and has an expected life of longer than one year



LexisNexis™

**Other Expenses and Adjustments:** Miscellaneous operational costs such as legal or permit costs, pension payments, or subscriptions



**Aid and Public Assistance:** Funds to direct recipients, providers, or other agencies for designated programs, assistance, or special projects



**Intragovernmental Transactions:** Legally authorized transfers of financial resources from a fund designated to receive revenue to a fund that is authorized to spend the money and incur the expenditures

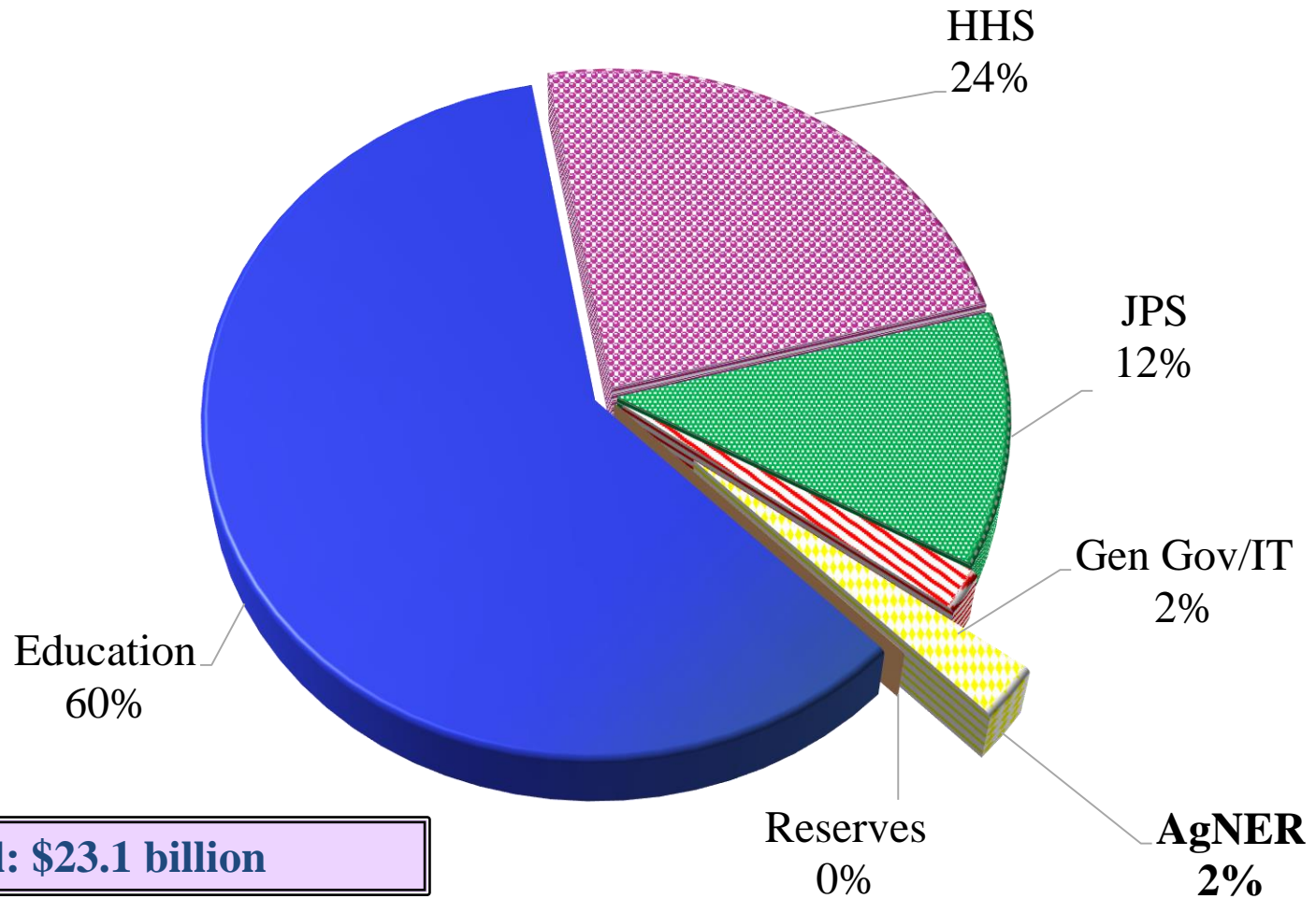


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# Base Budget - Net General Fund Appropriations FY 2019-20



