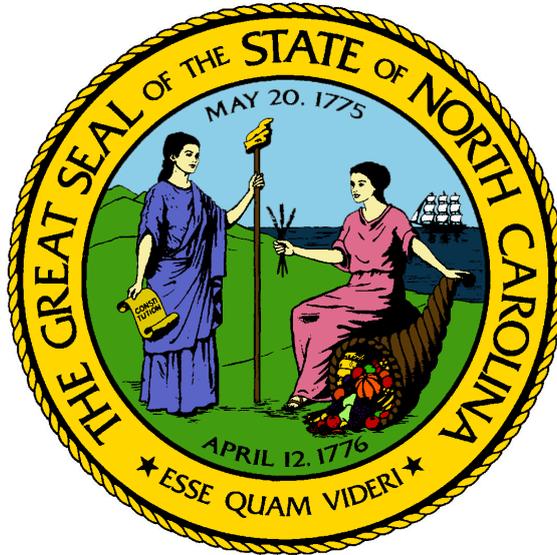


INVESTMENTS *for a*
Determined North Carolina



GOVERNOR ROY COOPER'S RECOMMENDED BUDGET 2019-21



OFFICE OF STATE BUDGET AND MANAGEMENT
OFFICE OF THE GOVERNOR
RALEIGH, NORTH CAROLINA

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MARCH 2019

Questions about Governor Cooper's Recommended Budget 2019-21 or requests for further information may be directed to the Office of State Budget and Management, 20320 Mail Service Center, Raleigh, NC 27699-0320, or telephone (919) 807-4700. The document may also be downloaded from the Office of State Budget and Management's website at osbm.nc.gov.

Introduction

Governor's recommended budget for the state

This document summarizes Governor Cooper's recommended state budget for the two fiscal years of the 2019-21 biennium. It includes recommendations for expenditures from the General Fund, Highway Fund, and Highway Trust Fund. Recommended expenditures for capital improvements and for reserves, debt service, and other adjustments are also included.

Governor's letter and highlights

Governor Cooper's priorities are listed in his transmittal letter, followed by a brief description of key recommendations on a "Highlights" page.

Revenue and budget summary

A summary of General Fund recommendations by department/budget code for the entire state budget appears in two tables: "Governor's Recommended General Fund Appropriation, FY 2019-20" and "Governor's Recommended General Fund Appropriation, FY 2020-21." Estimates of fund availability, an economic forecast, and demographic analysis are also included in this section.

Budget recommendations

The budget recommendations portion of this document meets the requirement of the State Budget Act to distinguish between continuation requirements (i.e., the base budget) and recommended adjustments to the base budget. Brief explanations of recommended adjustments to the budget are provided in sections that correspond to the following government functions: Education; General Government; Health and Human Services; Justice and Public Safety; Natural and Economic Resources; and Transportation.

Budget adjustments for a given department/agency appear in the appropriate section (for example, the University of North Carolina appears in the Education section, the Department of Revenue appears in the General Government section, and so forth). A department/agency presentation begins with a summary table, showing a base budget, adjustments to the base, and the total of requirements, receipts, appropriation, and positions for the department/agency. Next is an explanation of each adjustment, and the recurring and nonrecurring requirements, receipts, net appropriation, and positions for the proposed change. Adjustments are arranged with compensation changes first, followed by changes grouped by priority.

The Transportation section summarizes recommended revenue and expenditures for the Highway Fund and the Highway Trust Fund in addition to the typical presentation of adjustments.

The Capital Improvements section and Reserves and Other Adjustments section display information in a manner similar to the presentation of adjustments as described above.

Appendix Tables and Line Item Details

Tables summarizing various components of the state budget, including a series of tables that show the total state budget by function, department, and source of funds for each year of the biennium. Documents contained in the appendix in previous years can be found on the OSBM website. Line item base budget details for all budget codes and their component funds are available in PDF and Excel format on the website of the Office of State Budget and Management (OSBM), osbm.nc.gov.

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STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

ROY COOPER
GOVERNOR

March 6, 2019

The North Carolina Senate
The Honorable Phil Berger, President Pro Tempore

The North Carolina House of Representatives
The Honorable Tim Moore, Speaker

The People of North Carolina

Dear Mr. President, Mr. Speaker, Members of the General Assembly and Fellow North Carolinians:

North Carolina consistently ranks as a top state to live and do business. We have a world-class University System, a culture of innovation and creativity, an abundance of natural beauty, and a determined people. We've worked to bring top employers and good-paying jobs to North Carolina, and our unemployment rate is the lowest in more than 18 years. Last year, we worked together in a bipartisan way to pass the Build NC transportation infrastructure package to keep people and our economy moving.

But many middle-class families are still struggling to get better paying jobs and make sure their children are educated. To help them and provide economic opportunity for all parts of our state, we must invest in efforts that continue to move North Carolina forward. In short, we have more to do.

- We must improve access to quality health care and boost our economy by expanding Medicaid as 37 states have already done.
- We must improve school safety and youth mental health by providing local school districts with flexible funding to hire more nurses, counselors, psychologists, social workers, and school resource officers.
- We must treat and pay our teachers and other educators like the professionals they are. It's not good enough to be 37th in the country in teacher pay.
- We must invest in our community colleges and universities to improve graduation rates and help students earn their degrees and join the workforce faster.
- We must create good-paying jobs throughout the state by taking bold steps to develop our workforce.
- We must bring opportunities to rural areas by expanding internet access, improving health care and investing in rural infrastructure.
- We must ensure all North Carolinians have clean water and air, and continue our efforts to make sure families and communities are safe and resilient.
- We must halt the continued erosion of General Fund operating availability that makes it difficult to meet the needs of a growing state.

I, along with my entire administration, look forward to working with you this session to move North Carolina forward.

Sincerely,

A handwritten signature in black ink that reads "Roy Cooper".

Roy Cooper



DETERMINED TO BE BETTER EDUCATED

Recognizing Teachers and School-based Administrators

Teacher Compensation and Respect

Invests nearly \$200 million in FY 2019-20 and \$369 million in FY 2020-21 to raise teacher salaries. This equates to an average 4.6% increase in 2019-20 and an additional 4.5% increase in 2020-21, for a total average increase of 9.1% for existing teachers over the biennium. All teachers would see at least a 3% increase in both years. This puts North Carolina on a path to be best in the southeast in four years.

Eliminates the salary plateaus for experienced teachers.

Provides \$6.8 million to restore master's pay for teachers who have completed a master's since 2013.

Includes \$6.5 million to eliminate the requirement that teachers pay \$50 per day for their own substitutes when using personal leave.

Principal Pay

Dedicates over \$10 million in FY 2019-20 and over \$20 million in FY 2020-21 to assistant principal and principal salaries, including a new principal schedule based on both school size and principal experience. The new schedule recommends adding a step for schools greater than 1,800 students.

Make North Carolina a Top 10 Educated State by 2025

Continues Governor Cooper's commitment to becoming a Top 10 educated state and ensuring our economic competitiveness. Full-time workers with some post-secondary education earn 82% more than less-educated peers and have significantly lower levels of unemployment. During the most recent economic recovery, 95% of all new jobs required some post-secondary education.

Overarching Goals:

1. Increase enrollment of 4-year-olds in pre-kindergarten program from 22% to 55%.
2. Improve high school graduation rate from 85.6% to 91%.
3. Increase the percentage of adults (over 25) with higher education degree (associates or higher) from 38.7% to 55%.

Quality Early Child Pre-Kindergarten Services

Funds 3,200 additional Pre-K slots and assists providers in building capacity to maximize utilization of existing slots.

Includes \$15 million for the Smart Start Program (a 10% increase) to expand services that prepare children for success.

Public Schools

Public School Safety and Youth Mental Health

Adds \$40 million in flexible funding for school districts to hire more nurses, counselors, psychologists, social workers, and school resource officers to promote student mental health and school safety.

Provides \$15 million for building improvements, equipment, communication systems, and training to improve security.

Prioritizing Classroom Instruction

Invests an additional \$29 million for textbooks, instructional supplies, and digital resources that support personalized instruction for all North Carolina students.

Allocates \$3 million to expand opportunities for academically gifted students from under-represented populations, including low-income students, minority students, and English language learners.

Strengthening the Educator Workforce

Provides \$5 million for a variety of programs designed to recruit, retain, and promote North Carolina's educator workforce. This includes restoring state funds to pay for National Board certification, expanding services to recruit teachers of color, and enhancing new teacher support programs.

Adds \$5 million for the professional development of teachers, principals, and assistant principals.

Community Colleges and UNC System

NC Job Ready: Preparing A Highly Skilled Workforce for the Jobs of Today and Tomorrow

Invests \$30 million in FY 2020-21 to create the NC GROW (Getting Ready for Opportunities in the Workforce) Scholarship, which will cover tuition and selected fees (last dollar) for curriculum students enrolled in high-demand fields with documented employer demand and competitive wages (e.g., Architecture, Construction, Health Sciences, Information Technology, and Advanced Manufacturing). Also includes \$5 million in FY 2019-20 and \$10 million in FY 2020-21 for students who enroll in non-credit, short-term workforce training programs that lead to an industry credential in these same fields.

Allocates \$15 million for Finish Line Grants (UNC System - \$7 million; Independent Colleges and Universities - \$3 million; and Community Colleges - \$5 million) to assist students who are close to graduating but encounter unforeseen financial emergencies through no fault of their own. These grants of up to \$1,000 per student may be used for course materials, housing, medical needs, or child care.

Recommends \$10 million to assist employers in providing work-based learning opportunities to enhance their talent pipelines.

The estimated \$65 million in revenues generated from restructuring the unemployment tax (net impact lowers effective rate from 1.9% to 1.68%, an 11% reduction) supports the NC Job Ready programs described above.

Provides \$11 million to fund short-term workforce training programs at the same rate as curriculum programs.

Programs to Increase Persistence and Graduation Rates and Reduce Time-to-Degree

Includes \$25 million for the UNC System to begin supporting summer term enrollment.

Allocates \$5 million for summer session scholarships for students in the UNC and Community College systems.

Establishes a new \$3 million scholarship program for students who complete an associate degree at a community college before transferring to a UNC institution.

Provides \$5 million to recruit and retain the best faculty at public universities.

Invests \$4.5 million to support UNC campuses that have small enrollments and special missions.

DETERMINED TO GROW OUR ECONOMY

Invests over \$140 million in local infrastructure, housing, broadband connectivity, and other programs designed to strengthen our rural communities statewide.

Rural Revitalization Initiative

Establishes the Rural Investments Strengthening Economies (RISE) Program, specifically designed to assist the state's 80 most economically-distressed counties. RISE's investment of \$5 million in FY 2019-20 and \$10 million in FY 2020-21 will offer competitive grants for rural communities to recruit new businesses or help offset the costs associated with relocating businesses.

Provides over \$26 million for locally identified rural economic development projects. Funds will be used to rehabilitate historic buildings, for streetscape and beautification projects, and other public infrastructure improvements. A non-state match of at least \$1 for every \$4 from the state is required to receive funds.

Invests \$28 million for three local transformational projects, including almost \$15 million to develop a Marine Industrial Park in Perquimans County; \$8 million for "The Rock Speedway and Entertainment Complex" to become a year-round outdoor festival and racing venue; and \$5 million for infrastructure improvements in Lenoir County and the City of Kinston.

Allocates \$8 million for rural prosperity development grants. Each of the eight prosperity zones will receive \$1 million.

Dedicates \$5 million to support onsite infrastructure preparation for publicly-owned rural industrial sites.

Includes \$2 million to bolster local government capacity in economically-distressed counties.

Broadband Connectivity

Invests \$30 million to increase access and improve service to underserved households, businesses, and community anchor institutions through last mile projects.

Provides \$5 million for mobile hotspots or other devices such as laptops or tablets to students without home internet access to help close the state's Homework Gap.

Affordable Housing

Includes \$22 million to assist with developing more safe and affordable housing units for low and moderate-income citizens.

Invests \$6.5 million to support the Rural Neighborhood Revitalization Program. This program provides monies to local governments for improvements that promote neighborhood sustainability, resiliency, revitalization, and equitable access to housing.

Business Recruitment and Development

Allocates \$4 million for tourism, agriculture, and business marketing of North Carolina products and services.

Provides \$2 million to offer early-state technology development for small businesses that receive federal awards.

Dedicates \$1 million to the Community Innovation Fund, a competitive grant program that assists rural, small, and medium-sized communities in transitioning to a knowledge and innovation-based economy.

DETERMINED TO VALUE OUR DEDICATED STATE EMPLOYEES

Supporting State Employees and State-funded Local Employees

Invests \$203 million in FY 2019-20 and \$342 million in FY 2020-21 in a state employee compensation package that includes:

1. A recurring cost of living adjustment (COLA) that is the greater of \$500 or 1.5% in each year of the biennium.
2. An additional \$500 recurring salary increase in FY 2019-20 to approximately 45,000 state-funded non-certified public school personnel, including teaching assistants, custodians, and bus drivers.
3. An additional \$500 recurring salary increase in FY 2019-20 for nearly 37,000 law enforcement officers and institutional employees in the Departments of Public Safety and Health and Human Services.
4. Additional recurring monies for the Salary Adjustment Fund (\$20 million) to address hard-to-staff, high-turnover positions, salaries below market rates, gender inequality, and other statewide salary needs.

Recommends five extra days of special annual leave.

Allocates \$75 million to provide retirees with a one-time 2% compensation adjustment.

Provides \$195 million in FY 2019-20 and \$434 million in FY 2020-21 to fully-fund the state's retirement systems actuarial requirements and State Health Plan premiums.

DETERMINED TO BE HEALTHIER AND SAFER

Healthier Families

Closes the health coverage gap by expanding Medicaid to cover 626,000 additional individuals, securing North Carolina's share of federal resources, and injecting over \$5 billion in direct spending into the state. It is anticipated that approximately 500,000 individuals would gain healthcare benefits in the first year. This will create 30,000-40,000 new jobs, bolster rural hospitals, and improve access to quality healthcare. No state funds will be needed to cover the non-federal share.

Directs more than \$15 million in Medicaid funding to fight the opioid crisis through treatment and recovery services.

Adds almost \$3 million to expand evidence-based family preservation services.

Invests \$1 million in state-of-the-art adaptive equipment and assistive technologies to help people with disabilities live, work, and learn in their home communities.

Includes \$1 million to support local Food Banks who have seen increased demand due to hurricanes.

Safer Communities

Invests \$27 million in FY 2019-20 and \$38 million in FY 2020-21 for the implementation of "Raise the Age" legislation, which raises the age of juvenile jurisdiction for nonviolent crimes from 16 years of age to 18. Funds will support juvenile court counselors, custody and security staff, transportation, and community-based services.

Provides \$6 million over the biennium to analyze 15,000 untested sexual assault evidence collection kits.

Dedicates \$12 million to improve the safety and security of prison facilities. Funds would be used to improve infrastructure, enhance training, and upgrade security and emergency response tools.

Allocates \$2 million to the State Highway Patrol to address increased enrollment in the Basic Schools cadet training program.

Adds \$0.7 million to implement the Criminal Justice Fellows Program to address the shortage of law enforcement officers statewide. Funds will recruit qualified high school seniors, and unemployed or underemployed graduates, and provide them with a forgivable community college loan to pursue a career in law enforcement.

Preserving and Growing our Natural and Cultural Resources

Invests \$6.3 million to support the identification and regulation of perfluorinated and other emerging compounds through water supply sampling and analysis.

Includes \$3.5 million for state matching funds which will be used to leverage an additional \$14 million in federal funds for drinking water infrastructure projects.

Adds \$6.8 million to the Clean Water Management Trust Fund and \$3.8 million to the Parks and Recreation Trust Fund, bringing their recurring appropriation to \$20 million annually. Also provides \$5 million in nonrecurring funds to both programs in FY 2019-20.

Allocates \$2.5 million to create the Wildlife Enhancement and Stewardship Fund to address invasive species removal and native plant restoration.

Dedicates \$1.5 million to support growing the state's shellfish mariculture industry. Funds would be used to complete a market analysis and develop oyster sanctuaries and cultch planting.

Provides almost \$3 million to help our communities and schools grow and improve through arts and recreation. The A+ Schools and Outdoor Science Curriculum programs use the arts and outdoors to enhance learning, while the SmART Initiative and locally-identified recreational trails projects support economic development through arts and recreation.

DETERMINED TO SUPPORT RESPONSIBLE AND EFFECTIVE GOVERNMENT

Exercising Fiscal Responsibility

North Carolina's Triple A bond rating remains solid with the following commitments:

Over \$400 million allocated to the Savings Reserve Account (Rainy Day Fund) over the biennium.

\$250 million for repairs and renovations of university and state buildings.

\$50 million for the Retiree Health Care Reserve to continue to address our OPEB (other post-employment benefits) liability.

\$10 million to the State Emergency Response and Disaster Relief Fund.

Expanding the Use of Data in Decision Making

Includes \$4 million to build capacity across state government for evidence-based, data-driven decisions by hiring analysts with advanced quantitative and research skills. Also provides \$1 million for grants to state agencies to sponsor rigorous, independent evaluations to generate evidence about program effectiveness and results.

Making Every North Carolinian Count in the 2020 Census

Provides \$1.5 million to prepare for the 2020 Census. Robust census data is vital for planning, delivery of services, economic development, and federal funding for every North Carolina county, municipality, and community.

DETERMINED TO MODERNIZE NORTH CAROLINA THROUGH INVESTMENT IN INFORMATION TECHNOLOGY AND INFRASTRUCTURE

Upgrading Technology and Enhancing Cybersecurity

Allocates \$75 million to a new Information Technology Reserve Fund to upgrade several core business, reporting, and communications systems. Funds would be earmarked to the following projects:

\$20 million for the Department of Public Instruction's Business Systems ERP Modernization

\$15 million for Community Colleges ERP System Enhancements

\$15 million for the Voice Interoperability Plan for Emergency Responders (VIPER)

\$15 million for the Judicial Branch's Integrated Case Management System (eCourts)

\$10 million for the Office of State Controller's Financial Backbone ERP

Adds \$1.5 million to bolster state's detection, defense, and response to potential cyberattacks.

Invest NC Bond (General Obligation Bond)

Conservatively, it is estimated that current statewide capital and infrastructure needs exceed \$30 billion statewide, including:

- \$8 billion in public school facilities (40% of school buildings are greater than 50 years-old)
- \$17 billion in water and sewer (based on 2015 EPA Study)
- \$6 billion in repairs and renovations for UNC System and state government buildings

This proposal recommends placing a \$3.9 billion General Obligation Bond on the November 2020 ballot to ask voters to address key infrastructure needs across North Carolina. Specifically, it includes:

- \$2 billion for public schools
- \$800 million for water and sewer
- \$500 million for the UNC System
- \$500 million for the Community Colleges System
- \$100 million for the Museum of History and the NC Zoo

Strategic State Agency Investments

Authorizes \$288 million in Limited Obligation Bonds to address immediate needs, including (1) \$258 million to relocate the Department of Health and Human Services from Dorothea Dix Park; and, (2) \$30 million to renovate and expand the Reedy Creek Lab, to better detect and identify pollutants and to protect water, soil, and air.

North Carolina has prudently managed its finances and has a Triple A bond rating from the major credit rating agencies. The debt proposed in this Bond Package is affordable and keeps debt as a percent of General Fund revenues at or below the current 3% level.



NC JOB READY FUND: DECREASING TAXES AND FUNDING WORKFORCE NEEDS

The Governor's recommended budget restructures unemployment insurance taxes to lower the taxes paid by businesses while investing new revenue directly into worker training. Businesses in North Carolina need a skilled workforce to thrive, and a better educated and trained workforce also attracts new companies and jobs to the state.

Unemployment in North Carolina

Individuals who are unemployed through no fault of their own are eligible to receive a weekly benefit ranging from \$15 to \$350. Depending on the state unemployment rate, individuals can receive between 12 and 20 weeks of benefits. **Benefit payments from the Unemployment Trust Fund for FY 2017-18 were approximately \$200 million**; if there are no major changes to the state's economic condition, that level of benefit payout is likely to continue.

The unemployment system in North Carolina is funded through employer taxes. Employers, based on their prior contributions and the current balance in the Trust Fund, pay a state tax (SUTA) ranging from 0.06% to 5.76% on the first \$23,100 of wages. These taxes go into the Federal Unemployment Trust Fund where North Carolina has its own account, as do other states.

Unemployment Trust Fund Balance and Interest

The trust fund balance as of **December 31, 2018 is \$3.5 billion**, over \$1 billion more than the US Department of Labor recommends to ensure that necessary funds are available. The federal government credits interest to each state's account at approximately 2%; thus, with a balance of approximately \$3.5 billion, North Carolina should be credited with at least **\$70 million in interest annually**. Interest earned is credited to the Trust Fund held by the federal government and can only be used for paying unemployment benefits.

How much is needed in the Trust Fund?

The US Department of Labor encourages states to maintain a balance in its Trust Fund equivalent to 12 months of unemployment benefits based on the average of the three highest years of benefit payments over the last 20 years. For North Carolina, **this amount is \$2.4 billion**; however, this measure likely overstates what North Carolina will need in the next recession as benefits have been significantly reduced since 2013.

Unemployment Tax

Base Tax

The base tax rate is adjusted based on the balance in the Unemployment Trust Fund as compared to total taxable wages in the state. Employers pay the base rate plus or minus an amount tied to their "experience rating" (i.e., how frequently and to what extent their former employees have collected UI benefits). The base rate as of January 1, 2019 continues to be set at the lowest level of 1.9%; that rate

has generated approximately \$500 million in revenue annually beginning in 2018. With the current level of benefit payments, the Trust Fund has been growing by nearly \$300 million annually.

Surcharge

Per current North Carolina statute, employers pay a surcharge of 20% when the balance in the Trust Fund is less than \$1 billion. Governor Cooper’s budget proposes applying the surcharge at all times and lowering the base tax; doing this means employers will pay less in unemployment taxes and more money will stay in North Carolina to fund the NC Job Ready Fund. With these restructured rates and no significant economic changes, the Trust Fund is anticipated to continue to grow by more than \$150 million annually. In addition, applying the surcharge will generate \$60 to \$75 million annually. Governor Cooper’s recommended budget uses the funding generated from the surcharge to establish the NC Job Ready Fund to support worker training.

Current Tax Rate	Proposed Tax Rate	Effective Rate with Surcharge	Surcharge Revenue Generated
1.9%	1.4%	1.68%	\$60-75 million annually

These tax law changes will go into effect January 1, 2020, so half of the anticipated annual revenues will be generated in fiscal year 2019-20 with full revenues expected in 2020-21.

NC Job Ready Fund

The \$65 million generated from the surcharge will be 100% dedicated to workforce programs to help North Carolina workers get the education and training they need for good-paying jobs including:

	FY 2019-20	FY 2020-21
NC GROW Scholarships	-	\$30,000,000
NC GROW - Short Term Credential Assistance	\$5,000,000	\$10,000,000
Finish Line Grants	\$15,000,000	\$15,000,000
Work-Based Learning Fund	\$10,000,000	\$10,000,000
NC Job Ready Fund Total	\$30,000,000	\$65,000,000



NC Job Ready: Building a Stronger Workforce

Business CEOs in North Carolina and across the globe say their number one need for creating new jobs is a well-trained workforce. Hearing that call, Governor Roy Cooper's recommended budget provides \$30 million in fiscal year 2019-20 and \$65 million in fiscal year 2020-21 for the NC Job Ready Fund to train and grow our state's talented workforce.

NC GROW - Providing Financial Assistance for Job Training in High-Demand Fields

Many of the good-paying jobs available today require skilled workers with specialized training. Governor Cooper's recommended budget establishes two financial aid programs to assist community college students with completing training and attaining credentials. The programs, part of an initiative called NC GROW (Getting Ready for Opportunities in the Workforce), will help cover tuition and selected fees for students pursuing training in high-demand fields. The NC Community College System will identify eligible programs in fields including construction, health sciences, information technology, and manufacturing.

- **NC GROW Scholarships** will cover tuition and selected fees for students pursuing degrees in high-demand fields. This last-dollar scholarship will be applied after other financial aid sources have been exhausted. Awards will begin with the 2020-21 academic year. Funding totals \$30 million.
- **NC GROW Aid for Students Seeking Industry Credentials** will provide financial assistance to students enrolled in non-credit, short-term workforce training programs in high-demand fields. Currently, students in these programs are not eligible for financial aid. Awards will be capped at \$1,000 per student annually and may be used for course fees, supplies, materials, and the costs of licensing exams. These awards will begin in the spring semester of 2020. The program will receive \$5 million in FY 2019-20 and \$10 million beginning in FY 2020-21.

Finish Line Grants - Helping Students Complete Higher Education Degrees and Credentials

North Carolina's community colleges and four-year colleges and universities are opening doors for students across the state. But too often, financial emergencies like unexpected healthcare costs, childcare expenses, or car repairs prevent students from graduating. Governor Cooper's \$15 million Finish Line Grants Program will help students overcome unforeseen financial challenges and complete their degrees. Funds can be used to pay for course materials, housing, medical needs, dependent care, or other financial emergencies that students face.

Community college students who are within 15 credit hours of completing a degree will be eligible to receive up to \$1,000 per semester. \$5 million will be set aside to help at least 5,000 community college students complete their training.

Students at UNC System institutions and independent colleges and universities who are within 30 credit hours of graduating and have maintained a minimum GPA will be eligible for grants of up to \$1,000 per semester. \$10 million will be available, including \$7 million for UNC institutions and \$3 million for independent colleges, to help at least 10,000 students complete their undergraduate degrees.

Employer Training Fund - Supporting Employer Innovation and Workplace Training

Employers themselves know the most about what skills workers need to have. Governor Cooper's budget provides \$10 million for a competitive grant program to assist employers in providing work-based learning opportunities to develop their workforce talent pipelines. Funds may be used to support work-based learning initiatives including but not limited to the establishment or expansion of: employer apprenticeship programs; paid internships and flexible, part-time employment opportunities for students; and up-skilling of existing employees to address skills gaps and open entry-level positions. The Department of Commerce will collaborate with Workforce Development Boards, the NC Community College System, employers and other industry partners to design and implement the grant program.