Source: Base Budget (Worksheet I)





# What is AgNER?



# What is AgNER?

Six agencies fall under the AgNER umbrella:

Department of Agriculture and Consumer Services (DACS)

Department of Commerce (Commerce)

Department of Environmental Quality (DEQ)

Department of Labor (Labor)

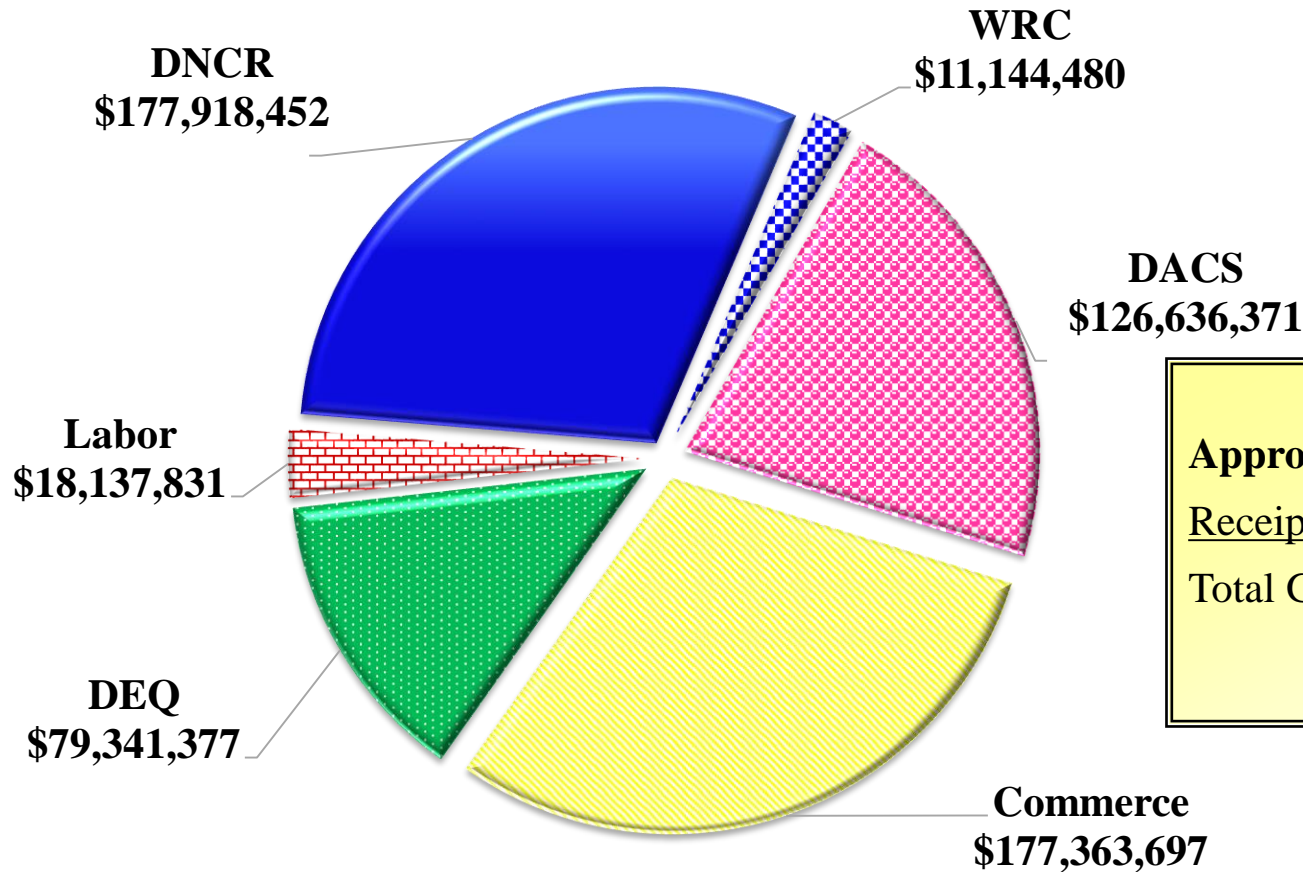
Department of Natural and Cultural Resources (DNCR)

Wildlife Resources Commission (WRC)



# AgNER Base Budget by Agency FY 2019-20

## AgNER Base Budget Net General Fund Appropriation



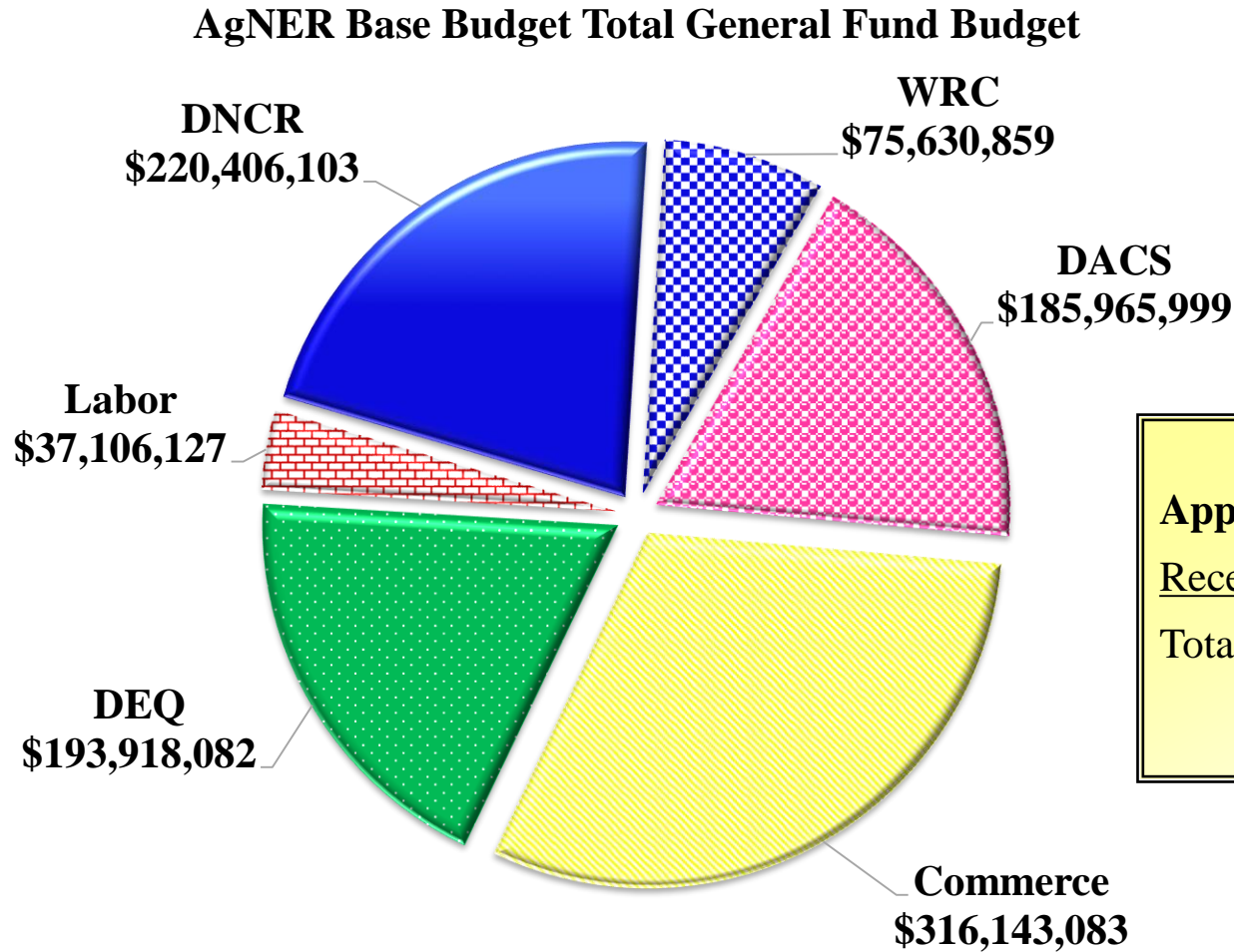
<b>Appropriation:</b>	<b>\$590.5 million</b>
<u>Receipts:</u>	<u>\$438.6 million</u>
<b>Total GF Budget:</b>	<b>\$1,029.2 million</b>