Table 1

Governor's Budget Recommendations for FY 2019-21

	FY 2019-20	FY 2020-21
Budget Availability		
Unappropriated Balance from Prior Fiscal Year	645,592,679	74,925,982
Over Collection of Revenues FY 2018-19	150,800,000	-
Reversions (estimated)	275,000,000	-
Transfers to Reserves		
Savings Reserve (above statutory requirement)	(119,607,840)	-
Capital Improvements Projects Reserve	(200,000,000)	-
Repairs and Renovations Reserve	(50,000,000)	-
Retiree Healthcare Reserve (OPEB Liability)	(50,000,000)	-
Information Technology Reserve		
Community Colleges System Modernization	(15,000,000)	-
Public Schools Business Systems Modernization	(20,000,000)	-
Financial Backbone ERP	(10,000,000)	-
Law Enforcement/VIPER	(15,000,000)	-
Court System	(15,000,000)	-
State Emergency Response and Disaster Relief Fund	(10,000,000)	-
Beginning Unreserved Fund Balance	566,784,839	74,925,982
Base Revenue Forecast	24,814,100,000	25,801,400,000
Additional Recommendations		
Remove Sunset on Historic Preservation Credit	(500,000)	(9,000,000)
Prepaid Health Plans Insurance Tax Revenues	13,200,000	201,500,000
Prepaid Health Plans Insurance Tax Revenues from Medicaid Expansion	3,300,000	74,900,000
Transfer to Savings Reserve (per G.S. 143C-4-2)	(106,000,000)	(185,800,000)
Transfer to Golden LEAF	(5,000,000)	(5,000,000)
Treasurer and Insurance Nontax Transfers	2,127,367	3,014,005
Total Budget Availability	25,288,012,206	25,955,939,987
Recommended Appropriations		
Base Budget	23,903,360,444	23,984,546,381
Must Do's		
Public School Enrollment	22,000,000	44,000,000
UNC Enrollment, NC Promise, Independent Colleges	37,000,000	77,600,000
Medicaid Rebase Adjustment	81,819,538	283,838,752
State Health Plan - Retirees	30,538,531	61,077,063
State Health Plan - Active Employees	60,768,363	123,769,031
Retirement Systems Actuarial Requirements	102,652,925	248,221,474
Subtotal	334,779,357	838,506,320

<u>Supporting NC's Human Capital</u>		
Teacher Pay Increases - Best in Southeast in 4 Years	209,749,351	390,024,270
Restore Master's Teacher Pay	6,800,000	6,800,000
Eliminate Requirement that Teachers Pay for Substitutes	6,500,000	6,500,000
State Employee Pay Increases (Greater of \$500 or 1.5% each year)	135,714,904	273,800,577
Additional \$500 Recurring Public School Noncertified Personnel	28,065,163	28,065,163
Additional \$500 Recurring LEOs and Institution-based Employees	17,837,586	17,837,586
Salary Adjustment Fund	20,000,000	20,000,000
Retirees One-Time 2% Cost of Living Adjustment	74,725,058	-
Subtotal	499,392,062	743,027,596
<u>Helping People Live Healthy, Productive Lives</u>		
Savings from Medicaid Expansion	(30,700,000)	(69,300,000)
<u>Making NC a Top Ten Educated State by 2025</u>		
Public Schools	116,339,207	71,796,414
Community Colleges	14,930,977	15,049,184
University System	27,265,207	40,328,414
Opportunity Scholarships - No New Scholarships	(61,675,000)	(44,093,750)
Invest NC Bond (\$3.9B General Obligation Bond - November 2020)	-	-
Subtotal	96,860,391	83,080,262
<u>Strengthening our Economy</u>		
Rural Rise Grant Program	5,000,000	10,000,000
Rural Infrastructure Investments	82,836,450	-
Housing Trust Fund/Workforce Housing Loan Program	22,340,000	2,340,000
Broadband & Homework Gap	35,000,000	-
NC Job Ready Fund	(30,000,000)	(65,000,000)
NC GROW, Finish Line Grants, Work-based Learning	30,000,000	65,000,000
Subtotal	145,176,450	12,340,000
<u>Keeping Communities Safe</u>	61,958,640	62,112,694
<u>Preserving & Growing Environmental, Agricultural, and Cultural Resources</u>	60,468,600	36,847,528
<u>Modernizing Core Government Services (includes debt service)</u>	34,229,357	45,392,177
Total Expansion Recommendations	1,309,725,780	1,971,393,606
Total Recommended Budget	25,213,086,224	25,955,939,987
Balance	74,925,982	-
Percent Growth from Prior Year	5.4%	2.9%
Percent Growth in Recurring Budget from Prior Year	4.3%	2.8%

Table 2

**Recommended General Fund Budget by Function
FY 2019-20**

	FY 2019 -20 Recommended	% of GF Budget
Education	\$ 14,560,502,992	57.75%
General Government	\$ 540,480,677	2.14%
Health and Human Services	\$ 5,687,343,954	22.56%
Justice and Public Safety	\$ 2,947,760,734	11.69%
Natural and Economic Resources	\$ 748,171,090	2.97%
Reserves and Other Adjustments	\$ 6,924,316	0.03%
Debt Service	\$ 721,902,461	2.86%
Total General Fund Budget	\$ 25,213,086,224	100.00%

Figure 1

**Recommended General Fund Budget by Function
2019-20**

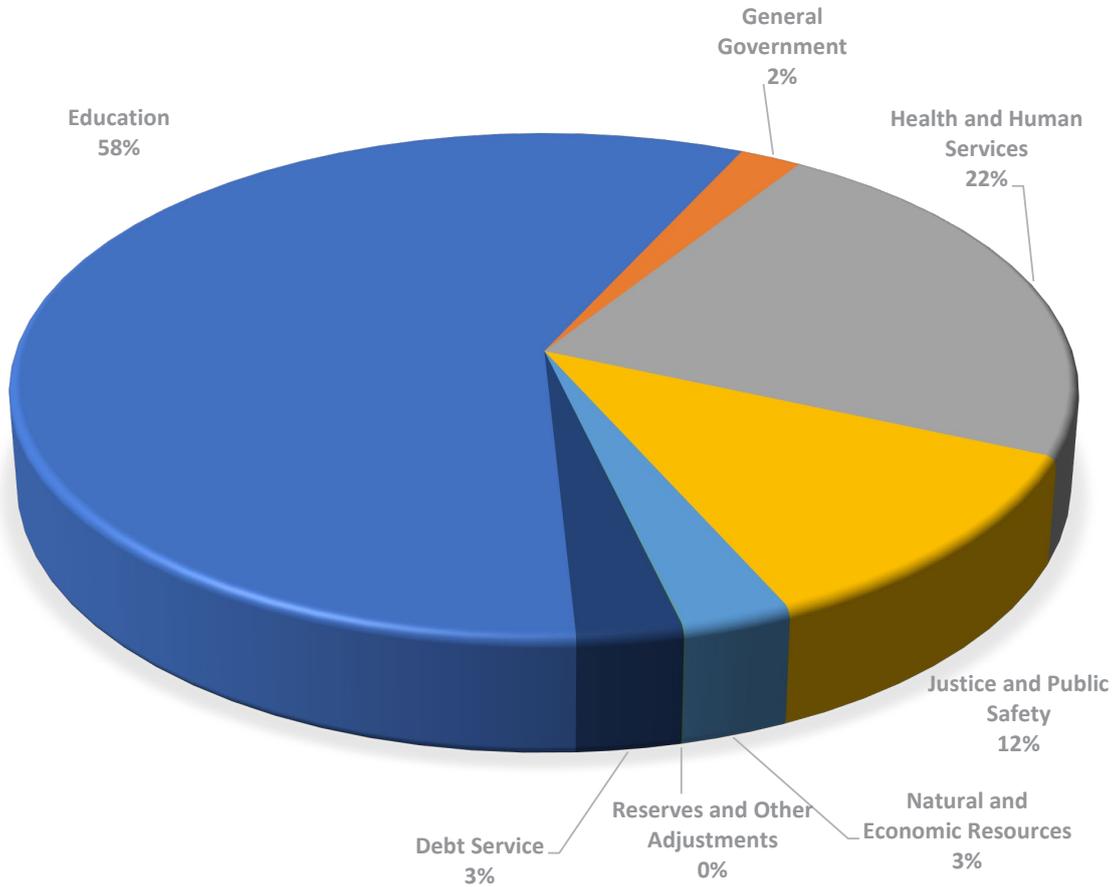


Table 3

Governor's Recommended General Fund Budget 2019-20 Adjustments

Budget Code	Function	2019-20						Increase			2019-20		Net Position Change
		Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Net Appropriation	Net		
Education													
13510	Department of Public Instruction	9,586,373,370	-	-	-	479,775,052	88,005,088	51.00	567,780,140	10,154,153,510	51.00		
16800	Community Colleges	1,168,416,399	-	-	-	50,883,848	6,761,105	2.00	57,644,953	1,226,061,352	2.00		
1600x	University System	3,092,495,985	-	(22,000,299)	-	109,792,444	-	2.00	87,792,145	3,180,288,130	2.00		
	Total Education	13,847,285,754	-	(22,000,299)	-	640,451,344	94,766,193	55.00	713,217,238	14,560,502,992	55.00		
General Government													
11000	General Assembly	69,614,420	-	-	-	2,194,955	1,824,038	-	4,018,993	73,633,413	-		
13000	Office of the Governor	5,138,354	-	-	-	1,039,838	21,961	-	1,061,799	6,200,153	-		
13005	Office of State Budget and Management	8,290,273	-	-	-	379,670	31,414	3.00	411,084	8,701,357	3.00		
13085	OSBM-Special Projects	2,000,000	-	-	-	1,000,000	-	-	1,000,000	3,000,000	-		
13010	NC Housing Finance Agency	10,660,000	-	-	-	2,340,000	20,000,000	-	22,340,000	33,000,000	-		
13050	Department of Military and Veterans Affairs	9,192,119	-	-	-	1,943,324	945,948	1.00	2,889,272	12,081,391	1.00		
13100	Office of the Lieutenant Governor	873,753	-	-	-	20,604	4,051	-	24,655	898,408	-		
13200	Department of Secretary of State	13,753,341	-	-	-	792,090	140,344	2.00	932,434	14,685,775	2.00		
13300	Office of the State Auditor	13,943,691	-	-	-	399,126	66,669	1.00	465,795	14,409,486	1.00		
13410	Department of State Treasurer	4,865,104	-	-	-	150,535	5,961	11.00	156,496	5,021,600	11.00		
13412	State Treasurer - Retirement System	29,360,641	-	-	-	350,000	-	-	350,000	29,710,641	-		
13900	Department of Insurance	40,972,188	-	-	-	1,587,758	383,113	1.00	1,970,871	42,943,059	1.00		
13902	Industrial Commission	9,309,845	-	-	-	123,325	23,389	-	146,714	9,456,559	-		
14100	Department of Administration	63,500,338	-	-	-	2,680,065	902,272	17.00	3,582,337	67,082,675	17.00		
14160	Office of the State Controller	24,328,432	-	-	-	533,643	80,723	2.00	614,366	24,942,798	2.00		
14660	Department of Information Technology	53,518,546	-	-	-	3,023,890	35,062,335	10.00	38,086,225	91,604,771	10.00		
14700	Department of Revenue	86,976,997	-	-	-	1,868,460	340,610	1.00	2,209,070	89,186,067	1.00		
18025	State Board of Elections	6,833,297	-	-	-	547,858	33,428	3.00	581,286	7,414,583	3.00		
18210	Office of Administrative Hearings	6,168,609	-	-	-	313,709	25,623	3.00	339,332	6,507,941	3.00		
	Total General Government	459,299,948	-	-	-	21,288,850	59,891,879	55.00	81,180,729	540,480,677	55.00		
Health and Human Services													
14410	Division of Central Management and Support	116,096,426	-	-	-	7,813,844	16,279,187	11.00	24,093,031	140,189,457	11.00		
14411	Division of Aging and Adult Services	45,035,448	-	-	-	72,009	983,239	-	1,055,248	46,090,696	-		
14420	Division of Child Development and Early Education	237,639,267	-	-	-	15,057,641	5,010,683	-	20,068,324	257,707,591	-		
14430	Division of Public Health	154,101,012	-	-	-	2,092,947	756,384	4.00	2,849,331	156,950,343	4.00		
14440	Division of Social Services	194,130,604	-	-	-	4,100,288	1,054,019	11.00	5,154,307	199,284,911	11.00		
14445	Division of Health Benefits	3,924,576,199	-	(48,972,385)	-	186,746,894	-	2.00	137,774,509	4,062,350,708	2.00		
14450	Services for the Blind, Deaf and Hard of Hearing	8,553,543	-	-	-	274,726	17,699	-	292,425	8,845,968	-		
14460	Division of Mental Health/Developmental Disabilities/Substance Abuse Services	742,117,807	-	-	-	10,530,021	2,384,999	11.00	12,915,020	755,032,827	11.00		
14470	Division of Health Services Regulation	18,858,056	-	-	-	551,811	105,270	-	657,081	19,515,137	-		
14480	Division of Vocational Rehabilitation	39,273,191	-	-	-	1,025,720	1,077,405	5.00	2,103,125	41,376,316	5.00		
	Total Health and Human Services	5,480,381,553	-	(48,972,385)	-	228,265,901	27,668,885	44.00	206,962,401	5,687,343,954	44.00		

Budget Code	Function	2019-20						Increase		2019-20		Net Position Change
		Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Recommended Net Appropriation		
Justice and Public Safety												
12000	Judicial Branch	556,339,800	-	-	-	16,322,542	3,009,317	34.00	19,331,859	575,671,659	34.00	
12001	Judicial Branch - Indigent Defense	123,553,348	-	-	-	3,811,839	588,001	3.00	4,399,840	127,953,188	3.00	
13600	Department of Justice	50,703,096	-	-	-	3,262,377	3,218,446	13.00	6,480,823	57,183,919	13.00	
14550	Department of Public Safety	2,074,532,270	-	-	-	87,243,204	25,176,494	298.00	112,419,698	2,186,951,968	298.00	
	Total Justice and Public Safety	2,805,128,514	-	-	-	110,639,962	31,992,258	348.00	142,632,220	2,947,760,734	348.00	
Natural and Economic Resources												
13700	Department of Agriculture and Consumer Services	126,636,371	-	-	-	7,338,480	10,050,590	11.00	17,389,070	144,025,441	11.00	
13800	Department of Labor	18,137,831	-	-	-	1,726,075	84,059	1.00	1,810,134	19,947,965	1.00	
14300	Department of Environmental Quality	79,341,377	-	-	-	12,586,399	3,554,264	48.00	16,140,663	95,482,040	48.00	
14350	Wildlife Resources Commission	11,144,480	-	-	-	357,440	49,778	1.00	407,218	11,551,698	1.00	
14600	Department of Commerce	11,032,187	-	-	-	1,596,415	1,644,639	3.00	3,241,054	14,273,241	3.00	
14601	Commerce - General State Aid	16,155,810	-	-	-	-	2,500,000	-	2,500,000	18,655,810	-	
14602	Commerce - Economic Development	150,175,700	-	-	-	5,000,000	79,495,600	-	84,495,600	234,671,300	-	
14800	Natural and Cultural Resources	177,918,452	-	-	-	18,712,687	12,342,128	40.00	31,054,815	208,973,267	40.00	
14802	Natural and Cultural Resources - Roanoke Island	590,328	-	-	-	-	-	-	-	590,328	-	
	Total Natural and Economic Resources	591,132,536	-	-	-	47,317,496	109,721,058	104.00	157,038,554	748,171,090	104.00	
Debt Service												
19420	General Debt Service	715,891,443	-	-	-	4,394,638	-	-	4,394,638	720,286,081	-	
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-	
	Total Debt Service	717,507,823	-	-	-	4,394,638	-	-	4,394,638	721,902,461	-	
Reserves, Debt Service, and Other Adjustments												
19xxx	Reserves, Debt Service, and Other Adjustments	-	-	-	-	-	-	-	-	-	-	
19001	Contingency and Emergency Reserve	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	
19004	Salary Adjustments	-	-	-	-	20,000,000	-	-	20,000,000	20,000,000	-	
19005	OSHR - Market Adjustment	2,624,316	-	-	-	-	-	-	-	2,624,316	-	
19048	Reserve for Workers' Compensation	-	-	-	-	-	2,000,000	-	2,000,000	2,000,000	-	
19XX1	State Agencies - Public Safety Reserve	-	-	-	-	-	7,500,000	-	7,500,000	7,500,000	-	
19XX2	Invest NC Bond	-	-	-	-	-	-	-	-	-	-	
19XX3	2020 Census Preparation	-	-	-	-	-	1,500,000	-	1,500,000	1,500,000	-	
19XX5	Advanced Analytics and Data Interpretation	-	-	-	-	-	-	-	-	-	-	
19XX6	State Agency Insurance Coverage	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	
19XX7	Medicaid Coverage Gap Savings	-	(30,700,000)	-	-	-	-	-	(30,700,000)	(30,700,000)	-	
	Total Reserves, Debt Service, and Other Adjustments	2,624,316	(30,700,000)	-	-	24,000,000	11,000,000	-	4,300,000	6,924,316	-	
Direct Capital Appropriation												
19600	Capital Improvements	-	-	-	-	-	-	-	-	-	-	
	Total Direct Capital Appropriation	-	-	-	-	-	-	-	-	-	-	
Total												
		23,903,360,444	(30,700,000)	(70,972,684)	-	1,076,358,191	335,040,273	606.00	1,309,725,780	25,213,086,224	606.00	

Table 4

**Recommended General Fund Budget by Function
FY 2020-21**

	FY 2020 -21 Recommended	% of GF Budget
Education	\$ 15,086,078,129	58.12%
General Government	\$ 496,322,129	1.91%
Health and Human Services	\$ 6,022,074,525	23.20%
Justice and Public Safety	\$ 3,000,436,169	11.56%
Natural and Economic Resources	\$ 653,422,586	2.52%
Reserves and Other Adjustments	\$ (42,675,684)	-0.16%
Debt Service	\$ 740,282,133	2.85%
Total General Fund Budget	\$ 25,955,939,987	100.00%

Figure 2

**Recommended General Fund Budget by Function
2020-21**

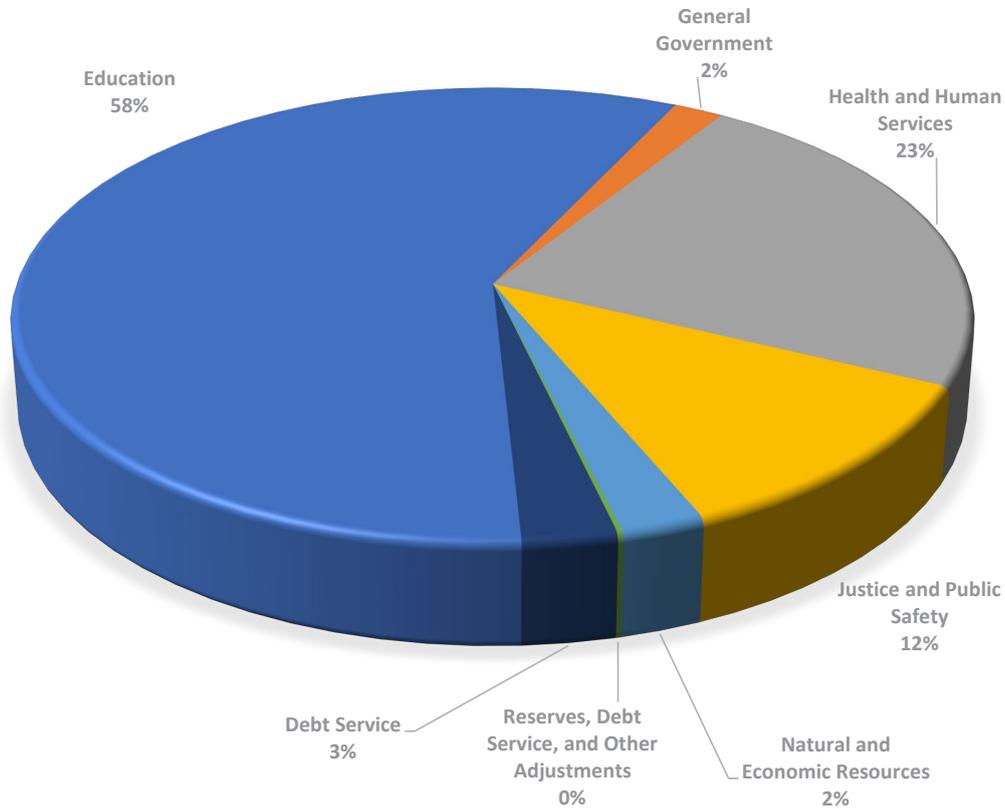


Table 5

**Governor's Recommended General Fund Budget
2020-21 Adjustments**

Budget Code	Function	2020-21						Increase			2020-21			Net Position Change
		Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Recommended	Net Appropriation	Position		
Education														
13510	Department of Public Instruction	9,647,732,595	-	-	-	843,340,126	-	51.00	843,340,126	10,491,072,721	51.00	-	-	-
16800	Community Colleges	1,168,416,399	-	-	-	91,238,103	-	2.00	91,238,103	1,259,654,502	2.00	-	-	-
160xx	University System	3,102,533,207	-	-	-	230,317,699	2,500,000	2.00	232,817,699	3,335,350,906	2.00	-	-	-
	Total Education	13,918,682,201	-	-	-	1,164,895,928	2,500,000	55.00	1,167,395,928	15,086,078,129	55.00	-	-	55.00
General Government														
11000	General Assembly	69,614,420	-	-	-	4,107,009	-	-	4,107,009	73,721,429	-	-	-	-
13000	Office of the Governor	5,138,354	-	-	-	1,167,116	-	-	1,167,116	6,305,470	-	-	-	-
13005	Office of State Budget and Management	8,290,273	-	-	-	677,219	-	3.00	677,219	8,967,492	3.00	-	-	-
13085	OSBM-Special Projects	2,000,000	-	-	-	1,000,000	-	-	1,000,000	3,000,000	-	-	-	-
13010	NC Housing Finance Agency	10,660,000	-	-	-	2,340,000	-	-	2,340,000	13,000,000	-	-	-	-
13050	Department of Military and Veterans Affairs	9,192,119	-	-	-	2,159,871	-	1.00	2,159,871	11,351,990	1.00	-	-	-
13100	Office of the Lieutenant Governor	873,753	-	-	-	43,739	-	-	43,739	917,492	-	-	-	-
13200	Department of Secretary of State	13,753,341	-	-	-	1,202,458	-	2.00	1,202,458	14,955,799	2.00	-	-	-
13300	Office of the State Auditor	13,943,691	-	-	-	839,951	-	1.00	839,951	14,783,642	1.00	-	-	-
13410	Department of State Treasurer	4,865,104	-	-	-	304,870	-	11.00	304,870	5,169,974	11.00	-	-	-
13412	State Treasurer - Retirement System	29,360,641	-	-	-	700,000	-	-	700,000	30,060,641	-	-	-	-
13900	Department of Insurance	40,975,211	-	-	-	2,709,135	-	1.00	2,709,135	43,684,346	1.00	-	-	-
13902	Industrial Commission	9,310,445	-	-	-	259,385	-	-	259,385	9,569,830	-	-	-	-
14100	Department of Administration	63,500,338	-	-	-	3,637,440	-	17.00	3,637,440	67,137,778	17.00	-	-	-
14160	Office of the State Controller	24,342,448	-	-	-	1,117,917	-	2.00	1,117,917	25,460,365	2.00	-	-	-
14660	Department of Information Technology	53,518,546	-	-	-	3,435,328	-	10.00	3,435,328	56,953,874	10.00	-	-	-
14700	Department of Revenue	87,011,629	-	-	-	9,937,952	-	1.00	9,937,952	96,949,581	1.00	-	-	-
18025	State Board of Elections	6,833,297	-	-	-	802,761	-	3.00	802,761	7,636,058	3.00	-	-	-
18210	Office of Administrative Hearings	6,175,183	-	-	-	521,185	-	3.00	521,185	6,696,368	3.00	-	-	-
	Total General Government	459,358,793	-	-	-	36,963,336	-	55.00	36,963,336	496,322,129	55.00	-	-	55.00
Health and Human Services														
14410	Division of Central Management and Support	116,096,426	-	-	-	11,927,902	-	16.00	11,927,902	128,024,328	16.00	-	-	-
14411	Division of Aging and Adult Services	45,035,448	-	-	-	152,661	-	-	152,661	45,188,109	-	-	-	-
14420	Division of Child Development and Early Education	246,989,267	-	-	-	15,122,079	-	-	15,122,079	262,111,346	-	-	-	-
14430	Division of Public Health	154,145,465	-	-	-	3,551,646	-	4.00	3,551,646	157,697,111	4.00	-	-	-
14440	Division of Social Services	194,131,006	-	-	-	4,419,942	-	11.00	4,419,942	198,550,948	11.00	-	-	-
14445	Division of Health Benefits	3,924,583,382	-	-	-	427,423,603	38,897,173	2.00	466,320,776	4,390,904,158	2.00	-	-	-
14450	Services for the Blind, Deaf and Hard of Hearing	8,554,099	-	-	-	389,349	-	-	389,349	8,943,448	-	-	-	-
14460	Division of Mental Health/Developmental Disabilities/Substance Abuse Services	742,117,807	-	-	-	27,731,986	-	71.00	27,731,986	769,849,793	71.00	-	-	-
14470	Division of Health Services Regulation	18,858,056	-	-	-	1,170,017	-	-	1,170,017	20,028,073	-	-	-	-
14480	Division of Vocational Rehabilitation	39,281,853	-	-	-	1,495,358	-	5.00	1,495,358	40,777,211	5.00	-	-	-
	Total Health and Human Services	5,489,792,809	-	-	-	493,384,543	38,897,173	109.00	532,281,716	6,022,074,525	109.00	-	-	109.00

Budget Code	Function	2020-21						Increase			2020-21			Net Position Change
		Base Budget	Recurring	Nonrecurring	Positions	Recurring	Nonrecurring	Positions	Net Change	Net Appropriation	Recommended	Net Change	Net Position Change	
Justice and Public Safety														
12000	Judicial Branch	556,558,453	-	-	-	31,712,977	-	34.00	31,712,977	588,271,430	34.00	34.00	588,271,430	34.00
12001	Judicial Branch - Indigent Defense	123,557,524	-	-	-	7,602,431	-	3.00	7,602,431	131,159,955	3.00	3.00	131,159,955	3.00
13600	Department of Justice	50,704,693	-	-	-	4,601,893	3,000,000	13.00	7,601,893	58,306,586	13.00	13.00	58,306,586	13.00
14550	Department of Public Safety	2,074,621,806	-	-	-	147,826,392	250,000	295.00	148,076,392	2,222,698,198	295.00	295.00	2,222,698,198	295.00
	Total Justice and Public Safety	2,805,442,476	-	-	-	191,743,693	3,250,000	345.00	194,993,693	3,000,436,169	345.00		3,000,436,169	345.00
Natural and Economic Resources														
13700	Department of Agriculture and Consumer Services	126,641,791	-	-	-	10,059,146	-	11.00	10,059,146	136,700,937	11.00	11.00	136,700,937	11.00
13800	Department of Labor	18,158,652	-	-	-	2,281,559	-	1.00	2,281,559	20,440,211	1.00	1.00	20,440,211	1.00
14300	Department of Environmental Quality	79,316,254	-	-	-	13,869,297	-	48.00	13,869,297	93,185,551	48.00	48.00	93,185,551	48.00
14350	Wildlife Resources Commission	11,144,480	-	-	-	711,675	-	1.00	711,675	11,856,155	1.00	1.00	11,856,155	1.00
14600	Department of Commerce	11,032,187	-	-	-	1,921,107	-	3.00	1,921,107	12,953,294	3.00	3.00	12,953,294	3.00
14601	Commerce - General State Aid	16,155,810	-	-	-	-	-	-	-	16,155,810	-	-	16,155,810	-
14602	Commerce - Economic Development	150,175,700	-	-	-	10,000,000	-	-	10,000,000	160,175,700	-	-	160,175,700	-
14800	Natural and Cultural Resources	177,922,761	-	-	-	23,441,839	-	48.00	23,441,839	201,364,600	48.00	48.00	201,364,600	48.00
14802	Natural and Cultural Resources - Roanoke Island	590,328	-	-	-	-	-	-	-	590,328	-	-	590,328	-
	Total Natural and Economic Resources	591,137,963	-	-	-	62,284,623	-	112.00	62,284,623	653,422,586	112.00		653,422,586	112.00
Debt Service														
19420	General Debt Service	715,891,443	-	-	-	22,774,310	-	-	22,774,310	738,665,753	-	-	738,665,753	-
19425	Federal Reimbursement	1,616,380	-	-	-	-	-	-	-	1,616,380	-	-	1,616,380	-
	Total Debt Service	717,507,823	-	-	-	22,774,310	-	-	22,774,310	740,282,133	-	-	740,282,133	-
Reserves, Debt Service, and Other Adjustments														
19xxx	Reserves, Debt Service, and Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
19001	Contingency and Emergency Reserve	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	-	2,000,000	-
19004	Salary Adjustments	-	-	-	-	20,000,000	-	-	20,000,000	20,000,000	-	-	20,000,000	-
19005	OSHR - Market Adjustment	2,624,316	-	-	-	-	-	-	-	2,624,316	-	-	2,624,316	-
19048	Reserve for Workers' Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
19XX1	State Agencies - Public Safety Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
19XX2	Invest NC Bond	-	-	-	-	-	-	-	-	-	-	-	-	-
19XX3	2020 Census Preparation	-	-	-	-	-	-	-	-	-	-	-	-	-
19XX5	Advanced Analytics and Data Interpretation	-	-	-	-	-	-	-	-	-	-	-	-	-
19XX6	State Agency Insurance Coverage	-	-	-	-	2,000,000	-	-	2,000,000	2,000,000	-	-	2,000,000	-
19XX7	Medicaid Coverage Gap Savings	-	(69,300,000)	-	-	-	-	-	(69,300,000)	(69,300,000)	-	-	(69,300,000)	-
	Total Reserves, Debt Service, and Other Adjustments	2,624,316	(69,300,000)	-	-	24,000,000	-	-	(45,300,000)	(42,675,684)	-	-	(42,675,684)	-
Direct Capital Appropriation														
19600	Capital Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Direct Capital Appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		23,984,546,381	(69,300,000)	-	-	1,996,046,433	44,647,173	676.00	1,971,393,606	25,955,939,987	676.00		25,955,939,987	676.00

Table 6

**Highway Fund and Highway Trust Fund Budget
2019-20**

Function	FY 2019-20 Base Appropriation	Decreases			Increases			Net Appropriated Supported Positions	Net Appropriated Supported Positions	Net Change	2019-20 Recommended Net Appropriation	Net Position Change
		Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions	Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions					
DOT Administration	95,160,239	-	-	-	250,000	-	-	-	250,000	95,410,239	-	
<i>Division of Highways</i>												
Administration	33,698,043	-	-	-	187,477	-	-	-	187,477	33,885,520	-	
Construction	36,100,000	-	-	-	-	-	-	-	-	36,100,000	-	
Maintenance	1,423,777,175	-	-	-	107,569,417	-	-	-	107,569,417	1,531,346,592	-	
Planning and Research	-	-	-	-	-	-	-	-	-	-	-	
OSHA Program	358,030	-	-	-	-	-	-	-	-	358,030	-	
State Aid to Municipalities	147,500,000	-	-	-	2,500,000	-	-	-	2,500,000	150,000,000	-	
<i>Multi-Modal</i>												
Airports	86,929,049	-	-	-	800,000	-	-	-	800,000	89,729,049	-	
Bicycle	761,549	-	-	-	5,000,000	-	-	-	5,000,000	761,549	-	
Ferry	45,879,026	-	-	-	5,000,000	-	-	-	5,000,000	50,879,026	-	
Public Transportation	85,836,522	-	-	-	100,000	-	-	-	100,000	90,836,522	-	
Railroads	39,922,269	-	-	-	-	-	-	-	-	40,022,269	-	
Governor's Highway Safety Program	267,914	-	-	-	-	-	-	-	-	267,914	-	
Division of Motor Vehicles	129,065,091	-	-	-	8,213,006	-	-	-	8,213,006	141,791,532	-	
Other State Agencies	14,280,085	-	-	-	-	-	-	-	-	14,280,085	-	
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-	-	
Other Reserves	11,838,903	(6,830,000)	-	-	15,006,739	-	-	-	8,176,739	20,015,642	-	
Capital Improvements	-	-	-	-	11,716,031	-	-	-	11,716,031	11,716,031	-	
Total Highway Fund	2,151,373,895	(6,830,000)	-	-	139,376,639	23,479,466	-	-	156,026,105	2,307,400,000	-	
Administration	34,213,357	-	-	-	500,000	-	-	-	500,000	34,713,357	-	
<i>Construction</i>												
Strategic Prioritization Program	1,405,920,004	-	-	-	20,402,437	-	-	-	20,402,437	1,426,322,441	-	
<i>Bonds</i>												
Bond Redemption	55,877,000	-	-	-	17,310,000	-	-	-	17,310,000	73,187,000	-	
Bond Interest	3,897,015	-	-	-	11,250,000	-	-	-	11,250,000	15,147,015	-	
NC Turnpike Authority	49,930,187	-	-	-	-	-	-	-	-	49,930,187	-	
Reserve for Visitor's Centers	400,000	-	-	-	-	-	-	-	-	400,000	-	
Total Highway Trust Fund	1,550,237,563	-	-	-	49,462,437	-	-	-	49,462,437	1,599,700,000	-	