Source: Base Budget (Worksheet Is)





# AgNER Base Budget by Agency FY 2019-20



<b>Appropriation:</b>	<b>\$590.5 million</b>
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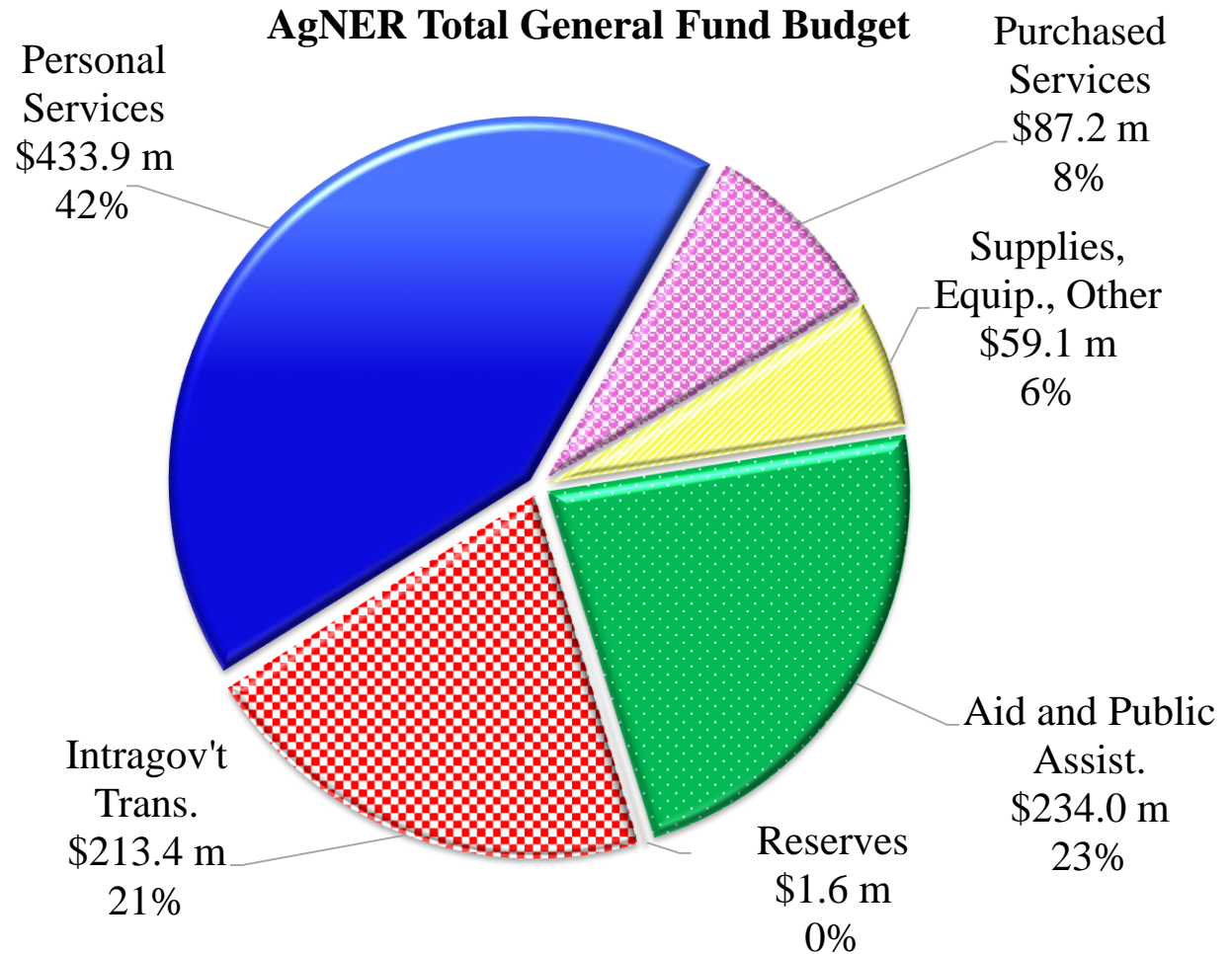
Source: Base Budget (Worksheet Is)



# AgNER Total General Fund Base Budget by Account FY 2019-20

Total General  
Fund Base  
Budget:  
**\$1,029.2 million**

Total Full-Time  
Equivalent (FTE)  
Positions:  
**5,992.5**



Source: Base Budget (Worksheet Is)



# AgNER - DACS

## Department of Agriculture and Consumer Services (DACS)

**Lead agency promoting agriculture, protecting consumers, and conserving farmland  
(G.S. 106, Article 1)**

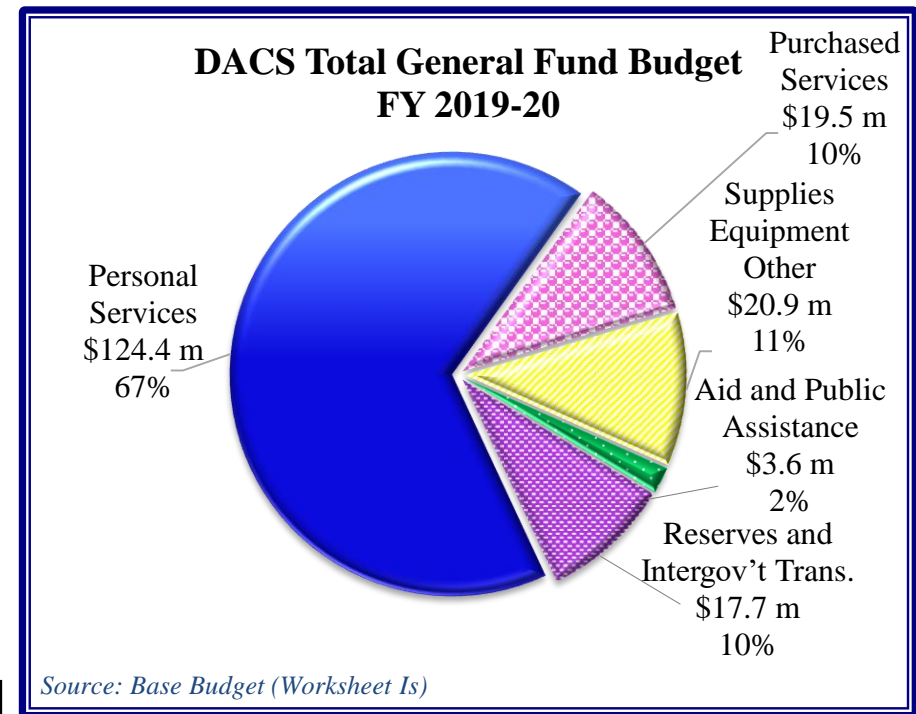
*Steve Troxler, Commissioner*

Includes:

- Agronomic Services
- Food Distribution
- Forest Service
- Marketing
- Meat and Poultry
- Soil and Water Conservation
- Structural Pests
- Standards
- Vet Services

**Total General Fund Budget: \$185.9 million**

**Total FTE Positions: 1,814.62**



# AgNER - Commerce

## Department of Commerce and Commerce – State Aid

Lead agency for economic, workforce, and community development  
(G.S. 143B, Article 10)