Table 7

**Highway Fund and Highway Trust Fund Budget
2020-21**

Function	FY 2020-21 Base Appropriation	Decreases			Increases			2020-21 Recommended Net Appropriation	Net Position Change	
		Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions	Net Recurring	Net Nonrecurring	Net Appropriated Supported Positions			
DOT Administration	95,175,589	-	-	-	250,000	-	-	250,000	95,425,589	-
<i>Division of Highways</i>										
Administration	33,698,043	-	-	-	187,477	-	-	187,477	33,885,520	-
Construction	36,100,000	-	-	-	-	-	-	-	36,100,000	-
Maintenance	1,423,777,175	-	-	-	198,038,227	-	-	198,038,227	1,621,815,402	-
Planning and Research	-	-	-	-	-	-	-	-	-	-
OSHA Program	358,030	-	-	-	-	-	-	-	358,030	-
State Aid to Municipalities	147,500,000	-	-	-	2,500,000	-	-	2,500,000	150,000,000	-
<i>Multi-Modal</i>										
Airports	86,929,049	-	-	-	6,700,000	2,000,000	-	8,700,000	95,629,049	-
Bicycle	761,549	-	-	-	-	-	-	-	761,549	-
Ferry	45,879,026	-	-	-	5,000,000	-	-	5,000,000	50,879,026	-
Public Transportation	85,836,522	-	-	-	200,000	5,000,000	-	5,200,000	90,836,522	-
Railroads	39,922,269	-	-	-	-	1,725,000	-	1,725,000	41,847,269	-
Governor's Highway Safety Program	267,914	-	-	-	-	-	-	-	267,914	-
Division of Motor Vehicles	129,065,091	-	-	-	9,197,390	-	-	9,197,390	138,262,481	-
Other State Agencies	14,280,085	-	-	-	-	-	-	-	14,280,085	-
Transfer to General Fund	-	-	-	-	-	-	-	-	-	-
Other Reserves	11,838,903	(6,830,000)	-	-	25,377,701	-	-	18,547,701	30,386,604	-
Capital Improvements	-	-	-	-	-	11,964,960	-	11,964,960	11,964,960	-
Total Highway Fund	2,151,389,245	(6,830,000)	-	-	247,200,795	20,939,960	-	268,140,755	2,419,530,000	-
Administration	34,213,357	-	-	-	1,000,000	-	-	1,000,000	35,213,357	-
<i>Construction</i>										
Strategic Prioritization Program	1,405,920,004	-	-	-	108,511,952	-	-	108,511,952	1,514,431,956	-
<i>Bonds</i>										
Bond Redemption	-	-	-	-	27,690,000	-	-	27,690,000	27,690,000	-
Bond Interest	-	-	-	-	29,134,500	-	-	29,134,500	29,134,500	-
NC Turnpike Authority	49,930,187	-	-	-	-	-	-	-	49,930,187	-
Reserve for Visitor's Centers	400,000	-	-	-	-	-	-	-	400,000	-
Total Highway Trust Fund	1,490,463,548	-	-	-	166,336,452	-	-	166,336,452	1,656,800,000	-

Table 8

Summary of General Fund Base Budget Adjustments, 2019-20

Budget Code	Function	2017-18 Actual	2018-19 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2018-19 Authorized	% Change from 2018-19 Auth	Base Budget Positions
Education									
13510	Public Education	\$ 8,893,546,336	\$ 9,545,365,879	\$11,766,939,802	\$ 2,180,566,432	\$ 9,586,373,370	\$ 41,007,491	0.43%	1,052,950
16800	Community Colleges	\$ 1,122,647,235	\$ 1,185,784,017	\$ 1,561,623,007	\$ 393,206,608	\$ 1,168,416,399	\$ (17,367,618)	(1.46%)	211,850
160xx	University System	\$ 2,937,146,218	\$ 3,110,023,760	\$ 5,044,001,935	\$ 1,951,505,950	\$ 3,092,495,985	\$ (17,527,775)	(0.56%)	36,206,345
	Total Education	\$12,953,339,789	\$13,841,173,656	\$18,372,564,744	\$ 4,525,278,990	\$13,847,285,754	\$ 6,112,098	0.04%	37,471,145
General Government									
11000	General Assembly	\$ 66,200,243	\$ 67,383,397	\$ 70,475,420	\$ 861,000	\$ 69,614,420	\$ 2,231,023	3.31%	494,950
13000	Governor's Office	\$ 5,400,194	\$ 5,115,054	\$ 6,037,114	\$ 898,760	\$ 5,138,354	\$ 23,300	0.46%	52,200
13005	State Budget and Management	\$ 8,206,570	\$ 8,334,081	\$ 8,290,273	-	\$ 8,290,273	\$ (43,808)	(0.53%)	54,000
13010	NC Housing Finance Agency	\$ 14,609,159	\$ 30,660,000	\$ 10,660,000	-	\$ 10,660,000	\$ (20,000,000)	(65.23%)	0.000
13050	Military and Veterans Affairs	\$ 11,345,316	\$ 9,236,145	\$ 62,353,064	\$ 53,160,945	\$ 9,192,119	\$ (44,026)	(0.48%)	104,900
13085	OSBM-Special Projects	\$ 17,763,881	\$ 11,815,307	\$ 2,000,000	-	\$ 2,000,000	\$ (9,815,307)	(83.07%)	0.000
13100	Lieutenant Governor	\$ 843,036	\$ 861,965	\$ 873,753	-	\$ 873,753	\$ 11,788	1.37%	7,000
13200	Secretary of State	\$ 13,161,576	\$ 13,701,661	\$ 14,044,797	\$ 291,456	\$ 13,753,341	\$ 51,680	0.38%	176,883
13300	State Auditor	\$ 10,701,448	\$ 13,974,017	\$ 20,143,575	\$ 6,199,884	\$ 13,943,691	\$ (30,326)	(0.22%)	166,000
13410	State Treasurer	\$ 4,012,608	\$ 4,867,764	\$ 62,424,683	\$ 57,559,579	\$ 4,865,104	\$ (2,660)	(0.05%)	392,600
13412	State Treasurer - Retirement/Benefits	\$ 27,692,960	\$ 30,610,641	\$ 29,360,641	-	\$ 29,360,641	\$ (1,250,000)	(4.08%)	0.000
13900	Insurance	\$ 37,164,810	\$ 40,901,846	\$ 49,109,619	\$ 8,137,431	\$ 40,972,188	\$ 70,342	0.17%	452,344
13902	Industrial Commission	\$ 7,800,382	\$ 8,543,047	\$ 22,363,107	\$ 13,053,262	\$ 9,309,845	\$ 766,798	8.98%	149,000
14100	Administration	\$ 63,636,459	\$ 64,666,190	\$ 73,387,880	\$ 9,887,542	\$ 63,500,338	\$ (1,165,852)	(1.80%)	420,709
14660	Information Technology	\$ 52,376,792	\$ 62,647,147	\$ 53,914,125	\$ 395,579	\$ 53,518,546	\$ (9,128,601)	(14.57%)	102,250
14160	State Controller	\$ 19,535,747	\$ 23,604,315	\$ 25,174,460	\$ 846,028	\$ 24,328,432	\$ 724,117	3.07%	169,000
14700	Revenue	\$ 83,384,770	\$ 87,048,914	\$ 146,213,204	\$ 59,236,207	\$ 86,976,997	\$ (71,917)	(0.08%)	1,463,920
18025	State Board of Elections	\$ 5,403,635	\$ 9,944,458	\$ 6,935,297	\$ 102,000	\$ 6,833,297	\$ (3,111,161)	(31.29%)	60,000
18210	Office of Administrative Hearings	\$ 5,655,593	\$ 6,179,902	\$ 7,853,519	\$ 1,684,910	\$ 6,168,609	\$ (11,293)	(0.18%)	55,790
	Total General Government	\$ 454,895,179	\$ 500,095,851	\$ 671,614,531	\$ 212,314,583	\$ 459,299,948	\$ (40,795,903)	(8.16%)	4,321,546
Health and Human Services									
14480	Vocational Rehabilitation	\$ 37,120,406	\$ 39,407,401	\$ 150,494,601	\$ 111,221,410	\$ 39,273,191	\$ (134,210)	(0.34%)	986,250
14411	Aging and Adult Services	\$ 46,326,134	\$ 47,141,157	\$ 115,322,884	\$ 70,287,436	\$ 45,035,448	\$ (2,105,709)	(4.47%)	77,000
14440	Social Services	\$ 194,627,191	\$ 204,844,846	\$ 1,909,946,882	\$ 1,715,816,278	\$ 194,130,604	\$ (10,714,242)	(5.23%)	404,000
14450	Services for the Blind, Deaf, and Hard of Hearing	\$ 8,086,323	\$ 8,561,963	\$ 46,281,875	\$ 37,728,332	\$ 8,553,543	\$ (8,420)	(0.10%)	334,510
14410	Central Administration	\$ 120,297,999	\$ 134,112,477	\$ 213,596,948	\$ 97,500,522	\$ 116,096,426	\$ (18,016,051)	(13.43%)	962,000
14420	Child Development and Early Education	\$ 266,457,422	\$ 228,424,616	\$ 793,277,135	\$ 555,637,868	\$ 237,639,267	\$ 9,214,651	4.03%	336,000
14430	Public Health	\$ 144,363,838	\$ 156,556,353	\$ 898,572,342	\$ 744,471,330	\$ 154,101,012	\$ (2,455,341)	(1.57%)	1,947,880
14445	Medical Assistance	\$ 3,654,214,484	\$ 3,829,406,274	\$ 14,875,059,304	\$ 10,950,483,105	\$ 3,924,576,199	\$ 95,169,925	2.49%	470,500
14446	Health Choice	\$ 108,788	\$ 399,496	\$ -	\$ -	\$ -	\$ (399,496)	(100.00%)	0.000
14447	Health Benefits	\$ 9,722,864	\$ 8,920	\$ -	\$ -	\$ -	\$ (8,920)	(100.00%)	0.000
14460	Mental Health/Disabilities/Substance Abuse	\$ 676,121,355	\$ 688,415,233	\$ 1,532,807,958	\$ 790,690,151	\$ 742,117,807	\$ 53,702,574	7.80%	11,313,780
14470	Health Services Regulation	\$ 17,904,076	\$ 19,267,503	\$ 71,496,505	\$ 52,638,449	\$ 18,858,056	\$ (409,447)	(2.13%)	578,500
	Total Health and Human Services	\$ 5,175,350,880	\$ 5,356,546,239	\$20,606,856,434	\$15,126,474,881	\$ 5,480,381,553	\$ 123,835,314	2.31%	17,410,420

Budget Code	Function	2017-18 Actual	2018-19 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2018-19 Authorized	% Change from 2018-19 Auth	Base Budget Positions
Justice and Public Safety									
12000	Judicial	\$ 534,184,172	\$ 560,202,260	\$ 557,476,262	\$ 1,136,462	\$ 556,339,800	\$ (3,862,460)	(0.69%)	5,962,540
12001	Judicial - Indigent Defense	\$ 121,277,068	\$ 123,577,612	\$ 133,735,671	\$ 10,182,323	\$ 123,553,348	\$ (24,264)	(0.02%)	553,000
13600	Justice	\$ 49,148,332	\$ 47,850,805	\$ 91,187,642	\$ 40,484,546	\$ 50,703,096	\$ 2,852,291	5.96%	794,885
14550	Public Safety	\$ 2,024,204,309	\$ 2,076,490,414	\$ 2,332,787,149	\$ 258,254,879	\$ 2,074,532,270	\$ (1,958,144)	(0.09%)	24,590,122
	Total Justice and Public Safety	\$ 2,728,813,882	\$ 2,808,121,091	\$ 3,115,186,724	\$ 310,058,210	\$ 2,805,128,514	\$ (2,992,577)	(0.11%)	31,900,547
Natural and Economic Resources									
13700	Agriculture and Consumer Services	\$ 148,608,280	\$ 142,669,723	\$ 185,965,999	\$ 59,329,628	\$ 126,636,371	\$ (16,033,352)	(11.24%)	1,814,620
13800	Labor	\$ 16,529,150	\$ 18,168,645	\$ 37,106,127	\$ 18,968,296	\$ 18,137,831	\$ (30,814)	(0.17%)	382,260
14300	Environmental Quality	\$ 77,725,228	\$ 95,751,327	\$ 193,918,082	\$ 114,576,705	\$ 79,341,377	\$ (16,409,950)	(17.14%)	1,116,817
14350	Wildlife Resources Commission	\$ 11,037,175	\$ 11,282,902	\$ 75,630,859	\$ 64,486,379	\$ 11,144,480	\$ (138,422)	(1.23%)	650,810
14600	Commerce	\$ 10,253,335	\$ 11,062,783	\$ 149,691,573	\$ 138,659,386	\$ 11,032,187	\$ (30,596)	(0.28%)	173,810
14601	Commerce - State Aid	\$ 20,300,810	\$ 19,680,810	\$ 16,155,810	\$ -	\$ 16,155,810	\$ (3,525,000)	(17.91%)	0.000
14602	Commerce - Economic Development	\$ 144,344,317	\$ 143,249,417	\$ 150,295,700	\$ 120,000	\$ 150,175,700	\$ 6,926,283	4.84%	0.000
14800	Natural and Cultural Resources	\$ 185,876,289	\$ 193,174,852	\$ 220,406,103	\$ 42,487,651	\$ 177,918,452	\$ (15,256,400)	(7.90%)	1,854,230
14802	Natural and Cultural Resources - Roanoke Island	\$ 555,571	\$ 590,328	\$ 590,328	\$ -	\$ 590,328	\$ -	0.00%	0.000
	Total Natural and Economic Resources	\$ 615,230,155	\$ 635,630,787	\$ 1,029,760,581	\$ 438,628,045	\$ 591,132,536	\$ (44,498,251)	(7.00%)	5,992,547
Debt Service									
19420	General Debt Service	\$ 717,587,097	\$ 715,891,443	\$ 734,545,038	\$ 18,653,595	\$ 715,891,443	\$ -	0.00%	0.000
19425	Federal Reimbursement	\$ -	\$ 1,616,380	\$ 1,616,380	\$ -	\$ 1,616,380	\$ -	0.00%	0.000
	Total Debt Service	\$ 717,587,097	\$ 717,507,823	\$ 736,161,418	\$ 18,653,595	\$ 717,507,823	\$ -	0.00%	0.000
Reserves, Debt Service, and Other Adjustments									
19xxx	Reserves, Debt Service, and Other Adjustments	\$ 49,708,000	\$ 2,167,993	\$ -	\$ -	\$ -	\$ (2,167,993)	(100.00%)	0.000
19000	General Fund Reserves	\$ 55,737,046	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.000
19004	Salary Adjustments	\$ -	\$ 20,300,000	\$ -	\$ -	\$ -	\$ (20,300,000)	(100.00%)	0.000
19005	OSHR - Market Adjustment	\$ -	\$ 6,852,512	\$ 2,624,316	\$ -	\$ 2,624,316	\$ (4,228,196)	(61.70%)	0.000
19080	UNC Enrollment Growth	\$ -	\$ 94,734,518	\$ -	\$ -	\$ -	\$ (94,734,518)	(100.00%)	0.000
19082	Film and Entertainment	\$ -	\$ 31,000,000	\$ -	\$ -	\$ -	\$ (31,000,000)	(100.00%)	0.000
19084	25-Year Law Enforcement Retirement	\$ -	\$ 37,000,000	\$ -	\$ -	\$ -	\$ (37,000,000)	(100.00%)	0.000
	Total Reserves, Debt Service, and Other Adjustments	\$ 105,445,046	\$ 192,055,023	\$ 2,624,316	\$ -	\$ 2,624,316	\$ (189,430,707)	(98.63%)	0.000
Total General Fund Operating Budget									
		\$22,750,662,028	\$24,051,130,470	\$44,534,768,748	\$20,631,408,304	\$23,903,360,444	\$ (147,770,026)	(0.61%)	97,096,205

Table 9

Summary of General Fund Base Budget Adjustments, 2020-21

Budget Code	Function	2017-18 Actual	2018-19 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2018-19 Authorized	% Change from 2018-19 Auth	Base Budget Positions
Education									
13510	Public Education	\$ 8,893,546,336	\$ 9,545,365,879	\$ 11,828,299,027	\$ 2,180,566,432	\$ 9,647,732,595	\$ 102,366,716	1.07%	1,052,950
16800	Community Colleges	\$ 1,122,647,235	\$ 1,185,784,017	\$ 1,561,623,007	\$ 393,206,608	\$ 1,168,416,399	\$ (17,367,618)	(1.46%)	211,850
160xx	University System	\$ 2,937,146,218	\$ 3,110,023,760	\$ 5,054,039,157	\$ 1,951,505,950	\$ 3,102,533,207	\$ (7,490,553)	(0.24%)	36,206,345
	Total Education	\$12,953,339,789	\$13,841,173,656	\$18,443,961,191	\$ 4,525,278,990	\$13,918,682,201	\$ 77,508,545	0.56%	37,471,145
General Government									
11000	General Assembly	\$ 66,200,243	\$ 67,383,397	\$ 70,475,420	\$ 861,000	\$ 69,614,420	\$ 2,231,023	3.31%	494,950
13000	Governor's Office	\$ 5,400,194	\$ 5,115,054	\$ 6,037,114	\$ 898,760	\$ 5,138,354	\$ 23,300	0.46%	52,200
13005	State Budget and Management	\$ 8,206,570	\$ 8,334,081	\$ 8,290,273	\$ -	\$ 8,290,273	\$ (43,808)	(0.53%)	54,000
13010	NC Housing Finance Agency	\$ 14,609,159	\$ 30,660,000	\$ 10,660,000	\$ -	\$ 10,660,000	\$ (20,000,000)	(65.23%)	0.000
13050	Military and Veterans Affairs	\$ 11,345,316	\$ 9,236,145	\$ 62,353,064	\$ 53,160,945	\$ 9,192,119	\$ (44,026)	(0.48%)	104,900
13085	OSBM-Special Projects	\$ 17,763,881	\$ 11,815,307	\$ 2,000,000	\$ -	\$ 2,000,000	\$ (9,815,307)	(83.07%)	0.000
13100	Lieutenant Governor	\$ 843,036	\$ 861,965	\$ 873,753	\$ -	\$ 873,753	\$ 11,788	1.37%	7,000
13200	Secretary of State	\$ 13,161,576	\$ 13,701,661	\$ 14,044,797	\$ 291,456	\$ 13,753,341	\$ 51,680	0.38%	176,883
13300	State Auditor	\$ 10,701,448	\$ 13,974,017	\$ 20,143,575	\$ 6,199,884	\$ 13,943,691	\$ (30,326)	(0.22%)	166,000
13410	State Treasurer	\$ 4,012,608	\$ 4,867,764	\$ 62,458,796	\$ 57,593,692	\$ 4,865,104	\$ (2,660)	(0.05%)	392,600
13412	State Treasurer - Retirement/Benefits	\$ 27,692,960	\$ 30,610,641	\$ 29,360,641	\$ -	\$ 29,360,641	\$ (1,250,000)	(4.08%)	0.000
13900	Insurance	\$ 37,164,810	\$ 40,901,846	\$ 49,112,642	\$ 8,137,431	\$ 40,975,211	\$ 73,365	0.18%	452,344
13902	Industrial Commission	\$ 7,800,382	\$ 8,543,047	\$ 22,363,707	\$ 13,053,262	\$ 9,310,445	\$ 767,398	8.98%	149,000
14100	Administration	\$ 63,636,459	\$ 64,666,190	\$ 73,387,880	\$ 9,887,542	\$ 63,500,338	\$ (1,165,852)	(1.80%)	420,709
14660	Information Technology	\$ 52,376,792	\$ 62,647,147	\$ 53,914,125	\$ 395,579	\$ 53,518,546	\$ (9,128,601)	(14.57%)	102,250
14160	State Controller	\$ 19,535,747	\$ 23,604,315	\$ 25,188,476	\$ 846,028	\$ 24,342,448	\$ 738,133	3.13%	169,000
14700	Revenue	\$ 83,384,770	\$ 87,048,914	\$ 146,280,481	\$ 59,268,852	\$ 87,011,629	\$ (37,285)	(0.04%)	1,463,920
18025	State Board of Elections	\$ 5,403,635	\$ 9,944,458	\$ 6,935,297	\$ 102,000	\$ 6,833,297	\$ (3,111,161)	(31.29%)	60,000
18210	Office of Administrative Hearings	\$ 5,655,593	\$ 6,179,902	\$ 7,860,093	\$ 1,684,910	\$ 6,175,183	\$ (4,719)	(0.08%)	55,790
	Total General Government	\$ 454,895,179	\$ 500,095,851	\$ 671,740,134	\$ 212,381,341	\$ 459,358,793	\$ (40,737,058)	(8.15%)	4,321,546
Health and Human Services									
14480	Vocational Rehabilitation	\$ 37,120,406	\$ 39,407,401	\$ 150,528,124	\$ 111,246,271	\$ 39,281,853	\$ (125,548)	(0.32%)	986,250
14411	Aging and Adult Services	\$ 46,326,134	\$ 47,141,157	\$ 115,322,884	\$ 70,287,436	\$ 45,035,448	\$ (2,105,709)	(4.47%)	77,000
14440	Social Services	\$ 194,627,191	\$ 204,844,846	\$ 1,909,948,174	\$ 1,715,817,168	\$ 194,131,006	\$ (10,713,840)	(5.23%)	404,000
14450	Services for the Blind, Deaf, and Hard of Hearing	\$ 8,086,323	\$ 8,561,963	\$ 46,299,143	\$ 37,745,044	\$ 8,554,099	\$ (7,864)	(0.09%)	334,510
14410	Central Administration	\$ 120,297,999	\$ 134,112,477	\$ 213,596,948	\$ 97,500,522	\$ 116,096,426	\$ (18,016,051)	(13.43%)	962,000
14420	Child Development and Early Education	\$ 266,457,422	\$ 228,424,616	\$ 802,627,135	\$ 555,637,868	\$ 246,989,267	\$ 18,564,651	8.13%	336,000
14430	Public Health	\$ 144,363,838	\$ 156,556,353	\$ 898,273,086	\$ 744,127,621	\$ 154,145,465	\$ (2,410,888)	(1.54%)	1,947,880
14445	Medical Assistance	\$ 3,654,214,484	\$ 3,829,406,274	\$ 14,875,069,384	\$ 10,950,486,002	\$ 3,924,583,382	\$ 95,177,108	2.49%	470,500
14446	Health Choice	\$ 108,788	\$ 399,496	\$ -	\$ -	\$ -	\$ (399,496)	(100.00%)	0.000
14447	Health Benefits	\$ 9,722,864	\$ 8,920	\$ -	\$ -	\$ -	\$ (8,920)	(100.00%)	0.000
14460	Mental Health/Disabilities/Substance Abuse	\$ 676,121,355	\$ 688,415,233	\$ 1,532,807,958	\$ 790,690,151	\$ 742,117,807	\$ 53,702,574	7.80%	11,313,780
14470	Health Services Regulation	\$ 17,904,076	\$ 19,267,503	\$ 71,496,505	\$ 52,638,449	\$ 18,858,056	\$ (409,447)	(2.13%)	578,500
	Total Health and Human Services	\$ 5,175,350,880	\$ 5,356,546,239	\$ 20,615,969,341	\$ 15,126,176,532	\$ 5,489,792,809	\$ 133,246,570	2.49%	17,410,420

Budget Code	Function	2017-18 Actual	2018-19 Authorized	Base Budget Requirements	Base Budget Receipts	Base Budget	\$ Change from 2018-19 Authorized	% Change from 2018-19 Auth	Base Budget Positions
Justice and Public Safety									
12000	Judicial	\$ 534,184,172	\$ 560,202,260	\$ 557,694,915	\$ 1,136,462	\$ 556,558,453	\$ (3,643,807)	(0.65%)	5,966,040
12001	Judicial - Indigent Defense	\$ 121,277,068	\$ 123,577,612	\$ 133,739,847	\$ 10,182,323	\$ 123,557,524	\$ (20,088)	(0.02%)	553,000
13600	Justice	\$ 49,148,332	\$ 47,850,805	\$ 91,192,205	\$ 40,487,512	\$ 50,704,693	\$ 2,853,888	5.96%	794,885
14550	Public Safety	\$ 2,024,204,309	\$ 2,076,490,414	\$ 2,332,876,685	\$ 258,254,879	\$ 2,074,621,806	\$ (1,868,608)	(0.09%)	24,590,122
	Total Justice and Public Safety	\$ 2,728,813,882	\$ 2,808,121,091	\$ 3,115,503,652	\$ 310,061,176	\$ 2,805,442,476	\$ (2,678,615)	(0.10%)	31,904,047
Natural and Economic Resources									
13700	Agriculture and Consumer Services	\$ 148,608,280	\$ 142,669,723	\$ 185,971,419	\$ 59,329,628	\$ 126,641,791	\$ (16,027,932)	(11.23%)	1,814,620
13800	Labor	\$ 16,529,150	\$ 18,168,645	\$ 37,126,948	\$ 18,968,296	\$ 18,158,652	\$ (9,993)	(0.06%)	382,260
14300	Environmental Quality	\$ 77,725,228	\$ 95,751,327	\$ 193,892,959	\$ 114,576,705	\$ 79,316,254	\$ (16,435,073)	(17.16%)	1,116,817
14350	Wildlife Resources Commission	\$ 11,037,175	\$ 11,282,902	\$ 75,630,859	\$ 64,486,379	\$ 11,144,480	\$ (138,422)	(1.23%)	650,810
14600	Commerce	\$ 10,253,335	\$ 11,062,783	\$ 149,691,573	\$ 138,659,386	\$ 11,032,187	\$ (30,596)	(0.28%)	173,810
14601	Commerce - State Aid	\$ 20,300,810	\$ 19,680,810	\$ 16,155,810	\$ -	\$ 16,155,810	\$ (3,525,000)	(17.91%)	0,000
14602	Commerce - Economic Development	\$ 144,344,317	\$ 143,249,417	\$ 150,295,700	\$ 120,000	\$ 150,175,700	\$ 6,926,283	4.84%	0,000
14800	Natural and Cultural Resources	\$ 185,876,289	\$ 193,174,852	\$ 220,410,412	\$ 42,487,651	\$ 177,922,761	\$ (15,252,091)	(7.90%)	1,854,230
14802	Natural and Cultural Resources - Roanoke Island	\$ 555,571	\$ 590,328	\$ 590,328	\$ -	\$ 590,328	\$ -	0.00%	0,000
	Total Natural and Economic Resources	\$ 615,230,155	\$ 635,630,787	\$ 1,029,766,008	\$ 438,628,045	\$ 591,137,963	\$ (44,492,824)	(7.00%)	5,992,547
Debt Service									
19420	General Debt Service	\$ 717,587,097	\$ 715,891,443	\$ 734,545,038	\$ 18,653,595	\$ 715,891,443	\$ -	0.00%	0,000
19425	Federal Reimbursement	\$ -	\$ 1,616,380	\$ 1,616,380	\$ -	\$ 1,616,380	\$ -	0.00%	0,000
	Total Debt Service	\$ 717,587,097	\$ 717,507,823	\$ 736,161,418	\$ 18,653,595	\$ 717,507,823	\$ -	0.00%	0,000
Reserves, Debt Service, and Other Adjustments									
19xxx	Reserves, Debt Service, and Other Adjustments	\$ 49,708,000	\$ 2,167,993	\$ -	\$ -	\$ -	\$ (2,167,993)	(100.00%)	0,000
19000	General Fund Reserves	\$ 55,737,046	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0,000
19004	Salary Adjustments	\$ -	\$ 20,300,000	\$ -	\$ -	\$ -	\$ (20,300,000)	(100.00%)	0,000
19005	OSHR - Market Adjustment	\$ -	\$ 6,852,512	\$ 2,624,316	\$ -	\$ 2,624,316	\$ (4,228,196)	(61.70%)	0,000
19080	UNC Enrollment Growth	\$ -	\$ 94,734,518	\$ -	\$ -	\$ -	\$ (94,734,518)	(100.00%)	0,000
19082	Film and Entertainment	\$ -	\$ 31,000,000	\$ -	\$ -	\$ -	\$ (31,000,000)	(100.00%)	0,000
19084	25-Year Law Enforcement Retirement	\$ -	\$ 37,000,000	\$ -	\$ -	\$ -	\$ (37,000,000)	(100.00%)	0,000
	Total Reserves, Debt Service, and Other Adjustmer	\$ 105,445,046	\$ 192,055,023	\$ 2,624,316	\$ -	\$ 2,624,316	\$ (189,430,707)	(98.63%)	0,000
Total General Fund Operating Budget									
		\$22,750,662,028	\$24,051,130,470	\$44,615,726,060	\$20,631,179,679	\$23,984,546,381	\$ (66,584,089)	(0.28%)	97,099,705

***Budget and Economic Outlook,
Revenue Forecasts, and
Demographic Analysis***

Five-Year Budget Outlook

The following fiscal analysis is presented pursuant to G.S. 143C-3-5(f)-6 and offers a five-year forecast of revenues and expenditures for General Fund net appropriations. The following assumptions¹ are made:

- The first two years (FY 2019-20 and FY 2020-21) reflect the Governor’s Recommended Budget as presented in this document.
- The subsequent three years contain the following growth factors using the Governor’s FY 2020-21 Recommended Budget as the base:
 - Tax revenues are grown by 4.0%, reflecting the 20-year historical average, adjusting for revenue-law changes, over two recessions and two economic expansions.
 - Nontax revenues are grown by 1.1%, reflecting the State Demographer’s projected population growth.
 - K12 enrollment growth is calculated using the State Demographer’s projections for growth in the population aged 5-18.
 - Community College and University enrollment growth are calculated using 5-year historical averages.²
 - Medicaid growth employs the 10-year historical average growth in state appropriations for the program to account for changes in the American Recovery and Reinvestment Act funding for Medicaid. The impact of Medicaid Expansion is included.
 - Agency budgets are grown using a forecast of the Bureau of Economic Analysis’ State and Local Government Consumption Chained Price Index combined with the State Demographer’s projections of NC population.
 - Debt service for current and proposed investments, including the Invest NC Bond, is included.

As shown by the table and graph below, expenditures are anticipated to stay below revenues throughout the five-year period.

Table 10

Five-Year General Fund Expenditure Forecast (in millions)

	FY 2019-20 Proposed	FY 2020-21 Proposed	FY 2021-22 Estimate	FY 2022-23 Estimate	FY 2023-24 Estimate
<u>Current Services Summary</u>					
Revenue/Availability	25,288.0	25,955.9	26,916.1	28,026.4	29,212.9
Expenditures Base	23,903.4	23,984.5	25,836.4	26,775.8	27,770.1
New Expenditures	1,309.7	1,971.4	1,015.5	1,069.6	1,147.5
Expenditures Total	25,213.1	25,955.9	26,851.9	27,845.4	28,917.6
 State Budget Surplus/Shortfall	 74.9	 -	 64.2	 180.9	 295.3

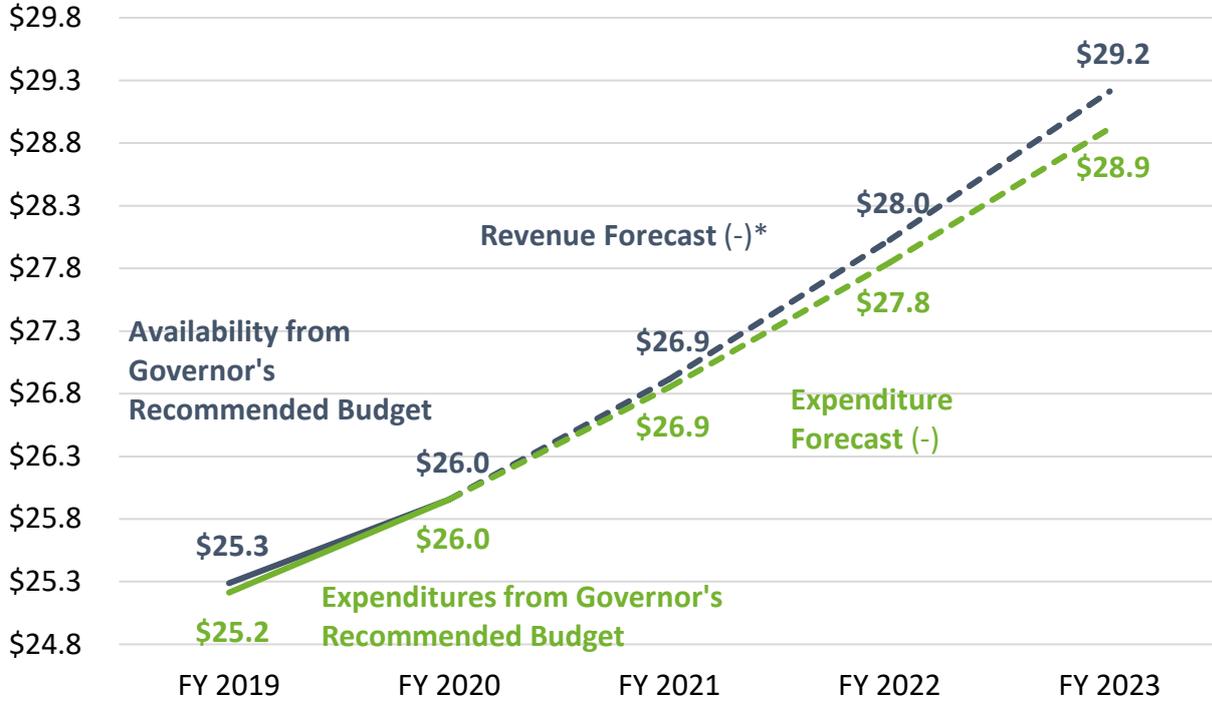
¹ Additional details and methodology are available from the Office of State Budget and Management.

² All historical averages used in the expenditure forecast are compound average growth rates.

Figure 3

General Fund Five-Year Revenue and Expenditure Forecast

Billions of Current-Year Dollars



* Includes transfers to Savings Reserves due to S.L. 2017-5.

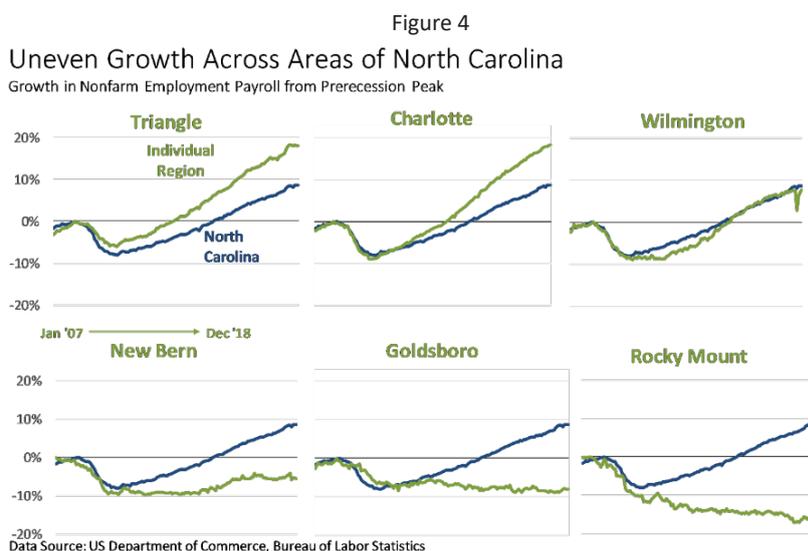
Economic Outlook

Strong Growth for Now, But Likely Not for Long

Many indicators point to a solid economic footing. The federal 2017 Tax Cuts and Jobs Act and the Bipartisan Budget Act of 2018 added fuel to an already strong economy. Nominal per capita personal income in North Carolina grew by an estimated 3.6% in 2018 and is expected to remain at that level or modestly lower in 2019. Average annual wages grew by an estimated 2.9% in nominal terms in 2018, but only 0.9% after accounting for inflation.¹ Hurricane Florence, while inflicting major damage along the coast, did not significantly impact job growth in the state. As the effects of the federal deficit-financed boost to growth fade and the labor market tightens further, economic growth will likely slow over the course of the coming biennium.

Employment Continues to Grow, Especially in Large Metro Areas

North Carolina's economy continued to produce jobs at a healthy pace in 2018, despite the increasing tightness of the labor market and the impacts of Hurricane Florence on the southeastern part of our state. As of December, state nonfarm payroll employment increased 2.0% year-over-year and an estimated 8.7% above the pre-recession peak. While employment growth in the state compared to pre-recession levels remains below the growth rates in Georgia, South Carolina, and Tennessee, North Carolina has outpaced the nation and other economic peer states. Preliminary data indicates that North Carolina's employment growth over the past year has been in the top ten among all states. September employment levels fell slightly due to Florence but bounced back above August levels in October. As in prior years, the Charlotte and Triangle² metro areas accounted for most of the state's year-over-year employment growth as of December. Other areas of the state, such as Goldsboro, New Bern, and Rocky Mount, have struggled to produce new jobs and have yet to regain pre-recession peak employment levels.³



¹ IHS Markit, US Market State Economies: NC, Winter 2018.

² The "Triangle" metro area described here is not an official metropolitan area; it is the combination of the Raleigh-Cary and Durham-Chapel Hill MSAs.

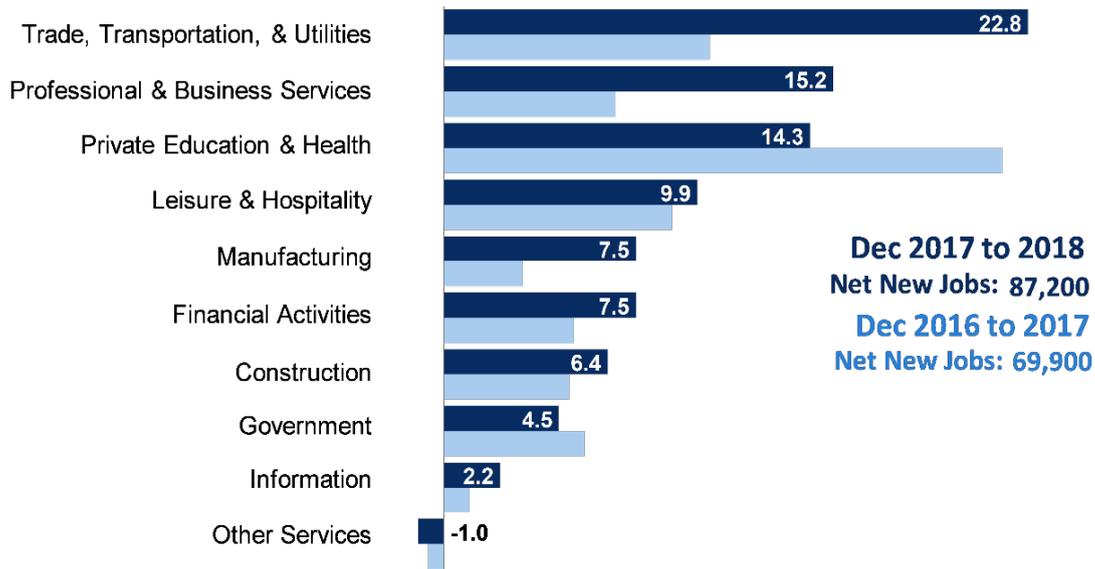
³ All figures in this section, unless otherwise noted, are from the federal-state Current Employment Statistics program of the Bureau of Labor Statistics. Note that all figures are subject to revision.

Employment growth continues to be concentrated in the largest private service industries: trade & transportation, private education & health care, and professional & business services. Construction growth had another strong year of 7.3% growth, driven largely by continued growth in housing construction in the Charlotte and Triangle regions. Manufacturing employment has continued to grow at a gradual pace but has yet to recover even half of the more than 100,000 jobs lost during the Great Recession.

Figure 5

Job Growth Strongest in Major Private Service Industries

Year-Over-Year Change in Payroll Employment by Industry, Thousands



Source: U.S. Department of Commerce, Bureau of Labor Statistics

Labor Market Stays Strong as Unemployment Dips to Lowest Level Since 2000

Preliminary data shows the state’s unemployment rate falling from 4.5% in the first quarter of 2018 to 3.6% in the fourth quarter of 2018. The state’s unemployment rate has not been this low since 2000. If North Carolina’s fourth-quarter unemployment rate is unchanged in subsequent data revisions, it would be the first time since January 2008 that the state rate was lower than the national rate. The U-6 unemployment rate – an economic indicator that in addition to unemployed persons includes marginally attached workers and part-time workers who would rather work full-time – also reached a recent low (7.5%) in the fourth quarter both in North Carolina and nationally.

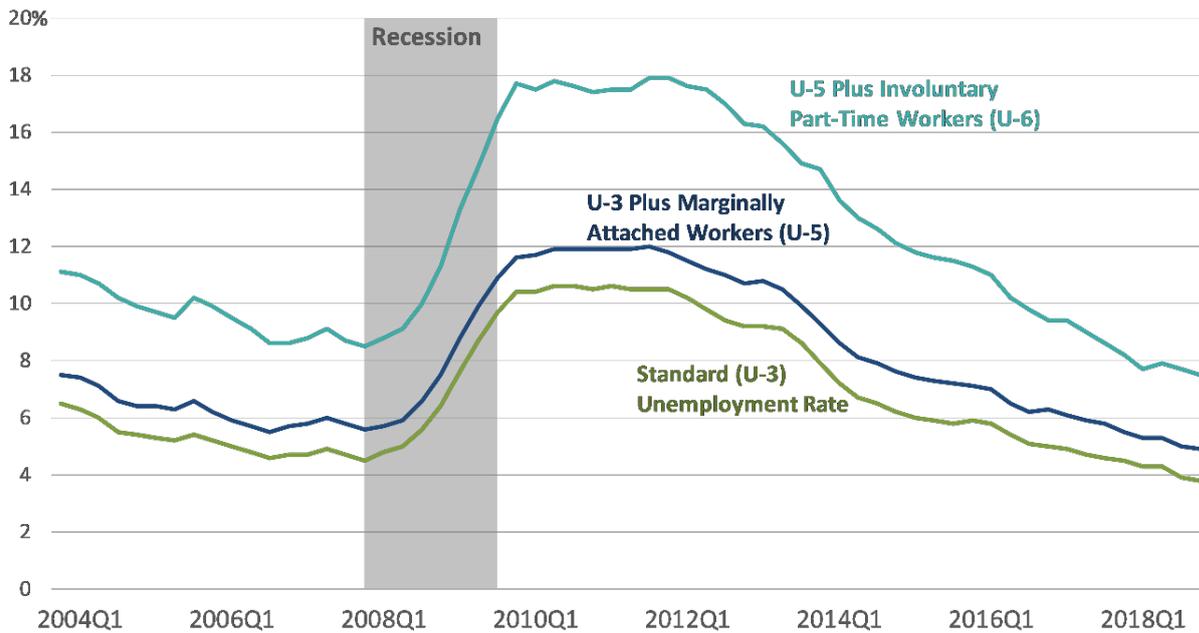
Having the lowest unemployment rate in nearly two decades strongly indicates that North Carolina’s labor market has nearly reached full employment. However, an alternative indicator, the employment-to-population ratio, suggests otherwise. Preliminary data indicates that approximately 59% of North Carolina’s potential labor force was employed in 2018. Although this is higher than the roughly 56% level in 2011, it is still far below the peak level of nearly 66% in 2000. Even focusing on the prime working-age population (ages

25-54), the preliminary 2018 level of approximately 78% is below 1999-2000 peak of nearly 83%.⁴ At this point, there is no consensus among economists whether under continuing tight state and national labor markets employers will be able to draw additional workers into the labor force from the population of adults who are not currently working or looking for work.

Figure 6

North Carolina's Unemployment Rates All Below Pre-Recession Levels

Four-Quarter Moving Averages of Seasonally Unadjusted Unemployment Rates as of 2018Q4



Federal Government Shutdown Impacted NC

Overall, the Congressional Budget Office (CBO) estimated that the federal shutdown reduced real GDP by \$3 billion in the fourth quarter of 2018 and by \$8 billion in the first quarter of 2019. Although CBO expects GDP increases for the rest of 2019 to mostly offset the effects of the shutdown, \$3 billion of that loss will never be recovered.⁵

Federal civilian employees and contractors account for a small share of total employment in North Carolina. The shutdown did, however, have some impacts on North Carolina: an estimated 2,000 EPA workers were furloughed, TSA workers and air traffic controllers worked without pay, payments to farmers for disaster relief were further delayed, and the state had to pay inspectors at meat and poultry processing plants that would have had to close otherwise.⁶ While the state and furloughed federal employees will be reimbursed, many federal contractors will not.

⁴ All figures in this paragraph are from the Expanded State Employment Status Demographic Data published by the federal-state Local Area Unemployment Statistics program.

⁵ Congressional Budget Office, *The Effects of the Partial Shutdown Ending in January 2019* (January 2019).

⁶ Jarvis, Craig. Raleigh News & Observer, "Federal Workers in RTP feeling the bite of the shutdown. If it drags on, others will too." Jan. 3, 2019.

The Big Question: Is a Recession Coming?

One of the most common questions that economists face from policymakers and the public is: When will the next recession hit? Caveats regarding the ability of economists to forecast recessions aside, only 4% of the more than 60 economists polled by Wall Street Journal in February 2019 believe the next recession will begin in 2019. However, 46% think the recession will start in 2020, 39% in 2021, and 11% in 2022.

Several indicators are causing economists to believe that a recession is likely within the next few years. One indicator is time. If the economy continues to grow beyond June 2019, the current expansion will become the longest in U.S. history. Although recent research indicates that long expansions are more likely after severe recessions,⁷ a recession generally becomes more likely as an expansion grows longer.⁸

Recent volatility in the stock market, exacerbated by trade tensions and political conflict, is a sign that investors are increasingly uncertain about the trajectory of the U.S. economy. Slowing growth in China and the rising potential of a no-deal exit of the United Kingdom from the European Union also pose risk to continued growth in the U.S. economy.

Another indicator that may portend the coming of a recession is the yield curve. The yield curve depicts the relationship between the maturity of a bond and its interest rate (i.e., its yield). Typically, a bond with a longer maturity has a higher interest rate. Since the 1960s, a recession has consistently followed within roughly one year whenever the typical relationship between maturity and interest rate was “inverted” for at least three months—that is, when longer-duration Treasury notes have had a lower interest rate than shorter-duration Treasury bills. As of February 2019, although the interest-rate spread with the strongest recession-prediction power (the ten-year Treasury note minus the three-month Treasury bill) has not gone negative, it has fallen to near zero. This “flattening” of the yield curve has prompted many economic forecasters to increase their forecast probability of a recession within the next 12-18 months.⁹

There is also concern that even a mild recession could cause a long period of slow growth or stagnation. The Federal Reserve (Fed) has typically reduced the federal funds rate by at least 5% to combat recessions in recent decades. With the Fed planning to keep interest rates at or near 2.5% for the foreseeable future,¹⁰ its main recession-fighting tool may have less power to reverse the tide of a recession. The federal government’s ability to boost the economy using fiscal policy may be similarly constrained compared to previous recessions. The most recent budget outlook of the CBO projects federal deficits averaging 4.4% of GDP over the next decade, with projected debt levels rising to 93% of GDP.¹¹ If the economy falls into recession, debt and deficit concerns may inhibit federal policymakers’ willingness to take adequate measures to mitigate the length and severity of the recession.

⁷ Tasci, M., & Zevanove, N. (2019), “Do Longer Expansions Lead to More Severe Recessions?”, Economic Commentary, (2019-02).

⁸ Castro, Vitor (2010), “The duration of economic expansions and recessions: More than duration dependence,” Journal of Macroeconomics, March 2010, Vol. 32 No. 1, pp. 347-365.

⁹ Bauer, Michael D., and Thomas M. Mertens (2018), “Information in the Yield Curve about Future Recessions,” FRBSF Economic Letter 2018-20 (August 27).

¹⁰ Tankersley, Jim. “Fed Explains Pause as Officials Debate Future Rate Increases.” *The New York Times* 20 Feb. 2019. Web. 22 Feb. 2019.

¹¹ Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029* (January 2019).

General Fund Revenue Forecast

About half of North Carolina’s total revenue originates from tax collections and other sources comprising the General Fund. The other half consists of funds from the federal government, highway funds, the Education Lottery, and other receipts and fees (e.g., tuition).

General Fund revenues are primarily derived from two sources: the individual income tax and the sales and use tax. Other important sources of tax revenue include corporate income and franchise taxes, taxes on insurance premiums, and excise taxes on alcohol and tobacco products. In addition, nontax revenue, such as judicial fees and earnings from investing state funds, supports the General Fund.

Figure 7

Individual Income & Sales Taxes Comprise Vast Majority of Own-Source General Fund Revenue



FY 2017-18 General Fund Revenues

Consensus Revenue Forecast

The consensus revenue forecast anticipates modest revenue growth for the current fiscal year (2.2%) and the first half of the 2019-21 biennium (3.0%) despite above-trend economic growth due primarily to previously enacted tax changes that reduced individual and corporate income tax revenues. The consensus forecast anticipates revenue growth in the second half of the 2019-21 biennium to rise to 4.0% in the context of decelerating – but still positive – economic growth. Following are more specific highlights of the forecast.

Current Year Revenue

The revised consensus forecast projects net General Fund revenue of \$24.08 billion in FY 2018-19. This amount is 2.2% over the \$23.57 billion collected in FY 2017-18 (see table 11). The revised consensus projection is \$150.8 million (0.6%) higher than the budgeted amount of \$23.93 billion, which is below the median year-ahead forecast error since 1991.

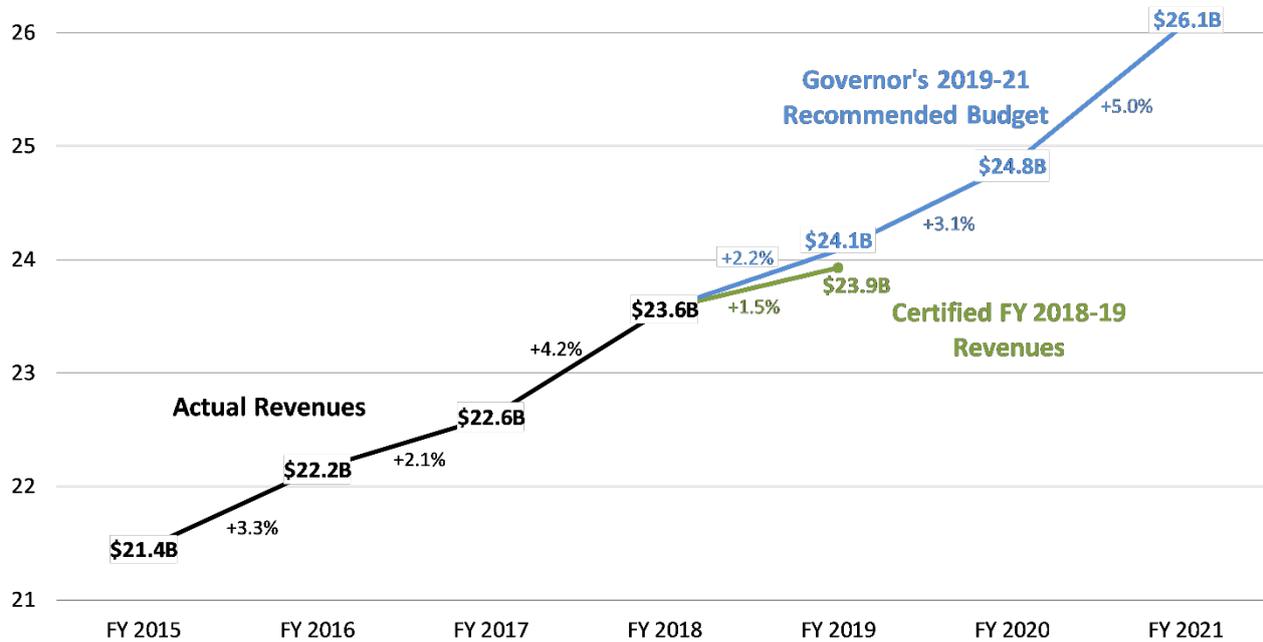
- Personal income tax collections are expected to total \$12.65 billion in FY 2018-19, an increase of 1.1% over FY 2017-18 levels. The revised consensus forecast represents a decrease in expected revenue of \$53 million compared to the budgeted amount, due to lower-than-expected estimated payments through January 2019.
- Sales and use tax collections, which comprise nearly one-third of General Fund revenue, are forecast to increase 5.5% compared to FY 2017-18. This represents an upward revision of \$118 million (1.5%) compared to the budgeted amount, driven by a combination of higher-than-expected growth in retail sales and an unexpected boost from the Supreme Court’s June 2018 decision in *Wayfair v. South Dakota*, which permitted the state to require some retailers without a physical presence in the state to collect and remit sales and use tax from purchases by North Carolina residents.

While the FY 2018-19 revised forecast assumes continued economic growth, revenue volatility remains a risk. April always has the potential to be a volatile collection month where revenue from dividends, capital gains, and business income can result in sizable swings in income tax collections. Significant tax law changes enacted in recent years at both the state and federal levels – and the timing of taxpayer responses to those changes – may have major impacts on income tax refunds and final payments, adding greater potential short-term forecast volatility for the remainder of FY 2018-19 than is normally associated with a revenue forecast.

Figure 8

Revenue Growth Projected to Accelerate In 2019-21 Biennium

Billions of Current-Year Dollars



Source: OSBM data and projections

Revenue Outlook for 2019-21 Biennium

Reflecting the impact of individual and corporate income tax cuts effective January 1, 2019, an expectation of decelerating economic growth, and a boost to revenue growth from Medicaid expansion, the forecast estimates General Fund revenue will increase 3.1% in FY 2019-20 and 5.0% in FY 2020-21. Table 11 details this forecast, including adjustments for recommended revenue changes.

- Personal income tax collections, which account for more than half of General Fund revenue, are expected to increase 1.9% in FY 2019-20 and 3.9% in FY 2020-21. The forecast anticipates wage growth gradually declining over the biennium and nonwage income decreasing more rapidly. Despite expected economic growth above the average of the current expansion persisting into 2019, previously enacted tax changes will depress revenue growth significantly in the first year of the biennium.
- Growth in consumer spending is expected to gradually decline over the biennium due to slowing wage growth, higher interest rates, and a decline in home sales. This economic outlook, combined with a modest boost from the recent *Wayfair* decision in the first part of FY 2019-20, translates into growth in sales and use tax collections of 5.3% and 4.6% in the first and second years of the biennium, respectively, which is modestly higher than the historical average.
- Corporate profits are expected to decelerate in 2019 and level off in 2020 and 2021 after achieving nearly double-digit growth in 2018. However, corporate income and franchise tax collections are projected to grow only 0.4% in FY 2019-20 due to a reduction in the corporate income tax rate from 3.0% to 2.5% as of January 1, 2019. The forecast anticipates growth in corporate income and franchise tax collections rebounding to 4.6% in FY 2020-21.

While the General Fund forecast cautiously assumes growth below the levels attained during prior expansions, there are still significant risks to the forecast. Global and domestic economic policy uncertainty, particularly in international trade, is a significant source of risk to the consensus forecast. In addition, state revenue volatility and responsiveness to economic changes has increased in recent years. Recent tax changes also heighten revenue volatility risks, particularly in the short-term.

Recommended Revenue Changes

- **Amend Historic Rehabilitation Tax Credit and Remove Sunset** – The Governor recommends amending the provisions of the Historic Rehabilitation Tax Credit to allow the credit for non-income-producing properties to be claimed up to once every two years in disaster-declaration areas (instead of once every five years), as well as allow a 5% bonus credit for income-producing properties in disaster areas. The Governor also recommends eliminating the January 1, 2020, sunset provision from the credit. These changes would have an estimated impact of -\$0.5 million in FY 2019-20 and -\$9.0 million in FY 2020-21.
- **Extend Insurance Gross Premiums Tax to Medicaid Prepaid Health Plans** – The Governor recommends extending the insurance gross premiums tax to include Medicaid Prepaid Health Plans. This provision would be effective when the Prepaid Health Plans begin on November 1, 2019 and would have an estimated revenue impact of \$16.5 million in FY 2019-20 and \$276.4 million in FY 2020-21.

Table 11

General Fund Revenue by Fiscal Year: Recent History and Forecast
(In Millions)

	2015-16	2016-17	2017-18	2018-19	2018-19	2019-20	2020-21	%
	Actual	Actual	Actual	Budget	Revised	Budget	Budget	Change
								%
Tax Revenue								
Individual Income	11,905.2	11,969.7	12,517.5	12,704.7	12,651.3	12,891.5	13,400.2	1.9%
Sales and Use	6,559.5	7,004.0	7,337.4	7,624.9	7,742.7	8,155.6	8,530.8	5.3%
Corporate Income	1,058.2	752.2	739.0	709.6	698.3	687.0	730.4	-1.6%
Franchise	524.4	748.1	669.0	684.1	669.6	685.8	705.8	2.4%
Insurance	485.1	492.1	566.1	542.6	584.9	618.8	894.8	5.8%
Alcoholic Beverage	340.1	353.6	371.1	373.7	386.9	400.6	413.3	3.5%
Estate	4.4	0.7	10.6	0.0	0.2	0.0	0.0	-100.0%
Privilege License	39.9	29.4	32.4	29.8	34.2	34.9	35.2	2.0%
Tobacco Products	257.4	261.8	260.3	258.2	260.2	260.1	260.0	0.0%
Real Estate	61.0	67.5	72.9	74.8	79.1	83.8	86.1	5.9%
White Goods	2.1	2.5	3.9	2.6	2.3	2.6	2.7	13.0%
Scrap Tire	5.6	5.8	5.8	5.9	6.0	6.1	6.1	1.7%
Mill Machinery	46.4	47.3	46.7	4.2	4.3	0.0	0.0	-100.0%
Solid Waste	2.3	2.5	2.5	2.5	2.6	2.7	2.7	3.8%
Miscellaneous	1.6	0.3	0.4	0.3	0.3	0.3	0.3	0.0%
Total Tax Revenue	21,293.3	21,737.2	22,635.9	23,017.9	23,122.9	23,829.8	25,068.4	3.1%
Nontax Revenue								
Investment Income	37.1	61.9	93.8	99.4	143.7	183.0	203.3	27.3%
Judicial Fees	244.8	242.1	239.7	232.7	234.7	232.9	232.4	-0.8%
Insurance Department	78.5	82.8	84.5	82.7	82.1	83.7	84.6	1.9%
Disproportionate Share Receipts	147.5	164.1	161.0	163.3	163.3	164.7	142.1	0.9%
Master Settlement Agreement	127.2	131.1	143.2	139.4	139.4	139.4	139.4	0.0%
Miscellaneous	223.7	195.0	207.2	194.7	194.7	196.6	198.6	1.0%
Total Nontax Revenue	858.8	876.9	929.3	912.2	957.9	1,000.3	1,000.4	4.4%
Total General Fund Revenue	22,152.1	22,614.1	23,565.2	23,930.1	24,080.8	24,830.1	26,068.8	3.1%
								5.0%

Totals may differ from the sum of their parts due to rounding.

Highway Fund Revenue Forecast

The Highway Fund receives funding from three sources. The primary source is the excise tax on motor fuels, of which the Highway Fund receives 71%. The second source is from the licenses and fees collected by the Division of Motor Vehicles (DMV). The last source is interest earned on investments of Highway Fund cash balances held by the State Treasurer. Table 12 shows revised projections for the Highway Fund revenue collections for FY 2018-19 and projections for the 2019-2021 biennium.

Current Fiscal Year Update

The revised consensus forecast for FY 2018-19 anticipates Highway Fund revenues finishing the year 2.8% above last year's revenue collections and more than \$34 million over budget (1.6%). The higher revised forecast is driven by better-than-expected motor fuel tax revenue, which is projected to end the year 1.8% over forecast, with a year-over-year growth of 3.6%. Fuel consumption has been boosted by an economy that has continued to expand. Revenue from licenses and fees is also expected to end the year better than anticipated. Despite revenue losses registered in fall due to Hurricane Florence, DMV fees are expected to come in 1.7% over budget and 1.5% over the prior year.