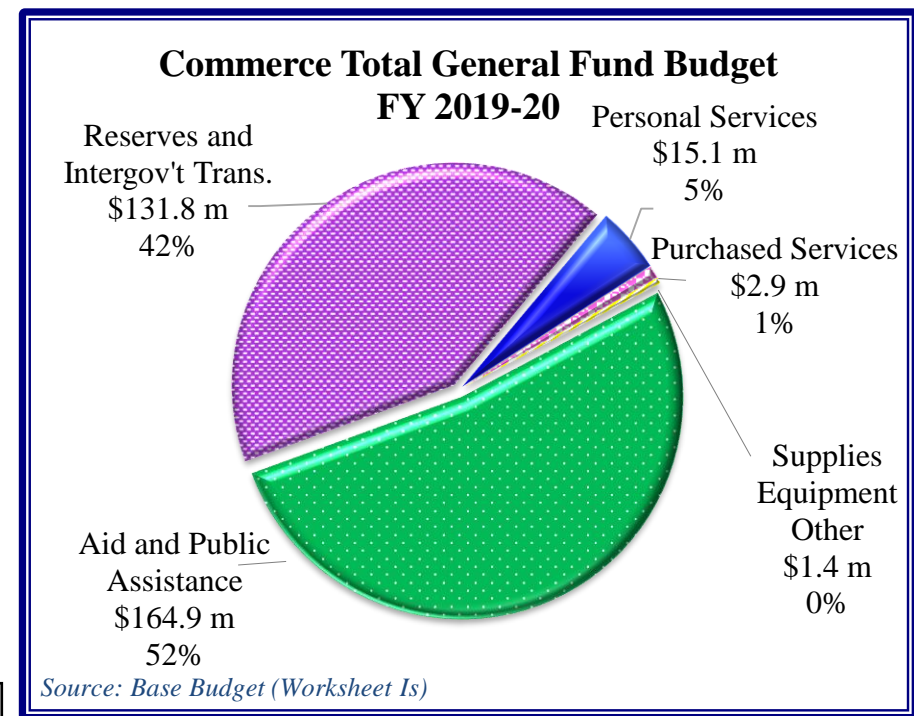
*Tony Copeland, Secretary*

Includes:

- Biotechnology Center
- Boards and Commissions
- Community Development Block Grants
- Economic Development Incentives
- EDPNC Contract
- Employment Security
- Rural Division
- Welcome Centers
- Workforce Analysis

**Total General Fund Budget: \$335.1 million**

**Total FTE Positions: 173.81**



# AgNER - DEQ

## Department of Environmental Quality (DEQ)

Lead agency for the protection of the State's environmental resources  
(G.S. 143B, Article 7)

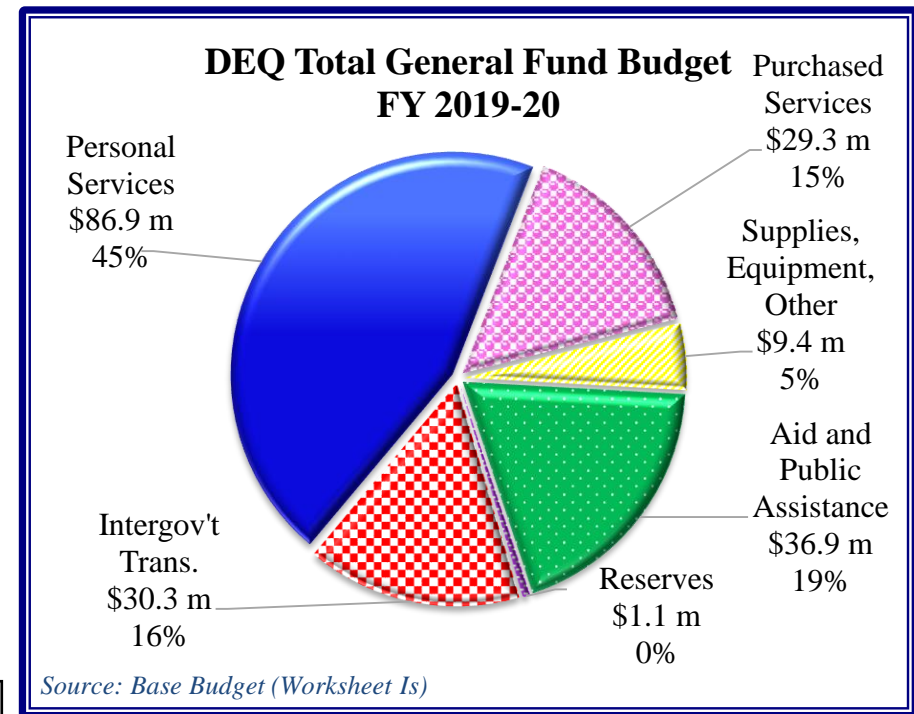
*Michael Regan, Secretary*

Includes:

- Air Quality
- Coastal Management
- Energy, Mineral, and Land Resources
- Marine Fisheries
- Mitigation Services
- Waste Management
- Water Infrastructure
- Water Resources

**Total General Fund Budget: \$193.9 million**

**Total FTE Positions: 1,116.82**





# AgNER - Labor

## Department of Labor

**Lead agency promoting the health, safety, and general well-being of workers  
(G.S. 95)**

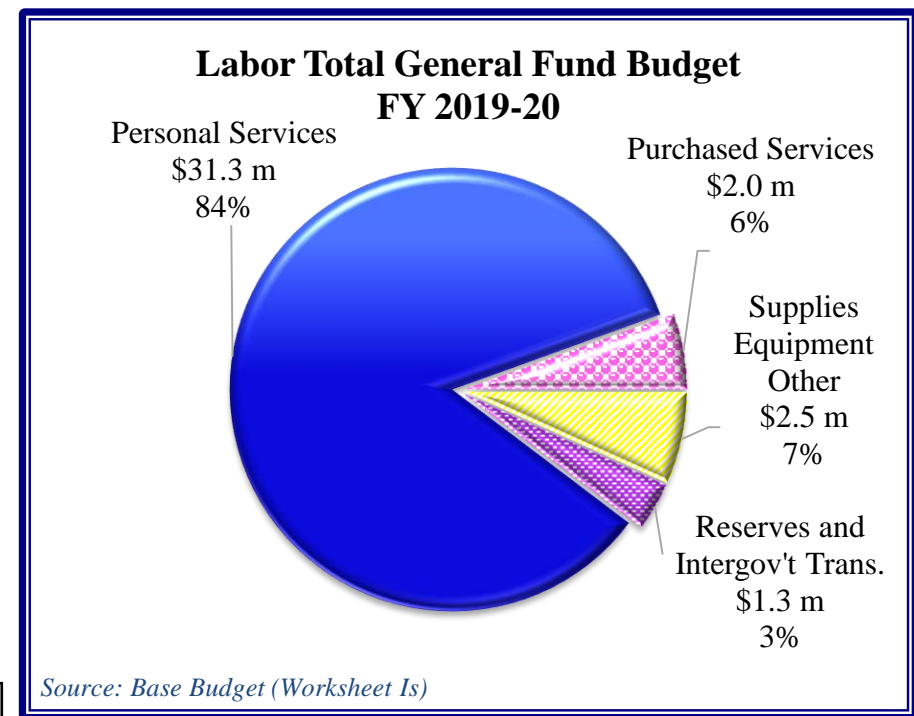
*Cherie Berry, Commissioner*

Includes:

- Amusement Device Inspections
- Boiler Inspections
- Elevator Inspections
- Employment Discrimination
- Mine and Quarry Inspections
- Occupational Safety and Health (OSH)
- Wage and Hour

**Total General Fund Budget: \$37.1 million**

**Total FTE Positions: 382.26**



# AgNER - DNCR

## Department of Natural and Cultural Resources (DNCR)

Lead agency for arts, history, libraries, and nature  
(G.S. 143B, Article 2)