Fiscal Year 2019-21 Revenue Projections

Absent a recession, total Highway Fund revenue is expected to increase 2.1% and 4.6% over the next two years, respectively. Collections from motor fuel taxes are expected to increase 3.7% in FY 2019-20 and 3.2% in FY 2020-21. The revenue increases are due to projected higher tax rates. National CAFE standards for fuel efficiency coming online in 2020 are expected to slow the growth in motor fuel revenues in the second year of the biennium, despite a boost in aviation fuel revenue from an exemption on sales to commercial carriers that expires in January 2020. DMV license and fee revenue is expected to stay relatively flat in the first year of the biennium, mostly depressed by lower expected driver license collections. DMV revenue is anticipated to grow substantially, by 7.2%, in the second year as most fees will be adjusted for inflation (S.L. 2015-241, sec.29.30(s)). As DOT has decreased its cash balances held by the State Treasurer, we are anticipating lower interest revenue in the next two years.

Table 12

Highway Fund Revenue by Fiscal Year: Recent History and Revised Forecast
(In Millions)

Source	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Forecast	Year- over-year Change	2020-21 Forecast	Year- over-year Change
<u>Motor Fuels Tax</u>							
Motor Fuels*	1,390.0	1,417.6	1,442.4	1,496.6	3.8%	1,539.9	2.9%
Gasoline Inspection	16.5	15.0	15.3	15.4	0.8%	15.5	0.8%
Highway Use Reg.	0.3	0.4	0.4	0.4	2.7%	0.4	5.3%
Aviation Fuel	6.9	7.0	7.4	7.7	4.1%	13.8	78.6%
Highway Use Tax Lease	10.0	10.0	10.0	10.0	0.0%	10.0	0.0%
Total Motor Fuel Taxes	1,423.7	1,450.0	1,475.4	1,530.1	3.7%	1,579.5	3.2%
<u>Licenses and Fees</u>							
Staggered Registration	281.9	288.8	284.5	289.4	1.7%	316.6	9.4%
Driver Licenses	120.5	117.1	120.0	108.9	-9.2%	115.4	6.0%
Truck Licenses	202.2	202.3	205.2	205.1	0.0%	223.2	8.8%
Int'l Registration Plan	102.9	104.0	115.4	115.8	0.3%	115.6	-0.2%
Other Licenses and Fees	59.5	53.4	53.5	53.0	-0.9%	57.2	8.0%
Total Licenses and Fees	767.0	765.5	778.6	772.2	-0.8%	828.0	7.2%
<u>Investment Income</u>	7.7	9.0	5.0	5.1	2.0%	5.2	2.0%
Total Highway Fund Availability	2,198.4	2,224.5	2,259.0	2,307.4	2.1%	2,412.7	4.6%

Totals may differ from the sum of their parts due to rounding.

*Does not include DOR refunds.

Highway Trust Fund Revenue Forecast

The Highway Trust Fund, established in 1989, receives support from four sources. The primary source is the highway use tax (i.e., sales tax on vehicle sales). The second source is 29% of the excise tax on motor fuels. The third source is fees on title registrations. The final source is the interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer. Table 13 shows revised projections for the Highway Trust Fund revenue collections for FY 2018-19 and projections for the 2019-2021 biennium.

Current Fiscal Year Update

FY 2018-19 revenues are expected to exceed last year's levels by 2.7% and finish the year more than 2% above the official forecast (+\$34 million). A large part of the increase over budget is due to better-than-anticipated highway use tax revenue. Vehicle sales ended 2018 on a strong note due to accessible credit and financial incentives offered to buyers. Thus, the revenue from the highway use tax is anticipated to finish \$28 million above budget (4.3% over FY 2017-18). Motor fuel tax revenue is projected to finish the year \$10 million over budget (also 4.3% growth from prior year). While fee revenues are expected to perform worse than originally anticipated, they are likely to exceed FY 2017-18 levels.

Fiscal Year 2019-21 Revenue Projections

Barring a recession, total Highway Trust Fund revenue is expected to increase 1.6% in FY 2017-18 and 3.6% in FY 2018-19. Motor fuel tax revenue is projected to grow by 3.8% and 2.9% over the next two years, respectively, due to tax rate increases and despite somewhat flat forecasted fuel consumption. Highway use tax revenue is likely to stay flat next year, as financial incentives for vehicles disappear, but grow by 2.6% in FY 2020-21. Similar to highway use tax, revenue from title registrations, miscellaneous fees, and lien recordings combined is projected to stay flat in the first year of the biennium and grow in the second due to inflation adjustments to the fees (per S.L. 2015-241, sec.29.30.(s)). Investment income is expected to decrease to lower levels during the biennium as DOT has reduced its cash balances in the Trust Fund.

Table 13

**Highway Trust Fund (HTF) Revenue by Fiscal Year: Recent History and Revised Forecast
(In Millions)**

Source	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Forecast	Year- over-year Change	2020-21 Forecast	Year- over-year Change
Fuel Taxes and Fees							
Motor Fuel Tax	571.4	585.9	596.1	618.5	3.8%	636.4	2.9%
Highway Use	797.1	803.0	831.0	833.9	0.3%	855.5	2.6%
Certificate of Title Fees	121.9	127.3	127.8	127.7	-0.1%	142.8	11.8%
Miscellaneous Title Fees	16.1	16.2	14.2	14.3	0.7%	16.4	14.7%
Lien Recording	3.7	4.2	3.3	3.3	0.0%	3.7	12.1%
Subtotal	1,510.2	1,536.5	1,572.4	1,597.7	1.6%	1,654.8	3.6%
Interest on Investments	22.3	4.0	2.0	2.0	0.0%	2.0	0.0%
Total HTF Availability	1,532.5	1,540.5	1,574.4	1,599.7	1.6%	1,656.8	3.6%

Totals may differ from the sum of their parts due to rounding.

Population Dynamics

State Population Continues to Grow

With a population nearing 10.4 million in 2018, North Carolina remains the ninth most populous state in the nation. The state has shown strong growth by adding roughly 848,000 people between 2010 and 2018. During this period, North Carolina experienced the fourth largest numeric growth and added more people than Michigan, New York, Pennsylvania, and Ohio, combined. North Carolina’s growth was surpassed by only Texas (+3.6 million), Florida (+2.5 million), and California (+2.3 million).

OSBM projects that the state will grow by a quarter of a million people during the next biennium, from 10.5 million people on July 1, 2019, to 10.8 million people by July 1, 2021. This is equivalent to adding an entire city about the size of Winston-Salem to North Carolina. In other words, the state will be adding a net 334 people every day or about 2,342 people every week.

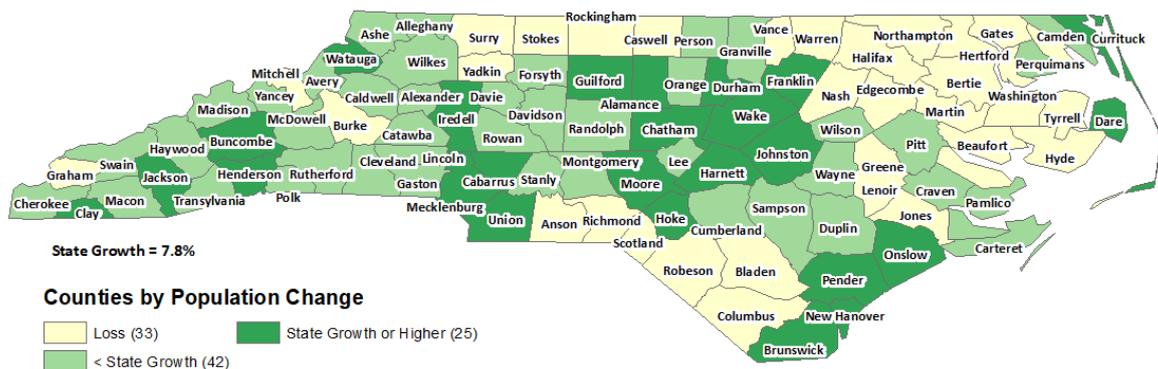
Assuming these growth trends continue, North Carolina’s population will reach 10.6 million people by 2020 – the year in which the next decennial Census is conducted. Given population trends in other states, North Carolina is expected to gain at least one Congressional seat after the 2020 Census enumeration.

Population Growth Has Been Uneven

The state saw robust population growth between 2010 and 2017 in metropolitan counties, with much of that growth occurring in the major metropolitan areas of Charlotte and Raleigh-Durham. While 25 counties grew faster than the state’s population growth of 7.8% (Figure 9), 33 counties lost population – well above the seven counties that lost population in the previous decade. Counties losing population were primarily nonmetropolitan in nature, with the largest concentration of these counties located in the northeastern and southern portion of the Coastal Plain.

Figure 9

Percentage Population Change in North Carolina Counties, April 1, 2010 - July 1, 2017



Source: North Carolina Office of State Budget & Management, Demographic & Economic Analysis Branch, Population Estimates, Vintage 2017.

Growth Slower than Previous Decades

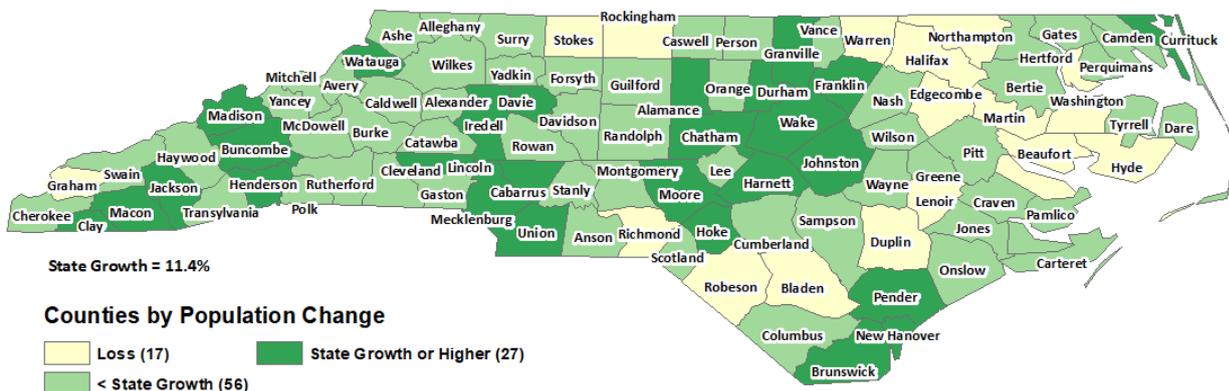
North Carolina is expected to experience slower population growth than what it experienced over the previous two decades. The slower growth is due to population aging, plus a range of other factors.

While the state grew by 21.3% during the 1990s and 18.5% during the 2000s, OSBM projects growth of 11.7% over the current decade. The projected growth resembles that experienced in the 1960s (and slower than any rate of decadal population growth since the 1860s). North Carolina is projected to add just over 1 million people during this decade – about 500,000 people less than what was added over the previous decade.

In the next ten years (2019-29), OSBM projects that the population of 17 counties will decline while 27 will experience growth faster than the State of North Carolina (Figure 10). As with the growth seen so far, the counties projected to grow faster are mostly located within the major metropolitan areas of the state. Those likely to lose population during this period are mostly non-metropolitan (or rural).

Figure 10

Projected Percentage Population Change in North Carolina Counties, 2019 - 2029



Source: North Carolina Office of State Budget & Management, Demographic & Economic Analysis Branch, Population Projections, Vintage 2018.

Migration Continues to Influence Growth

During the 1950s and 1960s, more people left North Carolina than moved to the state. Beginning in the 1970s, more people started moving into the state than were leaving; and from the 1980s until today, the majority of North Carolina’s growth has been from net migration, while natural population increase (births minus deaths) has taken a secondary role.

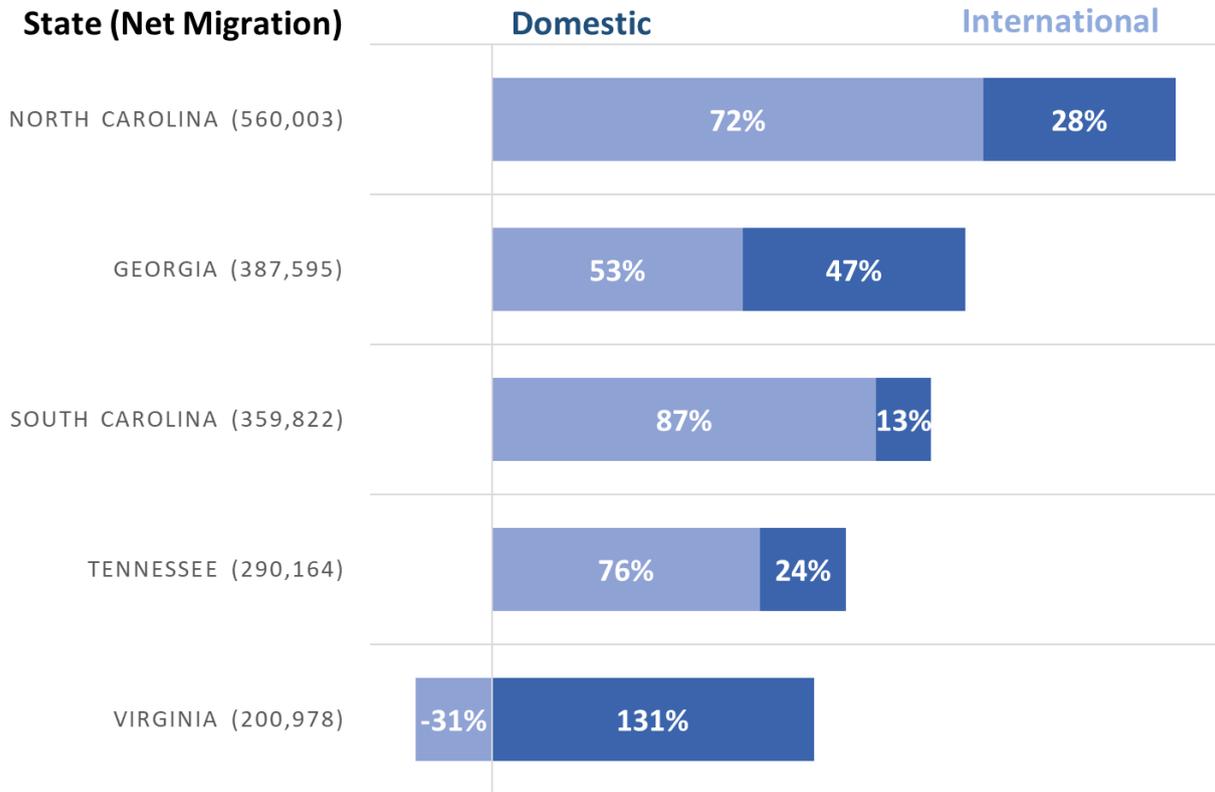
Between April 1, 2010 and July 1, 2018, 560,000 more people moved to North Carolina than left and these net migrants accounted for 66.0% of total population growth. During this same period, there were 282,000 more births than deaths. Of the 560,000 net migrants the Census Bureau estimated, the majority came from other states (72.0%), but at least 158,000 people migrated from abroad (Figure 11). Since 2010, North Carolina has added more net migrants than any of its neighbors, and it was one of only 22 states with more domestic migrants moving into the state than leaving (at 402,000 net domestic migrants) – ranked behind Florida (+1.2 million net domestic migrants) and Texas (+1.0 million net domestic migrants).

The importance of net migration for population growth is projected to continue due to population aging and long-term declines in fertility rates. Between 2020 and 2030, 82% of the state’s growth is projected to be derived from net migration.

Figure 11

More Migration to North Carolina vs Neighbors in Recent Years

Net Domestic and International Migration, April 2010 to July 2018



Source: US Census Bureau, State Population Estimates, Vintage 2018.

North Carolina’s Population Is Aging

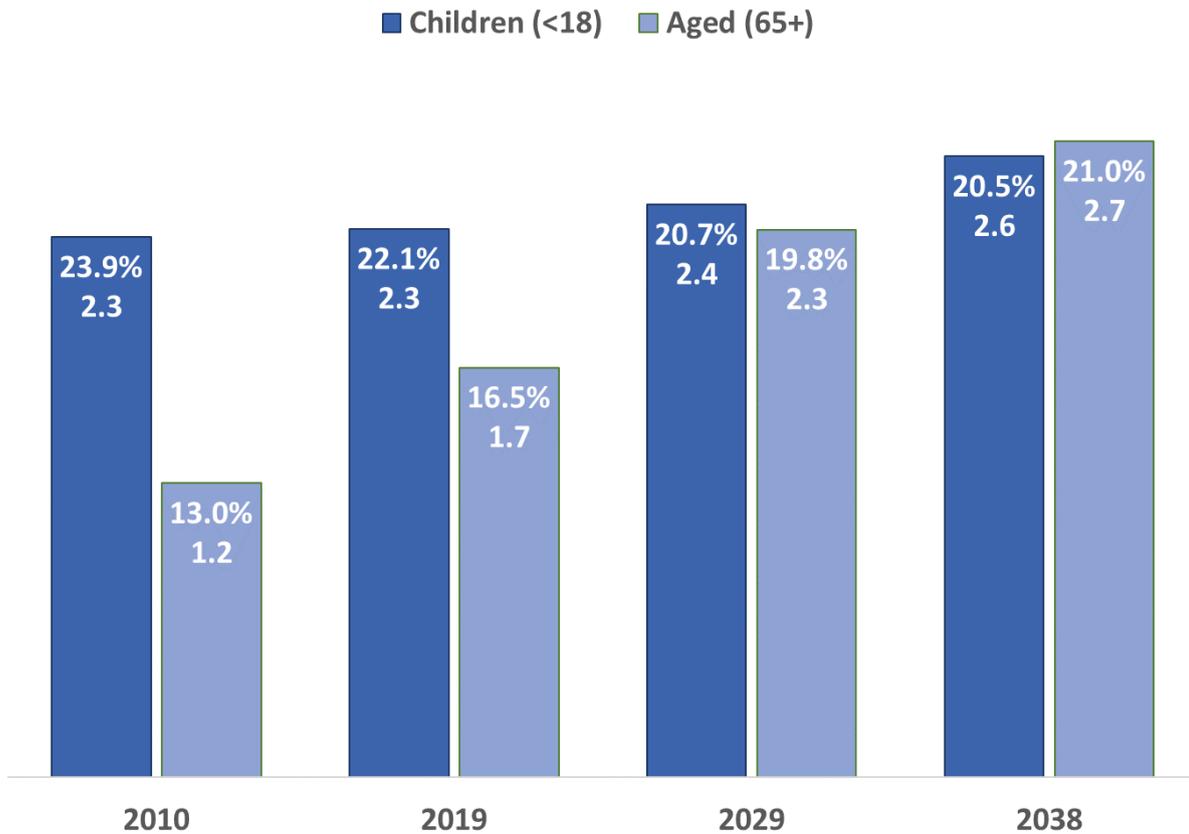
By 2030, OSBM projects that one in five North Carolinians will be at least 65 years old, and by 2035 there will be more older adults (ages 65+) than children (ages less than 18 – Figure 12). OSBM projects that between 2019 and 2029, the older adult population will increase by 584,000 people (33.7%) to 2.3 million in 2029 (from 1.7 million in 2019), and the oldest adults (ages 85+) will increase from 188,000 in 2019 to 265,000 by 2029.

In addition to its impacts on migration, the Great Recession impacted births in North Carolina above and beyond long term downward trends in fertility. As a result, the childhood population in North Carolina has grown much slower than it did prior to the Great Recession. Between 2010 and 2018, this population grew an average of 3,725 people per year. OSBM projects that between 2019 and 2029 this population will grow by 103,000 people (4.4%).

Figure 12

More North Carolinians Age 65 and Older than Children by 2035

Percent of Total Population and Millions of People for Selected Age Groups



Source: North Carolina Office of State Budget & Management, Demographic & Economic Analysis Branch, Population Projections, Vintage 2018.

Census 2020

The next decennial census is only one year away. It is crucial that all North Carolinian households complete a census form. In preparation, Governor Cooper established the State Complete Count Commission in October 2018 through Executive Order No. 79. The chief objective of the State Complete Count Commission is to encourage full participation in the 2020 Census. The website for North Carolina Census 2020 promotion is: census.nc.gov. Leading up to April 1, 2020 (Census Day), communities are also encouraged to develop Complete Count Committees that will partner with the US Census Bureau to promote participation in the 2020 Census.

These state and local investments of time and resources for 2020 Census preparation and promotion will play an important role in ensuring every North Carolinian is counted in 2020. Having full census participation in the state is crucial as the census number affects the lives of North Carolinians in three vital ways. First, the census number is at the core of determining political representation in Congress. Second, the census provides complete data for state and local government to plan services and business to make decisions that spur economic development. Third, the census count is directly or indirectly responsible for the share of federal tax dollars that North Carolina can draw back to the state (currently estimated at \$16.3 billion annually) and the share of state funds it distributes to municipalities and counties (another \$1.5 billion distributed annually).



Raising Teacher Pay to Best in the Southeast

Invests \$210 million in FY 2019-20 and \$390 million in FY 2020-21 in teacher and administrator compensation to reach the highest average salary in the Southeast by 2023 and to pay principals based on experience and school size. Average pay for existing teachers increases by 9.1% over the biennium. Funds are also provided to restore Master’s Pay and eliminate the requirement to pay for a substitute when using personal days.

Safer Schools, Healthier Students

Provides \$40 million in flexible funds to allow districts to hire more nurses, counselors, psychologists, social workers, and School Resource Officers to support student mental health and school safety. Invests \$15 million to improve safety and security through building improvements and training at K-12 schools.

Recruiting and Keeping Good Teachers

Invests \$9 million to recruit, retain, and support North Carolina’s educator workforce, including expansion of the Teaching Fellows scholarship program, supporting beginning teachers and teachers pursuing National Board Certification, recruiting, retaining, and supporting teachers of color, expanding the Advanced Teaching Roles pilot, and expanding “Grow Your Own” programs. Provides over \$5 million for professional development for teachers and school leaders to improve student outcomes.

Giving Students the Tools to Learn

Provides \$29 million to increase the funding for textbooks, digital resources, instructional supplies, and enhanced digital learning opportunities that support personalized instruction for all public school students. Invests \$4.7 million to build out the Regional Support Model to support local school systems across the state.

Opportunities for Our Brightest Students

Expands opportunities for academically gifted students from under-represented populations, including low-income students, students of color, and English Language Learners.

Preparing North Carolinians for the Jobs of Today and Tomorrow

Creates the NC GROW (Getting Ready for Opportunities in the Workforce) Scholarship and Aid for Students Seeking Industry Credentials Program to cover community college tuition and selected fees for students enrolled in high-demand curriculum programs or non-credit, short-term workforce training programs that lead to industry credentials in fields with documented employer demand and competitive wages. Increases funding for short-term workforce training programs so that colleges can provide more flexible training and education opportunities for individuals.

Expanding Finish Line Grants

Assists university and community college students who are close to completing their training by providing completion grants of up to \$1,000 to cover unforeseen financial emergencies. Funds can be used to help students pay for car repairs, housing, medical needs, dependent care, or other emergency expenses that students may face through no fault of their own.

Helping Students Complete Their Degrees on Time

Invests \$25 million in the UNC system to improve graduation rates and reduce time-to-degree by providing state funding support for summer enrollments and an additional \$5 million to fund summer scholarships for students in the UNC and Community College systems. Establishes a \$2.6 million scholarship program to encourage students to complete an associate degree at a community college before transferring to a UNC institution, which improves four-year degree completion rates.

Mission

Our mission is to uphold the system of public education in North Carolina that guarantees every student an opportunity to receive a sound basic education to ensure that every public school student graduates ready for post-secondary education and work, prepared to be a globally engaged and productive citizen.

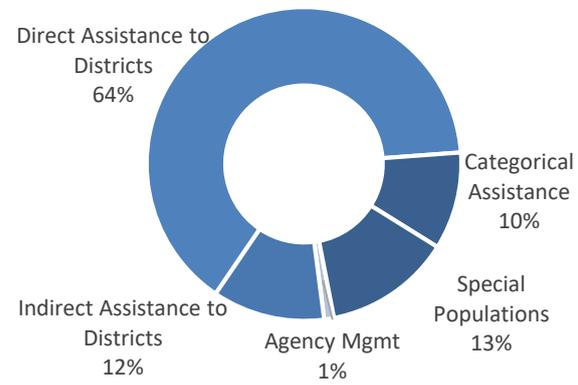
Goals

1. Every student in the NC Public School System graduates from high school prepared for work, further education, and citizenship.
2. Every student has a personalized education.
3. Every student, every day has excellent educators.
4. Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators.
5. Every student is healthy, safe, and responsible.
6. Ensure equity of educational opportunity for all students.

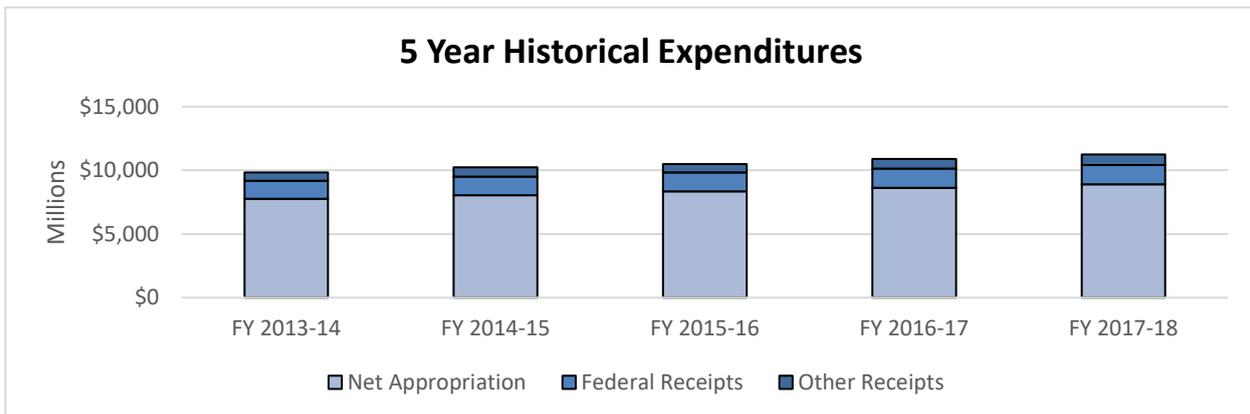
Agency Profile

- Implements the state’s public school laws, policies, and procedures governing public education for pre-kindergarten through 12th grade at the direction of the State Board of Education and the Superintendent of Public Instruction.
- Provides leadership and service to 115 local public school districts and 2,500+ traditional public schools, 180+ charters schools, the Innovative School District, lab and regional schools, and the three residential schools for students with hearing and visual impairments, serving more than 1.5 million Pre-K-12 students across the state.
- Administers state and federal funds totaling approximately \$11 billion and license and support the development of the 117,000 teachers and administrators that serve public schools.

FY 2018-19 Authorized Budget



5 Year Historical Expenditures



Charts include General Fund budget code only.

Department of Public Instruction (13510)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 11,766,939,802	\$ 479,775,052	\$ 88,005,088	\$ 567,780,140	\$ 12,334,719,942	4.8%
Receipts	\$ 2,180,566,432	\$ -	\$ -	\$ -	\$ 2,180,566,432	0.0%
Net Appropriation	\$ 9,586,373,370	\$ 479,775,052	\$ 88,005,088	\$ 567,780,140	\$ 10,154,153,510	5.9%
Positions (FTE)	1052.950	51.000	0.000	51.000	1103.950	4.8%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 11,828,299,027	\$ 843,340,126	\$ -	\$ 843,340,126	\$ 12,671,639,153	7.1%
Receipts	\$ 2,180,566,432	\$ -	\$ -	\$ -	\$ 2,180,566,432	0.0%
Net Appropriation	\$ 9,647,732,595	\$ 843,340,126	\$ -	\$ 843,340,126	\$ 10,491,072,721	8.7%
Positions (FTE)	1052.950	51.000	0.000	51.000	1103.950	4.8%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Compensation Reserve - Teacher Schedule Changes

Restores a 30-year annual step schedule for educators; eliminates salary plateaus for experienced teachers, school psychologists, speech pathologists, and audiologists; and provides funds for a salary increase for individuals paid in accordance with the statewide teacher salary schedule as well as an experience-based step increase for educators earning a year of creditable service. Together, these increases provide an average increase for existing teachers of 9.1% and no educator receives less than a 3.0% salary increase in either year of the biennium. These increase reflect the first two years of a four-year plan to have the highest average salaries in the Southeast by the 2022-2023 school year. A corresponding special provision provides additional details on the changes to the teacher salary schedule. The revised net appropriation for teacher and instructional support compensation exceeds \$5.8 billion in FY 2019-20 and \$6.0 billion in FY 2020-21.

Req	\$ 197,935,000	\$ -	\$ 367,480,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 197,935,000	\$ -	\$ 367,480,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 Compensation Reserve - Assistant Principal Schedule Changes

Provides funds for assistant principal salary to reflect increases to the teacher salary schedule. The revised net appropriation for assistant principal compensation is \$154.0 million in FY 2019-20 and \$159.6 million in FY 2020-21.

Req	\$ 5,625,000	\$ -	\$ 10,515,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 5,625,000	\$ -	\$ 10,515,000	\$ -
FTE	0.000	0.000	0.000	0.000

3 Compensation Reserve - Principal Schedule Changes

Implements a new principal salary schedule comprised of two components: (1) a base salary schedule, which provides annual experience-based step increases based on years of experience as a principal, and (2) a complementary schedule, which provides an annual supplement based on school size as measured by average daily membership (ADM). A corresponding special provision provides additional details on the changes to the principal salary schedule. The revised net appropriation for principal compensation is \$230.7 million in FY 2019-20 and \$235.6 million in FY 2020-21.

Req	\$ 4,972,000	\$ -	\$ 9,937,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 4,972,000	\$ -	\$ 9,937,000	\$ -
FTE	0.000	0.000	0.000	0.000

4 Compensation Reserve - Non-certified Personnel

Provides funds for an additional \$500 recurring salary increase for full-time, 12-month state-funded non-certified personnel in the state's public schools.

Req	\$ 28,065,163	\$ -	\$ 28,065,163	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 28,065,163	\$ -	\$ 28,065,163	\$ -
FTE	0.000	0.000	0.000	0.000

5 Cost of Living Adjustment Reserve - Certain Public School Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state-funded public school central office and noncertified personnel in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$ 21,428,150	\$ -	\$ 43,230,622	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 21,428,150	\$ -	\$ 43,230,622	\$ -
FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees and increases for state agency teachers paid in accordance with the statewide teachers salary schedule in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	1,312,954	\$ -	\$ 2,519,030	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,312,954	\$ -	\$ 2,519,030	\$ -
	FTE	0.000	0.000	0.000	0.000
7 TSERS Retirement Contribution - Public School Employees					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	75,967,022	\$ 43,047,979	\$ 175,990,268	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	75,967,022	\$ 43,047,979	\$ 175,990,268	\$ -
	FTE	0.000	0.000	0.000	0.000
8 TSERS Retirement Contribution - State Employees					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	522,545	\$ 296,109	\$ 1,210,562	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	522,545	\$ 296,109	\$ 1,210,562	\$ -
	FTE	0.000	0.000	0.000	0.000
9 State Health Plan Contribution - Public School Employees					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	36,790,077	\$ -	\$ 74,931,626	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	36,790,077	\$ -	\$ 74,931,626	\$ -
	FTE	0.000	0.000	0.000	0.000
10 State Health Plan Contribution - State Employees					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	178,934	\$ -	\$ 364,441	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	178,934	\$ -	\$ 364,441	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Master's Pay for Teachers					
Restores Master's Pay for classroom teachers whose advanced degrees are in the subject they teach.	Req \$	6,800,000	\$ -	\$ 6,800,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,800,000	\$ -	\$ 6,800,000	\$ -
	FTE	0.000	0.000	0.000	0.000
12 Required Substitute Deduction for Personal Leave					
Eliminates the \$50 per day required substitute deduction from pay for teachers using their personal leave days.	Req \$	6,500,000	\$ -	\$ 6,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,500,000	\$ -	\$ 6,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
13 School Safety and Youth Mental Health - Student Support Positions					
Provides flexible funding for local school districts to hire more nurses, school counselors, psychologists, and social workers to directly support student mental health and to hire additional School Resource Officers. Provides funding for approximately 500 FTE. Each school will receive at least one FTE or its equivalent dollars from these new funds.	Req \$	40,000,000	\$ -	\$ 40,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	40,000,000	\$ -	\$ 40,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
14 Public Safety Improvements Reserve					
Invests \$15 million for building improvements related to safety and security at K-12 schools. The funds can be used for training, communication system upgrades, equipment purchases, audio-visual security monitoring, panic alarms, improved doors, and other security features to prevent and respond to threats.	Req \$	-	\$ 15,000,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 15,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
15 Technical Adjustments for ADM and Increase in Average Teacher Salary					
Adjusts funding for multiple public school allotments that are allocated to schools based on average daily membership (ADM) to reflect changes in student population and adjusts budgeted average salaries using actual 2018-19 sixth pay period as the revised projection base. Hurricane Florence-related issues delayed DPI's forecast of these adjustments and amounts reflect preliminary estimates.	Req \$	22,000,000 \$	- \$	44,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	22,000,000 \$	- \$	44,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
16 Strengthening the Educator Workforce					
Funds programs to recruit, retain, and support North Carolina's public school educators. (1) Provides \$500,000 to support the North Carolina New Teacher Support Program to increase teacher effectiveness, enhance skills, and reduce attrition among beginning teachers at low-performing schools; (2) Restores state funding for National Board Certification, providing \$1.9 million for up to 1,000 teachers; (3) Provides \$500,000 to add up to four districts to the Advanced Teaching Roles pilot; (4) Establishes a \$1.8 million pilot to increase the recruitment, retention, and support for educators of color; (5) Provides \$300,000 to the "Grow Your Own" Teacher Cadet program, encouraging high school students to become teachers.	Req \$	5,000,000 \$	- \$	5,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	5,000,000 \$	- \$	5,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
17 Professional Development for Teachers and School Leaders					
Creates a new allotment providing \$5 million for teacher professional development and provides \$325,000 to DPI to contract with the North Carolina Principals and Assistant Principals Association to support school leaders through the Distinguished Leadership in Practice principal professional development program and the Future-Ready Leadership program for assistant principals.	Req \$	5,325,000 \$	- \$	5,325,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	5,325,000 \$	- \$	5,325,000 \$	-
	FTE	0.000	0.000	0.000	0.000
18 North Carolina Center for the Advancement of Teaching					
Increases funding to NCCAT to expand capacity to provide professional development for up to 1,200 additional teachers throughout the state.	Req \$	500,000 \$	- \$	500,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	500,000 \$	- \$	500,000 \$	-
	FTE	4.000	0.000	4.000	0.000
19 Statewide Regional Support Model					
Provides \$4.7 million to implement the operational audit recommendation to build out a Regional Support Model across the state to support LEAs. Establishes 38 new positions: nine Specialized Instructional Support consultants to support counselors, social workers, and nurses; two Regional Accountability Coordinators; eight Regional Technology Support Coordinators; eight Talent Development Regional Consultants; three Military Family Counselors; and eight Regional Consultants to develop standards for expanding student opportunities and personalized learning.	Req \$	4,700,000 \$	- \$	4,700,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	4,700,000 \$	- \$	4,700,000 \$	-
	FTE	38.000	0.000	38.000	0.000
20 Personalized Student Learning Resources					
Provides \$29 million in nonrecurring funds for personalized student learning resources, including \$10 million for textbooks and digital resources, \$15 million for instructional supplies, and \$4 million to ensure all LEAs have access to the Statewide Learning Management System.	Req \$	- \$	29,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	29,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
21 Child Nutrition Reduced Price Meals					
Funds student co-pay for Child Nutrition reduced-price meals, providing free meals for up to an additional 115,000 students.	Req \$	5,000,000 \$	- \$	5,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	5,000,000 \$	- \$	5,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
22 CIHS, Governor's School, and Residential Schools					
Provides \$475,000 to support two new Cooperative Innovative High Schools (CIHS) and \$1.035 million for seven CIHS moving into the second year of operation; \$300,000 to increase access for students to attend the Governor's School and to increase participation by under-represented students; and \$1.5 million for equipment, maintenance, utilities and positions at the three Residential Schools: the Governor Morehead School for the Blind, the North Carolina School for the Deaf, and the Eastern North Carolina School for the Deaf.	Req \$	3,310,000 \$	- \$	3,310,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	3,310,000 \$	- \$	3,310,000 \$	-
	FTE	0.000	0.000	0.000	0.000
23 Renewal School District Evaluation					
Provides \$300,000 for a comprehensive evaluation of the Rowan-Salisbury Renewal School System.	Req \$	- \$	300,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	300,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
24 Opportunities for Academically Gifted Students					
Provides \$3 million to DPI to establish a grant program to expand identification of and opportunities for academically/intellectually gifted students from under-represented populations.	Req \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,000,000	\$ -	\$ 3,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
25 Information Technology Reserve - School Business Systems					
Provides \$20 million from the Information Technology Reserve to implement Enterprise Resource Planning systems for LEA financial and human resource needs to upgrade local and DPI systems to improve data integration, analytics and reporting.	Req \$	-	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
26 Student Data and Information System Enhancements					
Provides funding for (1) functional improvements to the Power Schools student information system; (2) additional licenses and training for the Professional Learning System and Home Base; and (3) the charter schools data management system.	Req \$	2,850,000	\$ -	\$ 2,850,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,850,000	\$ -	\$ 2,850,000	\$ -
	FTE	0.000	0.000	0.000	0.000
27 Online Licensure System Enhancements					
Provides funding to improve the utility and efficiency of DPI's online educator licensure system.	Req \$	65,000	\$ 361,000	\$ 65,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	65,000	\$ 361,000	\$ 65,000	\$ -
	FTE	0.000	0.000	0.000	0.000
28 Online Teacher Recruitment Tool					
Provides funding to develop a centralized online teacher recruitment tool to improve recruitment process for both candidates and LEAs.	Req \$	400,000	\$ -	\$ 400,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	400,000	\$ -	\$ 400,000	\$ -
	FTE	0.000	0.000	0.000	0.000
29 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	118,207	\$ -	\$ 236,414	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000
30 Data Analytics Section Within DPI					
Provides funding to implement the operational audit recommendation to establish a data analytics section within DPI to improve data-driven decisions at DPI, the LEAs, and charter schools. Provides funding for up to three new FTE overseen by the State Board of Education.	Req \$	880,000	\$ -	\$ 880,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	880,000	\$ -	\$ 880,000	\$ -
	FTE	3.000	0.000	3.000	0.000
31 State Board of Education Staffing					
Provides funding for two new FTE to assist the State Board of Education: (1) a Policy Analyst, and (2) a Rules Coordinator to manage State Board rule making process.	Req \$	260,000	\$ -	\$ 260,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	260,000	\$ -	\$ 260,000	\$ -
	FTE	2.000	0.000	2.000	0.000
32 DPI Support Functions Positions					
Establishes two new positions at DPI to expedite workflow and improve customer service both internally and for LEAs and charter schools, one in Purchasing and one in Auditing.	Req \$	270,000	\$ -	\$ 270,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	270,000	\$ -	\$ 270,000	\$ -
	FTE	2.000	0.000	2.000	0.000
Total Change to Requirements	\$	479,775,052	\$ 88,005,088	\$ 843,340,126	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	479,775,052	\$ 88,005,088	\$ 843,340,126	\$ -
Total Change to Full-Time Equivalent (FTE)		51.000	0.000	51.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 567,780,140	\$ 843,340,126	\$ 51.000
Recommended Total FTE Changes			51.000		51.000

Mission

To open the door to high-quality, accessible educational opportunities that minimize barriers to post-secondary education, maximize student success, develop a globally and multi-culturally competent workforce, and improve the lives and well-being of individuals by providing education, training and retraining for the workforce, support for economic development, and services to communities and individuals.

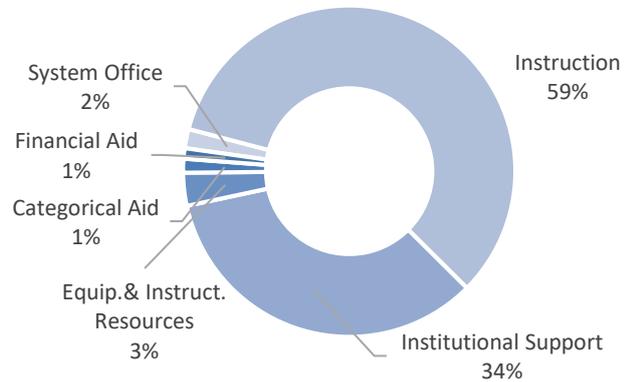
Goals

1. Increase the percentage of North Carolinians, particularly within underserved populations, pursuing and easily accessing education or training through North Carolina community colleges.
2. Provide a continuum of education, training, advising, and support to help learners make informed decisions that lead to credentials and careers.
3. Ensure the educational pipeline prepares a workforce possessing the interest, knowledge, skills, and abilities to meet the needs of employers, now and into the future.
4. Advance organizational effectiveness, operations, and decision-making to support a cohesive system of nimble, empowered, and community-driven colleges.

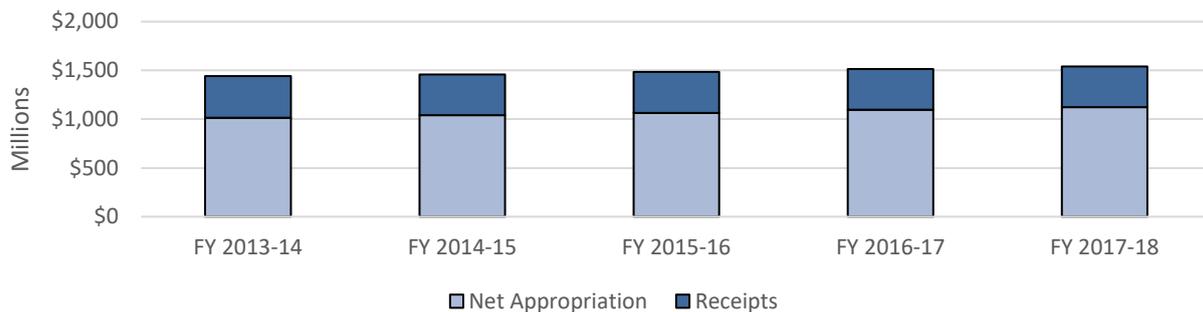
Agency Profile

- Serves almost 700,000 students enrolled in academic, workforce continuing education, and literacy courses at 58 colleges across the state.
- In 2017-18, graduated more than 47,000 students with a certificate, credential, or associate degree.
- Supports economic development and job creation in every county in the state through the Customized Training Program and Small Business Center Network.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Charts include General Fund budget code only

NC Community Colleges System (16800)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	1,561,623,007	\$	48,900,426	\$	6,761,105	\$	55,661,531	\$	1,617,284,538	3.6%
Receipts	\$	393,206,608	\$	(1,983,422)	\$	-	\$	(1,983,422)	\$	391,223,186	-0.5%
Net Appropriation	\$	1,168,416,399	\$	50,883,848	\$	6,761,105	\$	57,644,953	\$	1,226,061,352	4.9%
Positions (FTE)		211.850		2.000		0.000		2.000		213.850	0.1%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	1,561,623,007	\$	124,254,681	\$	-	\$	124,254,681	\$	1,685,877,688	8.0%
Receipts	\$	393,206,608	\$	33,016,578	\$	-	\$	33,016,578	\$	426,223,186	8.4%
Net Appropriation	\$	1,168,416,399	\$	91,238,103	\$	-	\$	91,238,103	\$	1,259,654,502	7.8%
Positions (FTE)		211.850		2.000		0.000		2.000		213.850	0.1%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - Community College Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state-funded community college employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$	19,320,859	\$	-	\$	38,979,229	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	19,320,859	\$	-	\$	38,979,229	\$	-
FTE		0.000		0.000		0.000		0.000

2 Cost of Living Adjustment Reserve - System Office Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$	273,822	\$	-	\$	552,427	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	273,822	\$	-	\$	552,427	\$	-
FTE		0.000		0.000		0.000		0.000

3 TSERS Retirement Contribution - Community College Employees

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$	11,764,629	\$	6,666,623	\$	27,254,724	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	11,764,629	\$	6,666,623	\$	27,254,724	\$	-
FTE		0.000		0.000		0.000		0.000

4 TSERS Retirement Contribution - System Office Employees

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$	166,732	\$	94,482	\$	386,263	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	166,732	\$	94,482	\$	386,263	\$	-
FTE		0.000		0.000		0.000		0.000

5 State Health Plan Contribution - Community College Employees

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$	4,383,050	\$	-	\$	8,927,110	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	4,383,050	\$	-	\$	8,927,110	\$	-
FTE		0.000		0.000		0.000		0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 State Health Plan Contribution - System Office Employees					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	43,779 \$	- \$	89,166 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	43,779 \$	- \$	89,166 \$	-
	FTE	0.000	0.000	0.000	0.000
7 NC Job Ready - NC GROW Scholarships					
Establishes a new financial aid program covering tuition and selected fees for resident students in curriculum programs leading to degrees in fields with employer demand and competitive wages. Eligible programs include Architecture and Construction, Health Sciences, Information Technology, Electrical Line Worker, and Manufacturing. This is a "last-dollar" scholarship, meeting the financial need remaining after state and federal aid has been utilized. Program begins the 2020-21 academic year and is funded by receipts from the NC Job Ready Fund. A corresponding special provision provides additional program requirements.	Req \$	- \$	- \$	30,000,000 \$	-
	Rec \$	- \$	- \$	30,000,000 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
8 NC Job Ready - NC GROW Aid for Students Seeking Industry Credentials					
Provides financial assistance for resident students who enroll in non-credit, short-term workforce training programs that lead to an industry credential in fields with employer demand and competitive wages. Eligible programs include courses in Architecture and Construction, Health Sciences, Information Technology, Electrical Line Worker, and Manufacturing. Awards allow students to pay costs they incur in enrolling and pursuing these credentials. This program begins with the Spring Semester of the 2019-20 academic year and is funded by receipts from the NC Job Ready Fund. Awards will not exceed \$1,000 per student. A corresponding special provision provides additional program requirements.	Req \$	5,000,000 \$	- \$	10,000,000 \$	-
	Rec \$	5,000,000 \$	- \$	10,000,000 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
9 NC Job Ready - Finish Line Grants - Community Colleges					
Funds a program to assist resident students with degree completion by providing up to \$1,000 per person for financial emergencies that threaten the student's ability to graduate. Eligible students must be within 30 credit hours of completing a two-year degree. Financial emergencies must arise through no fault of the student and may include inability to pay for course materials, housing, subsistence, medical needs, transportation, and dependent care. The grants are funded by receipts from the NC Job Ready Fund and allow for at least 5,000 students to remain in school and complete their degrees.	Req \$	5,000,000 \$	- \$	5,000,000 \$	-
	Rec \$	5,000,000 \$	- \$	5,000,000 \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
10 Enrollment Adjustment					
Adjusts funds for the biennium based on the decline in community college enrollment. The Community College System total enrollment declined by 3,299 Full Time Equivalent students (1.4%) from the budgeted amount in the FY 2018-19 certified budget for a savings of \$3.3 million. This savings is offset by \$2.4 million in costs associated with system utilization of the Residency Determination Service to comply with a statutory requirement for a centralized residency determination process. These costs are calculated as part of the enrollment adjustment formula and are presented as a discrete component of the enrollment adjustment request.	Req \$	(12,896,306) \$	- \$	(12,896,306) \$	-
	Rec \$	(11,983,422) \$	- \$	(11,983,422) \$	-
	App \$	(912,884) \$	- \$	(912,884) \$	-
	FTE	0.000	0.000	0.000	0.000
11 Short-Term Workforce Training Parity					
Increases funding for short-term continuing education and workforce development courses leading to industry credentials. This additional funding will allow for full funding parity between short-term workforce training and curriculum programs by equalizing the formula for FTE calculations across both types of course offerings.	Req \$	11,249,306 \$	- \$	11,249,306 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	11,249,306 \$	- \$	11,249,306 \$	-
	FTE	0.000	0.000	0.000	0.000
12 Multi-Campus Centers					
Provides funds to operate four Multi-Campus Centers for Forsyth Technical Community College, Wake Technical Community College, Richmond Community College, and Guilford Technical Community College. Each will receive a \$566,587 allocation. Multi-Campus Centers provide increased course offerings in a broader geographic area, increasing access to training and educational opportunities. The revised net appropriation for Multi-Campus Centers is \$24.9 million.	Req \$	2,266,348 \$	- \$	2,266,348 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	2,266,348 \$	- \$	2,266,348 \$	-
	FTE	0.000	0.000	0.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
13 NC Works Career Coaches					
Provides additional funds for the NC Works Career Coaches program, which places career coaches employed by local community colleges with partnering high schools. A corresponding special provision waives the local match requirement for schools located in economically distressed counties. This increase will fund an additional 15 to 25 new coaches across the state. The revised net appropriation for NC Works Career Coaches is \$5.0 million.	Req	\$ 2,210,000	\$ -	\$ 2,210,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,210,000	\$ -	\$ 2,210,000	\$ -
	FTE	0.000	0.000	0.000	0.000
14 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 118,207	\$ -	\$ 236,414	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000
15 Information Technology Reserve - Workforce Development-Focused IT					
Provides \$15 million from the Information Technology Reserve to implement Enterprise Resource Planning solutions serving all 58 community colleges, including online registration for workforce development courses.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 48,900,426	\$ 6,761,105	\$ 124,254,681	\$ -
Total Change to Receipts		\$ (1,983,422)	\$ -	\$ 33,016,578	\$ -
Total Change to Net Appropriation		\$ 50,883,848	\$ 6,761,105	\$ 91,238,103	\$ -
Total Change to Full-Time Equivalent (FTE)		2.000	0.000	2.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$ 57,644,953	\$ -	\$ 91,238,103	\$ -
Recommended Total FTE Changes		2.000	0.000	2.000	0.000

NC Community Colleges System (26802)

Year 1	Recommended						% Δ from Base	
FY 2019-20	Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	Budget	
Requirements	\$ 7,769,563	\$	- \$	- \$	- \$	7,769,563		0.0%
Receipts	\$ 7,769,563	\$	- \$	- \$	- \$	7,769,563		0.0%
Δ in Fund Balance	\$ -	\$	- \$	- \$	- \$	-		0.0%
Positions (FTE)	0.000		0.000	0.000	0.000	0.000		0.0%

Year 2	Recommended						% Δ from Base	
FY 2020-21	Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	Budget	
Requirements	\$ 7,769,563	\$	- \$	- \$	- \$	7,769,563		0.0%
Receipts	\$ 7,769,563	\$	- \$	- \$	- \$	7,769,563		0.0%
Δ in Fund Balance	\$ -	\$	- \$	- \$	- \$	-		0.0%
Positions (FTE)	0.000		0.000	0.000	0.000	0.000		0.0%

Mission

To discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission is accomplished through instruction, which communicates knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship, and creative activities, which advance knowledge and enhance the educational process; and through public service, which contributes to the solution of societal problems and enriches the quality of life in the State.

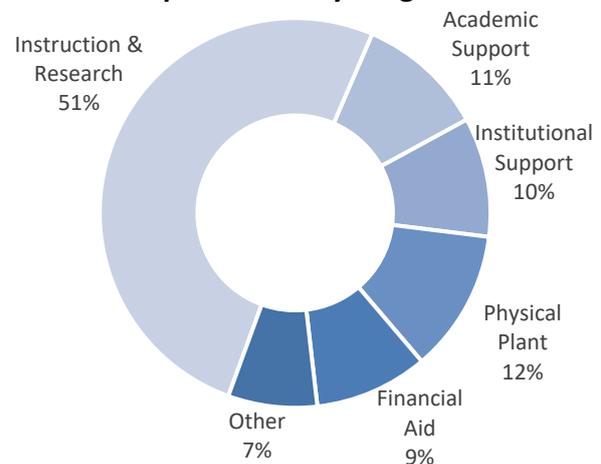
Goals

1. Increase access to higher education for students of all demographic backgrounds.
2. Improve timely degree completion for all and be the nation’s leader in degree completion by groups with disproportionate achievement gaps.
3. Work to ensure affordable, high-quality education through operational efficiency.
4. Maintain excellence in the delivery of a foundational liberal arts education while also focusing on health sciences, STEM, K-12 education, and other critical needs for the workforce.
5. Strive for continuous improvement in scholarship, research, and technology commercialization.
6. Increase investment of time and resources in strengthening North Carolina communities.

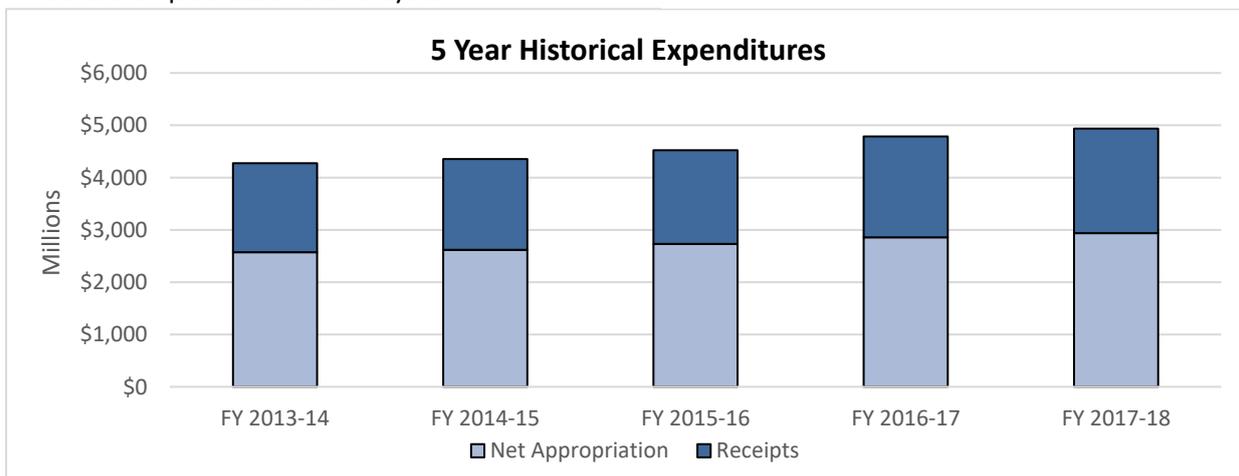
Agency Profile

- Serves 237,000 students enrolled on 16 university campuses across the state and at the NC School of Science and Mathematics, a residential high school for gifted students.
- Graduates more than 55,000 students from over 200 academic degree programs every year.
- In 2017, brought in more than \$1.5 billion in research grants for innovative research and scholarship across the UNC System.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



The University of North Carolina (160xx)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	5,044,001,935	\$	150,190,698	\$	(22,000,299)	\$	128,190,399	\$	5,172,192,334	2.5%
Receipts	\$	1,951,505,950	\$	40,398,254	\$	-	\$	40,398,254	\$	1,991,904,204	2.1%
Net Appropriation	\$	3,092,495,985	\$	109,792,444	\$	(22,000,299)	\$	87,792,145	\$	3,180,288,130	2.8%
Positions (FTE)		36206.345		2.000		0.000		2.000		36208.345	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	5,054,039,157	\$	270,715,953	\$	2,500,000	\$	273,215,953	\$	5,327,255,110	5.4%
Receipts	\$	1,951,505,950	\$	40,398,254	\$	-	\$	40,398,254	\$	1,991,904,204	2.1%
Net Appropriation	\$	3,102,533,207	\$	230,317,699	\$	2,500,000	\$	232,817,699	\$	3,335,350,906	7.5%
Positions (FTE)		36206.345		2.000		0.000		2.000		36208.345	0.0%