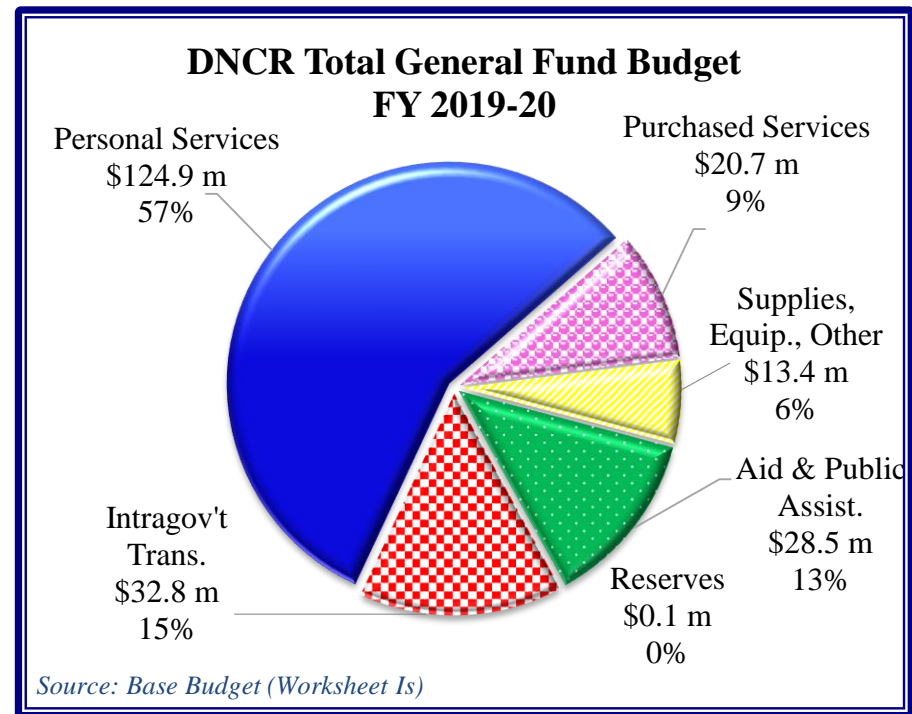
*Susi Hamilton, Secretary*

Includes:

- Aquariums and Zoo
- Archives and History
- Art Museum and Arts Council
- Clean Water Management Trust Fund
- Historic Sites and Museums
- Libraries
- Science Museums
- State Parks
- Symphony

**Total General Fund Budget: \$220.4 million**

**Total FTE Positions: 1,854.23**



# AgNER - WRC

## Department of Wildlife Resources Commission (WRC)

Lead agency for the conservation of fish and wildlife resources and their habitats  
(G.S. 143, Article 24)

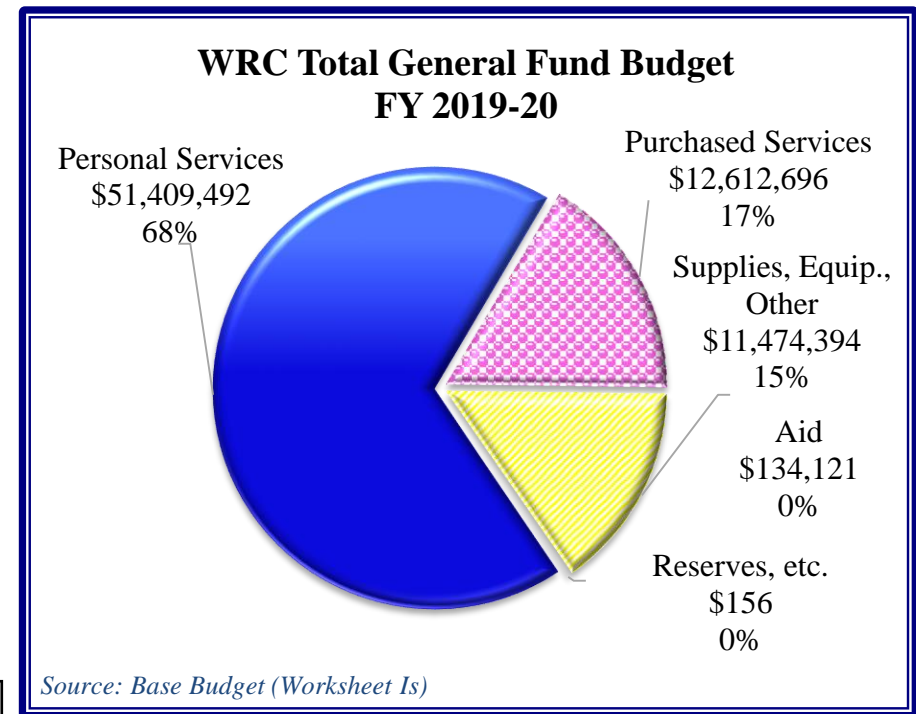
*Gordon Myers, Executive Director*

Includes:

- Habitat Conservation
- Hunting and Fishing Permits
- Inland Fisheries
- Land and Water Access
- Outdoor Heritage Advisory Council
- Wildlife Management

**Total General Fund Budget: \$75.6 million**

**Total FTE Positions: 650.81**





# Contact Information

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*Agriculture, Labor, Wildlife Resources Commission*