	FY 2019-20				FY 2020-21				
	R Changes	NR Changes	R Changes	NR Changes	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees									
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees and increases for state agency teachers paid in accordance with the statewide teachers salary schedule in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req	\$	49,642,880	\$	-	\$	100,065,508	\$	-
	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	49,642,880	\$	-	\$	100,065,508	\$	-
	FTE		0.000		0.000		0.000		0.000
2 Compensation Reserve - Public Safety Employees									
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req	\$	310,149	\$	-	\$	310,149	\$	-
	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	310,149	\$	-	\$	310,149	\$	-
	FTE		0.000		0.000		0.000		0.000
3 TSERS Retirement Contribution									
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req	\$	15,528,883	\$	8,799,701	\$	35,975,247	\$	-
	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	15,528,883	\$	8,799,701	\$	35,975,247	\$	-
	FTE		0.000		0.000		0.000		0.000
4 ORP Retirement Contribution									
Increases the State's contribution for members of the Optional Retirement Program (ORP) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2019-2021 fiscal biennium. The revised net General Fund appropriation for ORP statewide is \$165.8 million in FY 2019-20 and \$168.9 million in FY 2020-21.	Req	\$	2,538,837	\$	-	\$	5,561,263	\$	-
	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	2,538,837	\$	-	\$	5,561,263	\$	-
	FTE		0.000		0.000		0.000		0.000
5 State Health Plan Contribution									
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req	\$	8,381,488	\$	-	\$	17,070,868	\$	-
	Rec	\$	-	\$	-	\$	-	\$	-
	App	\$	8,381,488	\$	-	\$	17,070,868	\$	-
	FTE		0.000		0.000		0.000		0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 NC Job Ready - Finish Line Grants - UNC System and Independent Colleges					
Funds a program to assist resident students at UNC System institutions and NC Independent Colleges and Universities (NCICU) member institutions with degree completion by providing up to \$1,000 per person for financial emergencies that threaten the student's ability to graduate. Eligible students must be within 30 credit hours of completing a degree and have a minimum GPA of 2.0. Financial emergencies must arise through no fault of the student and may include inability to pay for course materials, housing, medical needs, subsistence, transportation, and dependent care. Receipts from the NC Job Ready Fund will provide \$7 million for UNC and \$3 million for NCICU institutions and will allow for at least 10,000 students to remain in school and complete their degree.	Req	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
	Rec	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
7 Enrollment Growth Reserve					
Provides funds for enrollment increases in the University of North Carolina (UNC) system. UNC is transitioning from enrollment funding based on projections to a methodology based on actual enrollments in the prior year. During this transition in FY 2019-20, there will be no change in enrollment adjustment funding requirements. \$33.6 million is placed in a reserve for enrollment adjustment funding in FY 2020-21 to be distributed based on actual enrollment experienced in FY 2019-20. This funding will be adjusted through the FY 2020-21 short session budget adjustments and will be revised to reflect requirements associated with actual enrollment changes.	Req	\$ -	\$ -	\$ 33,600,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ 33,600,000	\$ -
	FTE	0.000	0.000	0.000	0.000
8 Summer Enrollment Funding					
Provides funding to support summer term enrollment in the UNC system. Funding will be utilized to reduce the cost of tuition in summer courses in order to increase facility utilization, student persistence and degree completion rates, and reduce time-to-degree.	Req	\$ 55,398,254	\$ -	\$ 55,398,254	\$ -
	Rec	\$ 30,398,254	\$ -	\$ 30,398,254	\$ -
	App	\$ 25,000,000	\$ -	\$ 25,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
9 NC Promise Tuition Plan					
Increases funding to support enrollment through the NC Promise Tuition Plan, which sets tuition at \$500 per semester for North Carolina residents and \$2,500 per semester for non-residents at Elizabeth City State University, UNC-Pembroke, and Western Carolina University.	Req	\$ 7,000,000	\$ -	\$ 14,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 7,000,000	\$ -	\$ 14,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
10 Faculty Recruitment and Retention Fund					
Increases funding for the Faculty Recruitment and Retention Fund to aid in attracting and retaining nationally recognized university faculty. The unallocated reserve balance is now less than \$850,000.	Req	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Building Operating Reserves					
Provides operating funds for buildings coming online in the 2019-21 biennium.	Req	\$ 4,000,000	\$ -	\$ 10,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 4,000,000	\$ -	\$ 10,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
12 Data Modernization					
Increases funding for data modernization and analytics initiatives across the UNC System. Funds will support personnel and other costs associated with data integration in the areas of finance, human resources, student advising, and accounts.	Req	\$ 500,000	\$ -	\$ 500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
13 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 118,207	\$ -	\$ 236,414	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000
14 Summer Scholarships for Student Success					
Provides funding for summer session scholarships for students in the UNC and NC Community College systems to reduce student time-to-degree and increase completion rates. \$3.5 million will support scholarships in the UNC System, and \$1.5 million will support scholarships in the Community College System. The governing boards of each system will establish criteria for the allocation of funds and distribution of awards.	Req	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
15 Stronger Transfer Pathways with NCCCS					
Provides funding to strengthen transfer pathways from community colleges to UNC institutions. \$2.6 million will provide \$1,000 scholarships for up to 2,600 students who complete an associate degree at a North Carolina community college and transfer to a UNC institution. Additional funding will support facilitating credit transfers for active-duty military and veteran students and providing access to educational resources.	Req \$	3,000,000	\$ 200,000	\$ 3,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	3,000,000	\$ 200,000	\$ 3,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
16 Graduate Medical Education Expansion					
Increases funding for the implementation of residency programs at Vidant Duplin Hospital, Halifax Regional Medical Center, Carolina East, and Vidant Ahsoskie Hospital to help expand medical services and increase the number of health-care providers in rural and under-served areas.	Req \$	1,447,000	\$ -	\$ 2,592,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,447,000	\$ -	\$ 2,592,000	\$ -
	FTE	0.000	0.000	0.000	0.000
17 NC A&T Doctoral Programs					
Increases funding to support established doctoral programs at NC Agricultural and Technical State University. These funds will support faculty and graduate student services for the doctoral programs, including computer science, engineering fields, energy and environmental systems, education, and rehabilitation counseling.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
18 NCSU Innovation in Manufacturing Biopharmaceuticals					
Provides additional funding for North Carolina State University's (NCSU) participation in a collaborative effort to accelerate innovative manufacturing processes for biopharmaceutical products. Funds will support the Biomanufacturing Training and Education Center at NCSU and serve as matching funds for a federal grant from the National Institute of Standards and Technology.	Req \$	-	\$ 2,000,000	\$ -	\$ 2,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 2,000,000	\$ -	\$ 2,000,000
	FTE	0.000	0.000	0.000	0.000
19 North Carolina School of Science and Math - Morganton					
Funds operational needs at the NC School of Science and Math Western Campus in Morganton in anticipation of the school opening to students Fall Semester 2021. Funding will support personnel, supplies, and equipment.	Req \$	-	\$ -	\$ 1,000,000	\$ 500,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 1,000,000	\$ 500,000
	FTE	0.000	0.000	0.000	0.000
20 UNC-Pembroke College of Health Sciences Nursing Expansion					
Provides funding to expand the nursing program in the College of Health Sciences at UNC-Pembroke. Funds will support faculty and student support positions to expand the program by up to 50 additional students per year.	Req \$	500,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	500,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
21 Targeted Funding for Small-Scale and Special Purpose Institutions					
Provides additional support to institutions with small enrollments or special missions: \$1 million each to Fayetteville State University, North Carolina Central University, and Winston Salem State University; \$500,000 each to NC School of Science and Mathematics, UNC-Asheville, and UNC School of the Arts.	Req \$	4,500,000	\$ -	\$ 4,500,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,500,000	\$ -	\$ 4,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
22 NC Teaching Fellows					
Increases funding for the NC Teaching Fellows program, a competitive forgivable loan program for students committed to teaching in North Carolina public schools. A corresponding special provision extends eligibility for the program to all institutions with an approved educator preparation program and to students preparing for any licensure area. The total funding for Teaching Fellows will be \$10 million in FY 2020-21.	Req \$	-	\$ -	\$ 4,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ 4,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
23 Opportunity Scholarship Program					
Reduces funding to reflect a gradual elimination of the program and associated changes to the statutory appropriations to the reserve in a corresponding special provision. Recipients of scholarships in FY 2018-19 will remain eligible to receive continued awards. No scholarships will be awarded to new applicants beginning in FY 2019-20.	Req \$	(28,675,000)	\$ (33,000,000)	\$ (44,093,750)	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	(28,675,000)	\$ (33,000,000)	\$ (44,093,750)	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
24 NC Need-Based Scholarships				
Increases scholarship funds for residents attending NC Independent Colleges and Universities member institutions. A special provision expands eligibility to certain military members and their dependents. Provides scholarships to at least 1,300 additional students based on current average award amounts. The revised net appropriation is \$93.9M.	Req \$ 5,000,000	\$ -	\$ 5,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 5,000,000	\$ -	\$ 5,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 150,190,698	\$ (22,000,299)	\$ 270,715,953	\$ 2,500,000
Total Change to Receipts	\$ 40,398,254	\$ -	\$ 40,398,254	\$ -
Total Change to Net Appropriation	\$ 109,792,444	\$ (22,000,299)	\$ 230,317,699	\$ 2,500,000
Total Change to Full-Time Equivalent (FTE)	2.000	0.000	2.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	87,792,145	\$	232,817,699
Recommended Total FTE Changes		2.000		2.000



GENERAL GOVERNMENT AND INFORMATION TECHNOLOGY

INVESTMENTS *for a*
Determined North Carolina

Connecting North Carolina

Invests \$35 million to promote broadband Internet service in areas without service or where service is below minimum speeds. Includes \$30 million to expand grants to private providers who offer broadband service in unserved or underserved communities. Also provides \$5 million for a new Homework Gap initiative offering competitive grants to school districts to provide high-speed Internet to students who lack such service through laptop and tablet purchases, and mobile hotspots and service.

Investing in Affordable Housing

Increases funding for the Housing Trust Fund to \$10 million. The Fund is the state's most flexible source of funding for affordable housing and permits more direct targeting of vulnerable groups, including homeless individuals and people with disabilities. Also appropriates \$7.2 million to increase access to permanent, community-based, integrated housing for individuals with disabilities.

Supporting Veterans and Military Families

Provides \$2.4 million in new funding to the Department of Military and Veterans Affairs (DMVA) for scholarships for veterans' children. Also earmarks funding in the Department of Information Technology (DIT)'s budget to automate DMVA's review of documents and applications, upgrade DMVA's case management system, and expand DIT's Veteran Cyber Apprenticeship Program.

Upgrading Technology and Enhancing Cybersecurity

Allocates \$75 million to a new technology reserve fund to upgrade core business systems, including a new statewide financial management system. Also appropriates funding to promote cybersecurity through a statewide detection and incident response system and stronger e-mail filtering capabilities.

Making Government More Effective, Efficient, and Responsive

Provides \$1 million for grants to state agencies for rigorous, independent evaluations of program effectiveness and results. Correspondingly provides funds for General Government agencies to hire analysts with advanced quantitative and research skills to help agencies evaluate data and evidence which will improve services and lead to more efficient use of tax dollars. Also provides funding to the Department of Administration to enhance contract monitoring and accountability and to create a special capital projects team to manage large, critical projects. The Statewide Reserves section contains additional items related to common sense government initiatives.

General Assembly Office of the Governor Office of State Budget and Management
North Carolina Housing Finance Authority Office of the Lieutenant Governor Department of Secretary of State
Office of the State Auditor Department of State Treasurer Department of Insurance Department of Administration
Office of the State Controller Department of Revenue Industrial Commission
Department of Information Technology State Board of Elections Office of Administrative Hearings
Department of Military and Veterans Affairs

Mission

Enact general and local laws promoting the best interest of the state and the people of North Carolina.

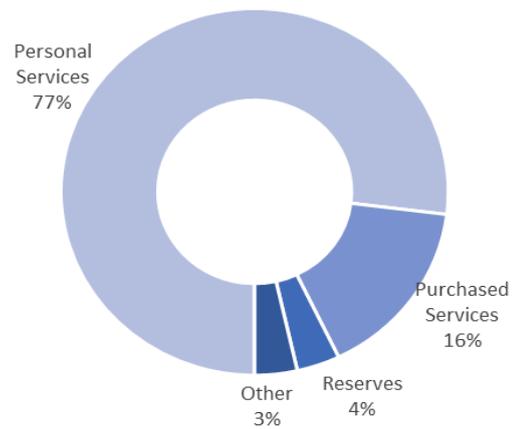
Goals

- Ensure that each Member of the North Carolina General Assembly has the opportunity to fulfill his/her legislative duties and responsibilities as defined by the North Carolina Constitution and General Statutes.

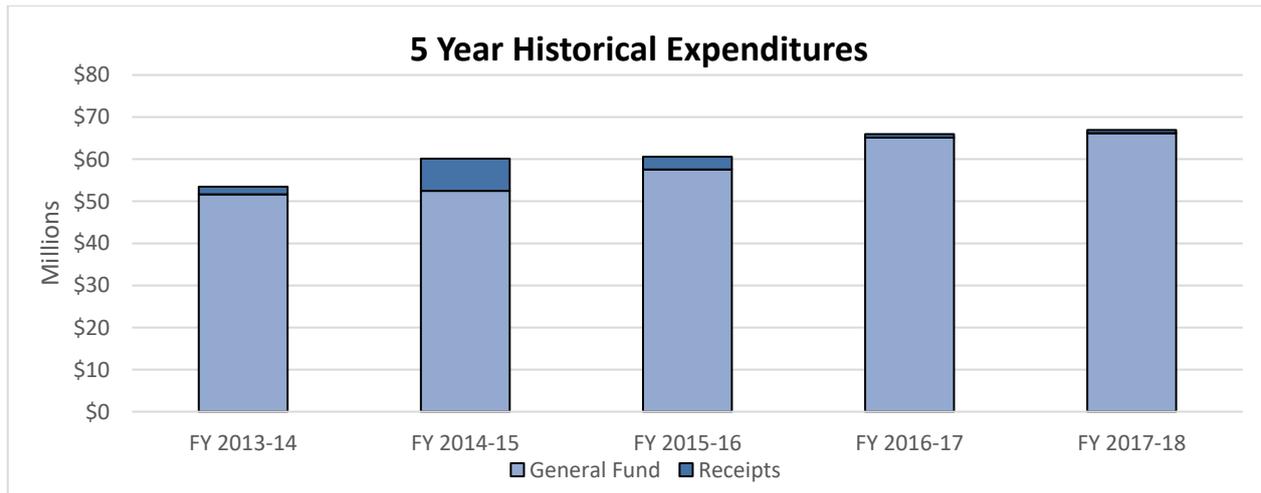
Agency Profile

- The Senate consists of 50 members who serve a term of two years.
- The House of Representatives consists of 120 members who serve a term of two years.
- The General Assembly meets in regular session beginning in January of each odd-numbered year and adjourns to reconvene the following even-numbered year for a shorter session.
- The House of Representatives is presided over by a Speaker, elected from its membership. The presiding officer of the Senate (called the President of the Senate) is the Lieutenant Governor of the State.
- At the beginning of each session, the President Pro Tempore of the Senate and the Speaker of the House of Representatives appoint members to serve on the standing committees of each body.

FY 2018-19 Authorized Expenditures by Account



5 Year Historical Expenditures



FY 2013-14 FY 2014-15 FY 2015-16 FY 2016-17 FY 2016-17

Charts include General Fund budget code only

General Assembly (11000)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 70,475,420	\$ 2,194,955	\$ 1,824,038	\$ 4,018,993	\$ 74,494,413	5.7%
Receipts	\$ 861,000	\$ -	\$ -	\$ -	\$ 861,000	0.0%
Net Appropriation	\$ 69,614,420	\$ 2,194,955	\$ 1,824,038	\$ 4,018,993	\$ 73,633,413	5.8%
Positions (FTE)	494.950	0.000	0.000	0.000	494.950	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 70,475,420	\$ 4,107,009	\$ -	\$ 4,107,009	\$ 74,582,429	5.8%
Receipts	\$ 861,000	\$ -	\$ -	\$ -	\$ 861,000	0.0%
Net Appropriation	\$ 69,614,420	\$ 4,107,009	\$ -	\$ 4,107,009	\$ 73,721,429	5.9%
Positions (FTE)	494.950	0.000	0.000	0.000	494.950	0.0%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	865,658	\$ -	\$ 1,746,438	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	865,658	\$ -	\$ 1,746,438	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	483,658	\$ 274,073	\$ 1,120,475	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	483,658	\$ 274,073	\$ 1,120,475	\$ -
	FTE	0.000	0.000	0.000	0.000
3 Compensation Reserve - Public Safety Employees					
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	14,432	\$ -	\$ 14,432	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	14,432	\$ -	\$ 14,432	\$ -
	FTE	0.000	0.000	0.000	0.000
4 Legislative Retirement System Contribution					
Increases the state's contribution for members of the Legislative Retirement System (LRS) supported by the General Fund for the 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on this adjustment. The revised net General Fund appropriation for LRS is nearly \$1.2 million in FY 2019-20 and \$1.3 million in FY 2020-21.	Req \$	107,534	\$ 49,965	\$ 270,102	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	107,534	\$ 49,965	\$ 270,102	\$ -
	FTE	0.000	0.000	0.000	0.000
5 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	223,673	\$ -	\$ 455,562	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	223,673	\$ -	\$ 455,562	\$ -
	FTE	0.000	0.000	0.000	0.000
Organization Wide					
6 IT Infrastructure					
Funds the acquisition, replacement, and upgrade of the General Assembly's IT infrastructure.	Req \$	-	\$ 1,500,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 1,500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
7 Dues and Other Operational Needs					
Funds increased operational costs for the General Assembly including Southern	Req \$	500,000	\$ -	\$ 500,000	\$ -
Legislative Conference dues, Education Commission of the States annual dues, travel,	Rec \$	-	\$ -	\$ -	\$ -
session laws and house journals, contractual services, and other related costs.	App \$	500,000	\$ -	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	2,194,955	\$ 1,824,038	\$ 4,107,009	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	2,194,955	\$ 1,824,038	\$ 4,107,009	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 4,018,993	\$ 4,107,009	
Recommended Total FTE Changes			0.000	0.000	

Mission

To provide a North Carolina where everyone can be better educated, healthier, and have more money in their pockets so they can live more abundant, purposeful lives.

Goals

1. Represent and advocate for the people of North Carolina.
2. Coordinate cabinet and other agencies to accomplish the governor’s goals.
3. Work collaboratively with local and federal partners for the benefit of North Carolina.
4. Provide strong economic development recruitment.
5. Appoint qualified individual to Boards and Commissions that serve North Carolina.

Agency Profile

- The Governor directs the executive branch of the government and is the commander in chief of the military forces of the state.
- The Governor heads the North Carolina Council of State.
- The Governor prepares and recommends to the General Assembly a comprehensive budget and administers the budget enacted by the General Assembly.
- The Governor appoints cabinet secretaries who administer core state government services.
- The Governor was the last state chief executive to receive veto power. The office did not have this power until 1996.

FY 2018-19 Authorized Expenditures by Program

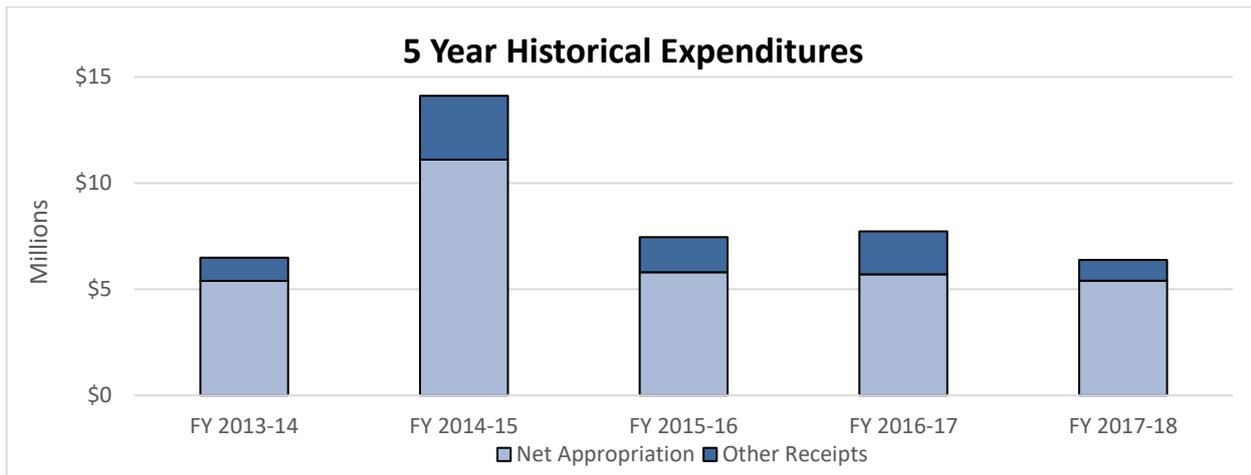
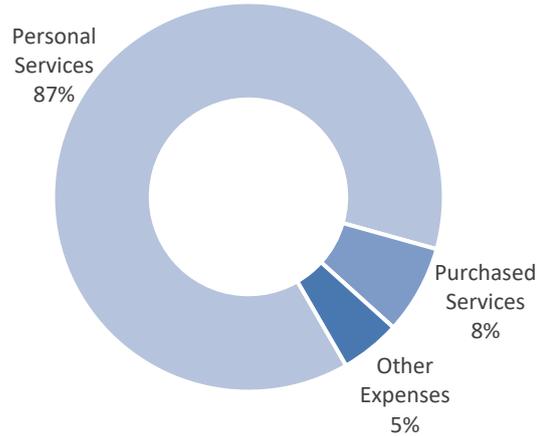


Chart includes 13000 budget code

Office of the Governor (13000)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	6,037,114	\$	1,039,838	\$	21,961	\$	1,061,799	\$	7,098,913	17.6%
Receipts	\$	898,760	\$	-	\$	-	\$	-	\$	898,760	0.0%
Net Appropriation	\$	5,138,354	\$	1,039,838	\$	21,961	\$	1,061,799	\$	6,200,153	20.7%
Positions (FTE)		52.200		0.000		0.000		0.000		52.200	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	6,037,114	\$	1,167,116	\$	-	\$	1,167,116	\$	7,204,230	19.3%
Receipts	\$	898,760	\$	-	\$	-	\$	-	\$	898,760	0.0%
Net Appropriation	\$	5,138,354	\$	1,167,116	\$	-	\$	1,167,116	\$	6,305,470	22.7%
Positions (FTE)		52.200		0.000		0.000		0.000		52.200	0.0%

	FY 2019-20		FY 2020-21					
	R Changes	NR Changes	R Changes	NR Changes				
Compensation and Benefits Reserve								
1 Cost of Living Adjustment Reserve - State Employees								
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	63,648	\$	-	\$	128,407	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	63,648	\$	-	\$	128,407	\$	-
	FTE	0.000		0.000		0.000		0.000
2 TSERS Retirement Contribution								
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	38,756	\$	21,961	\$	89,784	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	38,756	\$	21,961	\$	89,784	\$	-
	FTE	0.000		0.000		0.000		0.000
3 State Health Plan Contribution								
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	11,084	\$	-	\$	22,575	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	11,084	\$	-	\$	22,575	\$	-
	FTE	0.000		0.000		0.000		0.000
Organization Wide								
4 Restore 2017-18 Cuts								
Provides funds to enable the NC Governor's Office to provide necessary services and support and brings the Office's budget in line with neighboring states. North Carolina's Governor's Office is 18.3% below average in the region based on per capita and 12.3% below average in the region per square mile.	Req \$	926,350	\$	-	\$	926,350	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	926,350	\$	-	\$	926,350	\$	-
	FTE	0.000		0.000		0.000		0.000
Total Change to Requirements	\$	1,039,838	\$	21,961	\$	1,167,116	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	1,039,838	\$	21,961	\$	1,167,116	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	1,061,799	\$		\$	1,167,116
Recommended Total FTE Changes				0.000				0.000

Mission

To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.

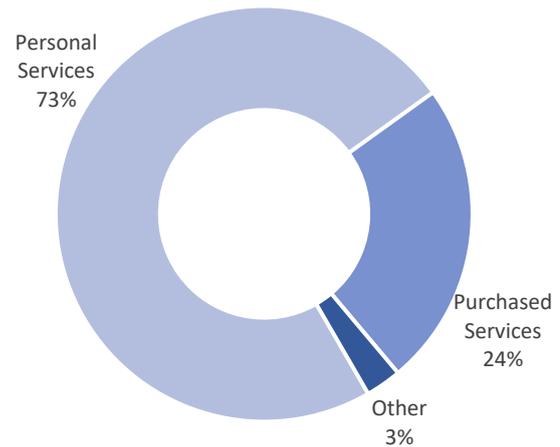
Goals

1. Provide objective, high-quality, and timely analysis to decision-makers.
2. Attract, develop, and retain a diverse and highly-skilled workforce committed to continuous improvement.
3. Work collaboratively with partners to encourage innovative thinking and ensure responsible management of state resources.
4. Leverage data and technology to operate more effectively and efficiently.

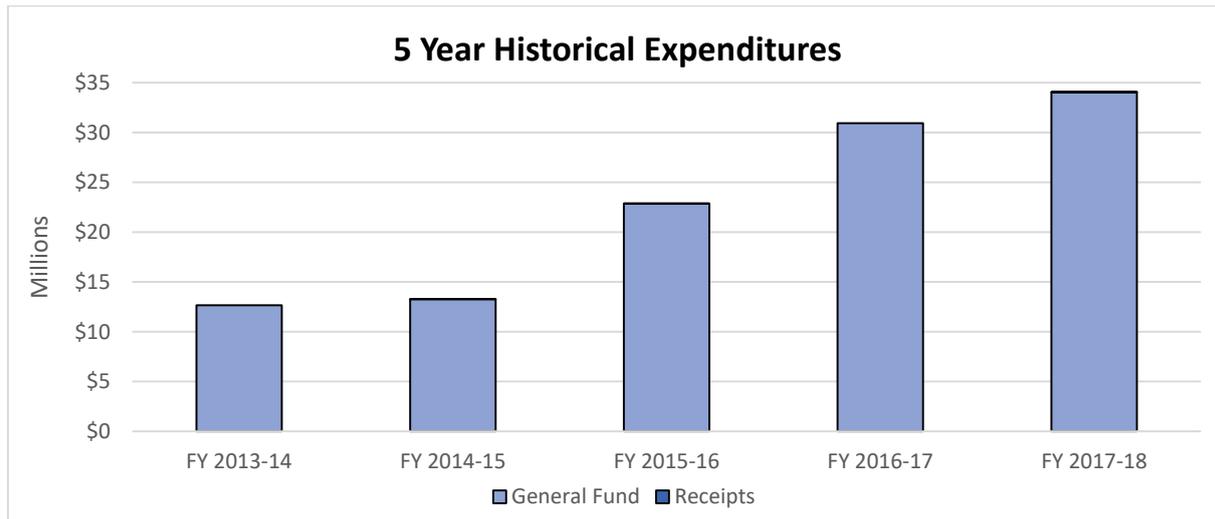
Agency Profile

- Delivers the highest quality statewide budgetary, management and information services to advise the Governor, state agencies, and legislature on the most effective use of public resources.
- Facilitates strategic plan trainings for state agencies based on best practices.
- Continues to discover ways to better partner with state agencies and to add value in the interconnected arenas of strategic planning, performance management, and budget development.
- Currently sponsoring a process improvement pilot known as “Systems Analysis,” which aims to help agencies identify areas of improvement and to provide recommendations for tested, best practice solutions.

FY 2018-19 Authorized Expenditures by Account



5 Year Historical Expenditures



Charts include General Fund budget codes only (13005, 13085)

Office of State Budget and Management (13005)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 8,290,273	\$ 379,670	\$ 31,414	\$ 411,084	\$ 8,701,357	5.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 8,290,273	\$ 379,670	\$ 31,414	\$ 411,084	\$ 8,701,357	5.0%
Positions (FTE)	54.000	3.000	0.000	3.000	57.000	5.6%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 8,290,273	\$ 677,219	\$ -	\$ 677,219	\$ 8,967,492	8.2%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 8,290,273	\$ 677,219	\$ -	\$ 677,219	\$ 8,967,492	8.2%
Positions (FTE)	54.000	3.000	0.000	3.000	57.000	5.6%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	91,043	\$ -	\$ 183,677	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	91,043	\$ -	\$ 183,677	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	55,437	\$ 31,414	\$ 128,429	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	55,437	\$ 31,414	\$ 128,429	\$ -
	FTE	0.000	0.000	0.000	0.000
3 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	13,230	\$ -	\$ 26,946	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	13,230	\$ -	\$ 26,946	\$ -
	FTE	0.000	0.000	0.000	0.000
Organization Wide					
4 Demographic and Economic Analysis Section Position					
Funds an additional analyst to support a significant increase in workload to review agency fiscal notes (impact analysis of proposed agency regulations). Fiscal note reviews have doubled from an average of 27 prior to FY2011-12 to 55 afterwards. Currently, OSBM has only one analyst for this task, who consistently works overtime to address the workload. The workload has also hampered the office's ability to extend the use of the analyst's benefit-cost analysis skills for work that aligns with OSBM's strategic goal of bolstering the use of evidence-based analysis in policy decisions.	Req \$	101,753	\$ -	\$ 101,753	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	101,753	\$ -	\$ 101,753	\$ -
	FTE	1.000	0.000	1.000	0.000
5 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. OSBM will coordinate regular meetings and trainings with agency-based advanced analytics staff to facilitate continuous development of skills and capacity and to share best practices.	Req \$	118,207	\$ -	\$ 236,414	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Total Change to Requirements	\$ 379,670	\$ 31,414	\$ 677,219	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 379,670	\$ 31,414	\$ 677,219	\$ -
Total Change to Full-Time Equivalent (FTE)	3.000	0.000	3.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	411,084	\$	677,219
Recommended Total FTE Changes		3.000		3.000

OSBM-Special Projects (13085)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 2,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 3,000,000	50.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 2,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 3,000,000	50.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 2,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 3,000,000	50.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 2,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 3,000,000	50.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Evidence-Based Evaluation Grants				
Provides grant support to state agencies interested in funding rigorous, well-designed evaluations to help build the evidence base needed to determine whether a program is working and achieving intended outcomes. Evaluations will be selected through a competitive process and will be required to have an independent, third party researcher and follow rigorous research standards.	Req \$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Recommended Total FTE Changes	0.000	0.000	0.000	0.000

Mission

The mission of the Housing Finance Agency (HFA) is to create affordable housing opportunities for North Carolinians whose needs are not met by the market.

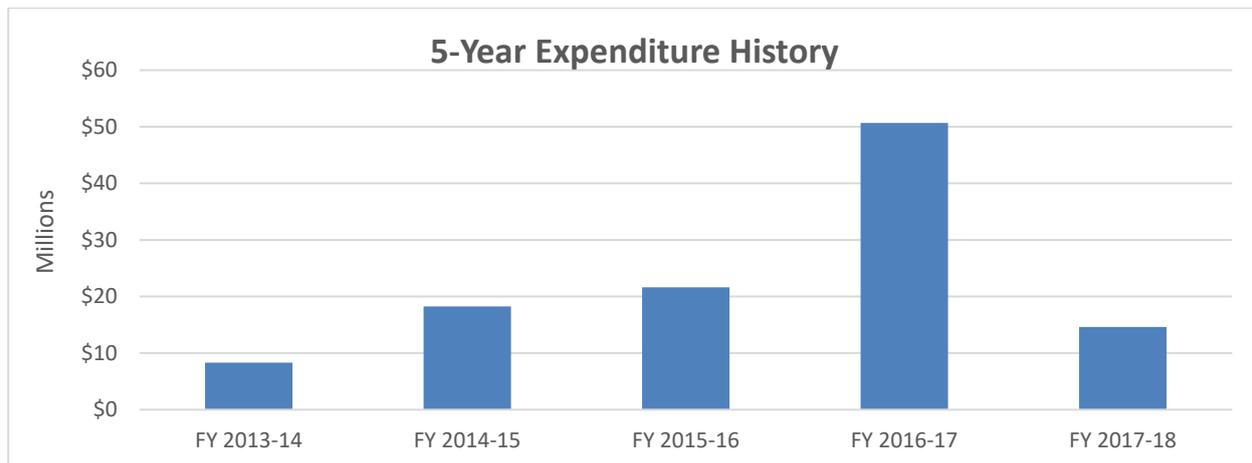
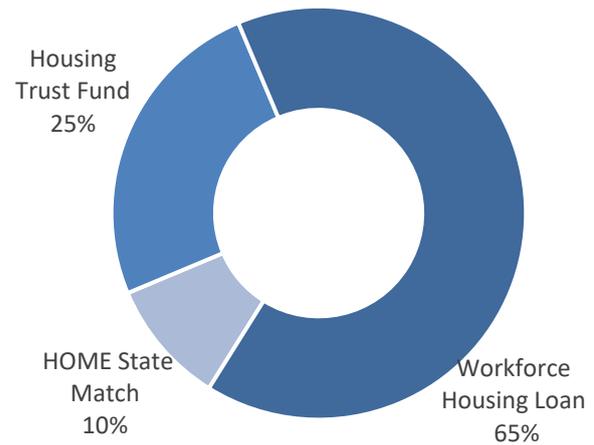
Goals

1. To meet the housing needs of North Carolinians by leveraging state and federal funds with private investment to finance the acquisition, preservation, development, and rehabilitation of affordable housing, and by administering rental assistance contracts.
2. To provide targeted investment across the state to strengthen communities, support job creation, and boost local economies.

Agency Profile

- Since its creation in 1973, HFA has financed 282,080 affordable homes and apartments valued at more than \$23.2 billion.
- HFA operates 40 housing programs addressing homelessness to homeownership, and partners with more than 450 organizations across the state.
- HFA finances these programs by combining funds from state appropriations, federal and state grants, private investments, and its own earnings.
- After Hurricane Florence struck in September 2018, HFA received \$10 million for an initial effort to develop affordable rental housing in the affected areas.
- HFA is overseen by a 13-member board with expertise in banking, mortgage servicing, home building, and real estate sales.

FY 2018-19 Authorized Budget by Program



Charts include General Fund budget code only.

NC Housing Finance Agency (13010)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 10,660,000	\$ 2,340,000	\$ 20,000,000	\$ 22,340,000	\$ 33,000,000	209.6%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ 2,340,000	\$ 20,000,000	\$ 22,340,000	\$ 33,000,000	209.6%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 10,660,000	\$ 2,340,000	\$ -	\$ 2,340,000	\$ 13,000,000	22.0%
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Net Appropriation	\$ 10,660,000	\$ 2,340,000	\$ -	\$ 2,340,000	\$ 13,000,000	22.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Housing Trust Fund Expansion				
Increases annual appropriation for the Housing Trust Fund to \$10 million. The Fund is the State's most flexible source of money for affordable housing and allows intensive targeting of vulnerable groups, including people who are homeless or have disabilities.	Req \$ 2,340,000	\$ -	\$ 2,340,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 2,340,000	\$ -	\$ 2,340,000	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Workforce Housing Loan Program				
Provides \$20 million in non-recurring funding level for the Workforce Housing Loan Program, which finances loans to construct or substantially rehabilitate affordable rental housing in combination with federal low-income housing tax credits.	Req \$ -	\$ 20,000,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 20,000,000	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 2,340,000	\$ 20,000,000	\$ 2,340,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 2,340,000	\$ 20,000,000	\$ 2,340,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	22,340,000	\$	2,340,000
Recommended Total FTE Changes		0.000		0.000

NC Housing Finance Agency - Partnership (63011)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 27,700,000	\$	-	\$	7,248,725	\$ 7,248,725	\$ 34,948,725	26.2%
Receipts	\$ 30,842,000	\$	-	\$	7,248,725	\$ 7,248,725	\$ 38,090,725	23.5%
Δ in Fund Balance	\$ 3,142,000	\$	-	\$	-	\$ -	\$ 3,142,000	0.0%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 27,700,000	\$	-	\$	-	\$ -	\$ 27,700,000	0.0%
Receipts	\$ 30,842,000	\$	-	\$	-	\$ -	\$ 30,842,000	0.0%
Δ in Fund Balance	\$ 3,142,000	\$	-	\$	-	\$ -	\$ 3,142,000	0.0%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Community Living Housing Fund				
Transfers the unexpended year-end balance in DHHS' Transitions to Community Living Fund to HFA's Community Living Housing Fund, as required by GS 122E-3.1. HFA uses the funds to provide permanent, community-based housing for people with disabilities.	Req \$ -	\$ 7,248,725	\$ -	\$ -
	Rec \$ -	\$ 7,248,725	\$ -	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 7,248,725	\$ -	\$ -
Total Change to Receipts	\$ -	\$ 7,248,725	\$ -	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Recommended Total FTE Changes		0.000		0.000

Mission

The department supports both active and reserve uniformed military and their families; military, installations and communities; and, military veterans and their families in North Carolina. The department seeks to provide timely and responsive engagement to enhance North Carolina’s current military and veteran friendly environment. The department also seeks to foster and promote business, technology, transportation, education, economic development, and healthcare for the above communities. The department works to accomplish these services by providing assistance and coordination between the Federal Government, the State, its political subdivisions, and collaborative and supporting agencies.

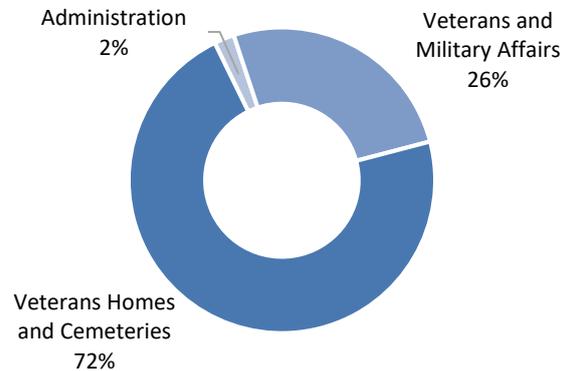
Goals

1. Ensure strong infrastructure currently and for the long term.
2. Optimize deliverables for veterans and military bases.
3. Connect veterans and their families to earned benefits, programs, and services, and support and maximize value of state military installations.
4. Raise the public’s knowledge of veteran’s issues and military ties to local communities.

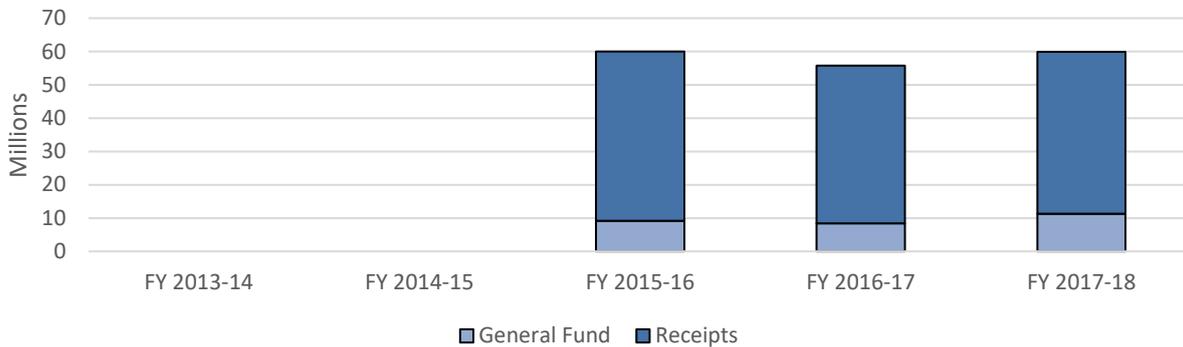
Agency Profile

- Department formed in 2015.
- Provides outreach and support to more than 720,000 veterans and their families in the state and approximately 120,000 active duty personnel.
- Maintains sixteen field offices to work with veterans across the state.
- Provides nursing home services at four veterans homes in the state.
- Maintains four cemeteries for veterans in the state.
- Operates a scholarship program for children of wartime veterans.

FY 2018-19 Authorized Expenditure



5 Year Historical Expenditures



Department of Military and Veterans Affairs (13050)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 62,353,064	\$ 3,600,003	\$ 945,948	\$ 4,545,951	\$ 66,899,015	7.3%
Receipts	\$ 53,160,945	\$ 1,656,679	\$ -	\$ 1,656,679	\$ 54,817,624	3.1%
Net Appropriation	\$ 9,192,119	\$ 1,943,324	\$ 945,948	\$ 2,889,272	\$ 12,081,391	31.4%
Positions (FTE)	104.900	1.000	0.000	1.000	105.900	1.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 62,353,064	\$ 3,816,550	\$ -	\$ 3,816,550	\$ 66,169,614	6.1%
Receipts	\$ 53,160,945	\$ 1,656,679	\$ -	\$ 1,656,679	\$ 54,817,624	3.1%
Net Appropriation	\$ 9,192,119	\$ 2,159,871	\$ -	\$ 2,159,871	\$ 11,351,990	23.5%
Positions (FTE)	104.900	1.000	0.000	1.000	105.900	1.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Compensation and Benefits Reserve				
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 75,202	\$ -	\$ 151,717	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 75,202	\$ -	\$ 151,717	\$ -
	FTE 0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 45,791	\$ 25,948	\$ 106,082	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 45,791	\$ 25,948	\$ 106,082	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 19,906	\$ -	\$ 40,544	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 19,906	\$ -	\$ 40,544	\$ -
	FTE 0.000	0.000	0.000	0.000
Department Wide				
4 Children of War Veterans Scholarships				
Provides funds to increase the Children of War Veterans Scholarship program on a recurring basis. The program received a one time increase in FY 2018-19. The program has been on the same recurring funding since FY 2011-12 while college costs have increased.	Req \$ 2,400,000	\$ -	\$ 2,400,000	\$ -
	Rec \$ 2,400,000	\$ -	\$ 2,400,000	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
5 Veterans Cemeteries				
Transfers personnel costs to General Fund support enabling receipts to support required grounds and maintenance service at the four State Veterans Cemeteries.	Req \$ -	\$ -	\$ -	\$ -
	Rec \$ (743,321)	\$ -	\$ (743,321)	\$ -
	App \$ 743,321	\$ -	\$ 743,321	\$ -
	FTE 0.000	0.000	0.000	0.000
6 Military Base Realignment and Closure (BRAC)				
Appropriates \$1 million to support the Military Affairs Commission to support efforts advocating for military communities in North Carolina throughout the state and federal government.	Req \$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21					
	R Changes	NR Changes	R Changes	NR Changes				
7 Enhance Data Analysis Capacity								
Provides funds to the Department to connect to the Government Data Analytics Center. This connection will allow the Department to better analyze data to assist veterans and their families.	Req \$	- \$	920,000 \$	- \$	-			
	Rec \$	- \$	- \$	- \$	-			
	App \$	- \$	920,000 \$	- \$	-			
	FTE	0.000	0.000	0.000	0.000			
8 Advanced Analytics and Data Interpretation								
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104 \$	- \$	118,207 \$	-			
	Rec \$	- \$	- \$	- \$	-			
	App \$	59,104 \$	- \$	118,207 \$	-			
	FTE	1.000	0.000	1.000	0.000			
Total Change to Requirements	\$	3,600,003	\$	945,948	\$	3,816,550	\$	-
Total Change to Receipts	\$	1,656,679	\$	-	\$	1,656,679	\$	-
Total Change to Net Appropriation	\$	1,943,324	\$	945,948	\$	2,159,871	\$	-
Total Change to Full-Time Equivalent (FTE)		1.000		0.000		1.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	2,889,272	\$		\$	2,159,871
Recommended Total FTE Changes				1.000				1.000

Military and Veterans Affairs - Special (23050)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 743,321	\$	(743,321)	\$	-	\$ (743,321)	\$ -	-100.0%
Receipts	\$ 743,321	\$	(743,321)	\$	-	\$ (743,321)	\$ -	-100.0%
Δ in Fund Balance	\$ -	\$	-	\$	-	\$ -	\$ -	0.0%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 743,321	\$	(743,321)	\$	-	\$ (743,321)	\$ -	-100.0%
Receipts	\$ 743,321	\$	(743,321)	\$	-	\$ (743,321)	\$ -	-100.0%
Δ in Fund Balance	\$ -	\$	-	\$	-	\$ -	\$ -	0.0%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Veterans Cemeteries				
Transfers personnel costs to General Fund support enabling receipts to support required grounds and maintenance service at the four State Veterans Cemeteries.	Req \$ (743,321)	\$ -	\$ (743,321)	\$ -
	Rec \$ (743,321)	\$ -	\$ (743,321)	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ (743,321)	\$ -	\$ (743,321)	\$ -
Total Change to Receipts	\$ (743,321)	\$ -	\$ (743,321)	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -		\$ -	
Recommended Total FTE Changes	0.000		0.000	

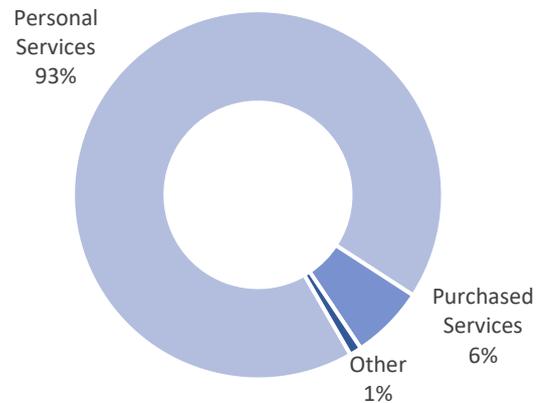
Mission

Developing a North Carolina that connects young and old, rural and urban, and the present to the future with a limited government focused on removing barriers to individual freedom, empowering citizens, educating students, and encouraging personal responsibility.

Goals

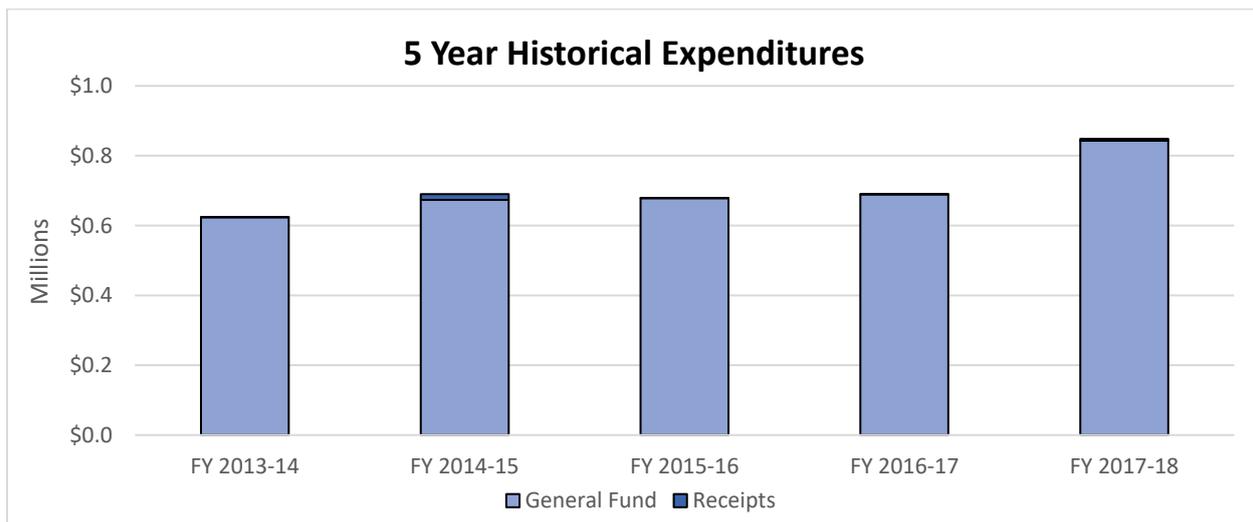
1. Continue to promote sound fiscal and tax policies for the State of North Carolina to ensure continued economic growth for all North Carolinians.
2. Work to ensure that every student in North Carolina receives a high-quality education and to ensure that viable options are available for every student.
3. Provide excellent customer service to the people of North Carolina.
4. Continue to work with other agencies, boards and commissions, and the General Assembly to develop and promote policies to make North Carolina a better place to live, work, and learn.

FY 2018-19 Authorized Expenditures by Account



Agency Profile

- The Lieutenant Governor serves as the President of the North Carolina Senate, but only votes when the Senate is equally divided.
- During the absence of the Governor from the State, or during the physical or mental incapacity of the Governor, the Lieutenant Governor acts as the Governor.
- The Lieutenant Governor is a member of the Council of State, the North Carolina Board of Education, the North Carolina Capital Planning Commission, and the North Carolina Board of Community Colleges, and also serves as the chair of the Energy Policy Council.
- North Carolina has had 34 Lieutenant Governors.



Office of the Lieutenant Governor (13100)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 873,753	\$	20,604	\$	4,051	\$ 24,655	\$ 898,408	2.8%
Receipts	\$ -	\$	-	\$	-	\$ -	-	0.0%
Net Appropriation	\$ 873,753	\$	20,604	\$	4,051	\$ 24,655	\$ 898,408	2.8%
Positions (FTE)	7.000		0.000		0.000	0.000	7.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 873,753	\$	43,739	\$	-	\$ 43,739	\$ 917,492	5.0%
Receipts	\$ -	\$	-	\$	-	\$ -	-	0.0%
Net Appropriation	\$ 873,753	\$	43,739	\$	-	\$ 43,739	\$ 917,492	5.0%
Positions (FTE)	7.000		0.000		0.000	0.000	7.000	0.0%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	11,740	\$ -	\$ 23,685	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	11,740	\$ -	\$ 23,685	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	7,149	\$ 4,051	\$ 16,561	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	7,149	\$ 4,051	\$ 16,561	\$ -
	FTE	0.000	0.000	0.000	0.000
3 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	1,715	\$ -	\$ 3,493	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,715	\$ -	\$ 3,493	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	20,604	\$ 4,051	\$ 43,739	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	20,604	\$ 4,051	\$ 43,739	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		24,655	\$	43,739
Recommended Total FTE Changes			0.000		0.000

Mission

To promote economic growth and protect the public from financial harm.

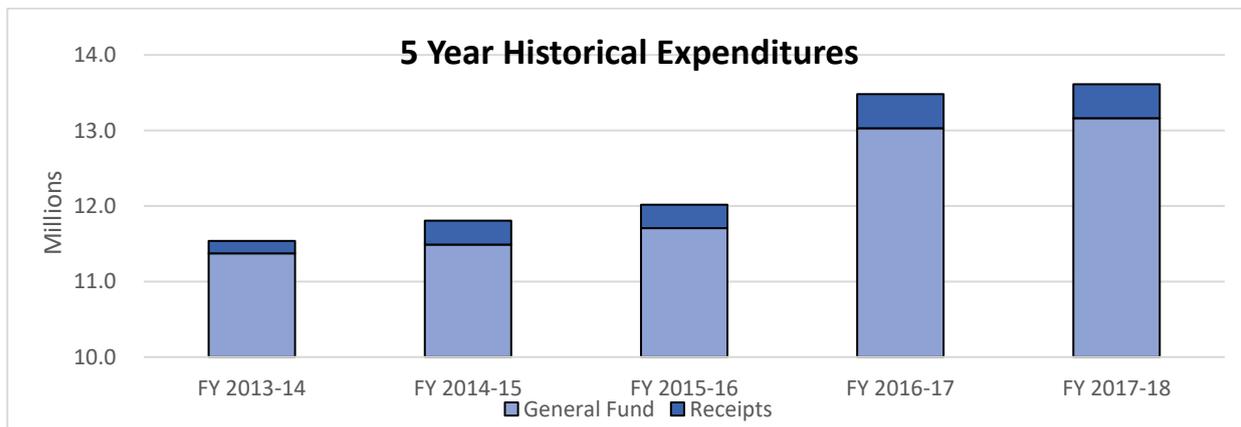
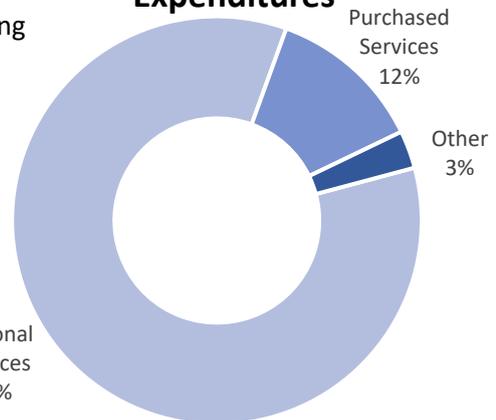
Goals

1. Facilitate economic growth and investment in North Carolina by maintaining a state-of-the-art system of reliable business, governmental and personal records.
2. Educate people and businesses about commercial and financial choices and how the Department and its data can assist in achieving economic success.
3. Safeguard individuals and businesses against fraud by ensuring the reliability of notarized signatures on legal, real estate, business and financial documents.
4. Investigate, prosecute and resolve complex white-collar crimes utilizing the Department’s law enforcement agents, professional staff, technology and partnerships with external stakeholders.

Agency Profile

- Facilitates economic development through business and capital formation – registering 90,000 new businesses and nonprofits last year and reviewing 400,000 annual reports and filings.
- Provides crucial business data to the marketplace for leveraging risk and assisting millions of transactions.
- Administers the state’s Securities laws by registering and regulating over \$200 billion in securities offerings and investigating and prosecuting white-collar crimes.
- Authenticates and notarizes high-level business transactions and governmental decisions.
- Protects the economic value of trademarks, copyrights, and patents.
- Provides for transparent registration and enforcement of charitable solicitation laws and registration and reporting of lobbyists and their principals.
- Coordinates Land Records Management, supporting one of the state’s largest assets valued at almost \$1 trillion, according to the NC State Property Tax Commission.

FY 2018-19 Authorized Expenditures



Charts include General Fund budget code only.

Department of Secretary of State (13200)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 14,044,797	\$ 792,090	\$ 140,344	\$ 932,434	\$ 14,977,231	6.6%
Receipts	\$ 291,456	\$ -	\$ -	\$ -	\$ 291,456	0.0%
Net Appropriation	\$ 13,753,341	\$ 792,090	\$ 140,344	\$ 932,434	\$ 14,685,775	6.8%
Positions (FTE)	176.883	2.000	0.000	2.000	178.883	1.1%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 14,044,797	\$ 1,202,458	\$ -	\$ 1,202,458	\$ 15,247,255	8.6%
Receipts	\$ 291,456	\$ -	\$ -	\$ -	\$ 291,456	0.0%
Net Appropriation	\$ 13,753,341	\$ 1,202,458	\$ -	\$ 1,202,458	\$ 14,955,799	8.7%
Positions (FTE)	176.883	2.000	0.000	2.000	178.883	1.1%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	169,089	\$ -	\$ 341,133	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	169,089	\$ -	\$ 341,133	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees					
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	6,560	\$ -	\$ 6,560	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,560	\$ -	\$ 6,560	\$ -
	FTE	0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	102,960	\$ 58,344	\$ 238,524	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	102,960	\$ 58,344	\$ 238,524	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase	Req \$	42,111	\$ -	\$ 85,768	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	42,111	\$ -	\$ 85,768	\$ -
	FTE	0.000	0.000	0.000	0.000
Department Wide					
5 Leased Office Space					
Eliminates a structural deficit in the department's budget related to non-state owned office space. This recurring expansion provides adequate budget to bridge this structural gap.	Req \$	211,614	\$ -	\$ 211,614	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	211,614	\$ -	\$ 211,614	\$ -
	FTE	0.000	0.000	0.000	0.000
6 Internal Auditor Position					
Adds one auditor FTE to assist in fulfillment of internal audit requirements required by GS 143-746 of the Internal Audit Act. The ongoing use of interns with limited expertise and experience is no longer sufficient to fulfill these audit requirements.	Req \$	91,652	\$ -	\$ 91,652	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	91,652	\$ -	\$ 91,652	\$ -
	FTE	1.000	0.000	1.000	0.000
7 IT Requirements					
Funds two IT projects. One project is an advanced software package to aid complex financial investigations to combat fraud and illicit financial schemes. The second is hardware and software needed to complete the disaster recovery site at the Western Data Center per HB 537-7.2(b).	Req \$	109,000	\$ 82,000	\$ 109,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	109,000	\$ 82,000	\$ 109,000	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
8 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements	\$	792,090	\$ 140,344	\$ 1,202,458	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	792,090	\$ 140,344	\$ 1,202,458	\$ -
Total Change to Full-Time Equivalent (FTE)		2.000	0.000	2.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 932,434		\$ 1,202,458
Recommended Total FTE Changes			2.000		2.000

Mission

The Office of the State Auditor (OSA) protects the interests of taxpayers and others who provide financial resources to the State of North Carolina. OSA provides objective information to interested parties about whether State resources are properly accounted for, reported, and managed; as well as whether publicly-funded programs are achieving desired results.

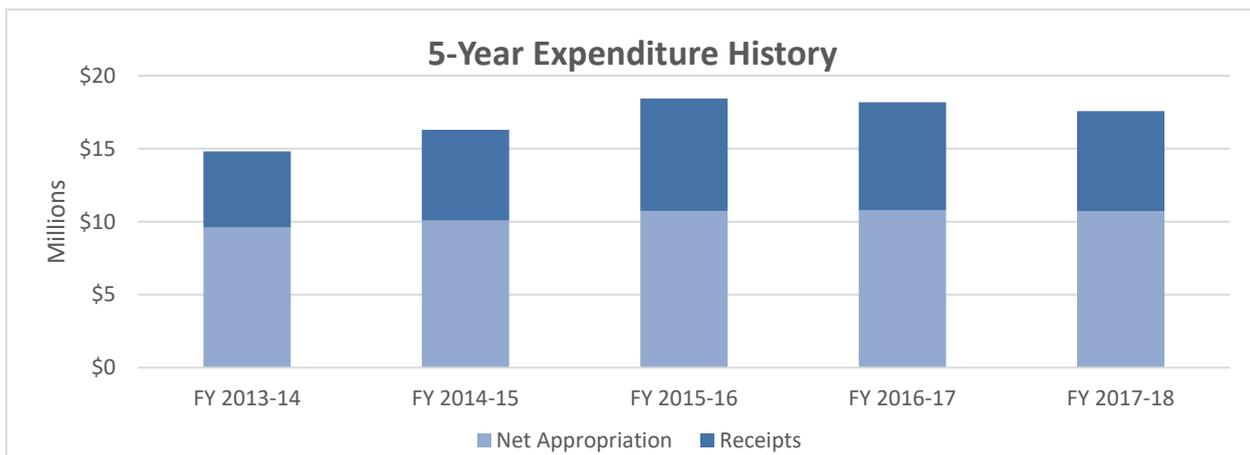
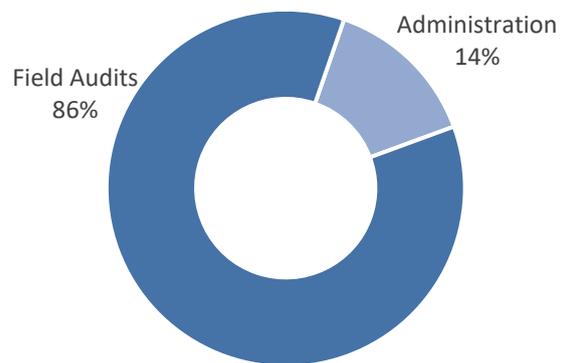
Goals

1. Make State government more effective, efficient, and accountable by delivering reliable, credible, actionable, and timely reports to those who can use the information to improve State government.
2. Optimize the efficiency of audits and investigations to minimize disruption to auditee’s regular activities and increase the opportunities for OSA to promote economy, efficiency, and accountability across State government.

Agency Profile

- The State Auditor is elected and is a member of the Council of State.
- OSA’s audit responsibilities cover more than \$46 billion in State assets and \$13.7 billion in liabilities; \$21 billion in annual federal grant funding; and the finances of the State’s 16 public universities.
- OSA publishes financial statement audits, performance audits, information systems audits, and investigative reports.
- OSA plans to expand audits focusing on Medicaid, and to leverage big-data analytics to identify areas of risk to State government.
- The State Auditor has broad powers to examine all books, records, files, papers, documents, and financial data of every State agency.

FY 2018-19 Authorized Budget by Program



OSA’s budget has been provided entirely through the General Fund.

Office of the State Auditor (13300)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 20,143,575	\$ 399,126	\$ 66,669	\$ 465,795	\$ 20,609,370	2.3%
Receipts	\$ 6,199,884	\$ -	\$ -	\$ -	\$ 6,199,884	0.0%
Net Appropriation	\$ 13,943,691	\$ 399,126	\$ 66,669	\$ 465,795	\$ 14,409,486	3.3%
Positions (FTE)	166.000	1.000	0.000	1.000	167.000	0.6%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 20,143,575	\$ 839,951	\$ -	\$ 839,951	\$ 20,983,526	4.2%
Receipts	\$ 6,199,884	\$ -	\$ -	\$ -	\$ 6,199,884	0.0%
Net Appropriation	\$ 13,943,691	\$ 839,951	\$ -	\$ 839,951	\$ 14,783,642	6.0%
Positions (FTE)	166.000	1.000	0.000	1.000	167.000	0.6%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	193,216	\$ -	\$ 389,806	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	193,216	\$ -	\$ 389,806	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	117,651	\$ 66,669	\$ 272,557	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	117,651	\$ 66,669	\$ 272,557	\$ -
	FTE	0.000	0.000	0.000	0.000
3 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	29,155	\$ -	\$ 59,381	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	29,155	\$ -	\$ 59,381	\$ -
	FTE	0.000	0.000	0.000	0.000
4 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104	\$ -	\$ 118,207	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements	\$	399,126	\$ 66,669	\$ 839,951	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	399,126	\$ 66,669	\$ 839,951	\$ -
Total Change to Full-Time Equivalent (FTE)		1.000	0.000	1.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		465,795	\$	839,951
Recommended Total FTE Changes			1.000		1.000

Mission

The N.C. Department of State Treasurer’s mission is to preserve, protect, and sustain the state’s pension and healthcare plans, reduce investment fees while maximizing returns, properly account for and report on all funds that are deposited, invested, and disbursed through the department, assure financially sound issuance of debt for state and local governments, maintain the state’s “AAA” bond rating, and provide exemplary service across all divisions of the department.

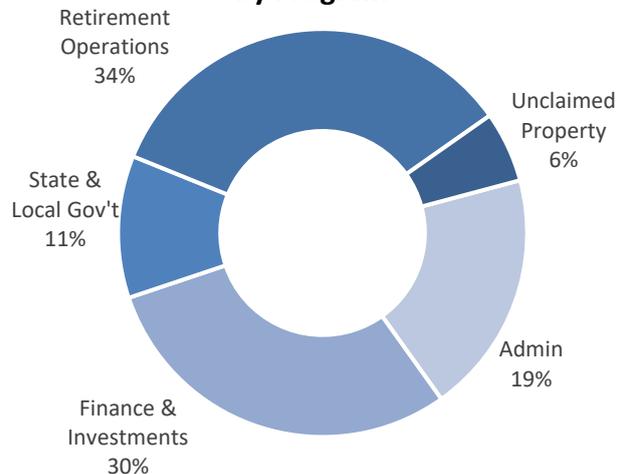
Goals

1. Fiduciary Duty – focus on the taxpayers of the State of North Carolina.
2. Integrity, Ability and Passion – ensure that all North Carolina Department of State Treasurer employees are guided by these three principles as they perform their duties.
3. Make a Generational Difference – focus on the big picture.
4. Transparency – structure and conduct all aspects of our work with an open and transparent policy that promotes trust and accountability.

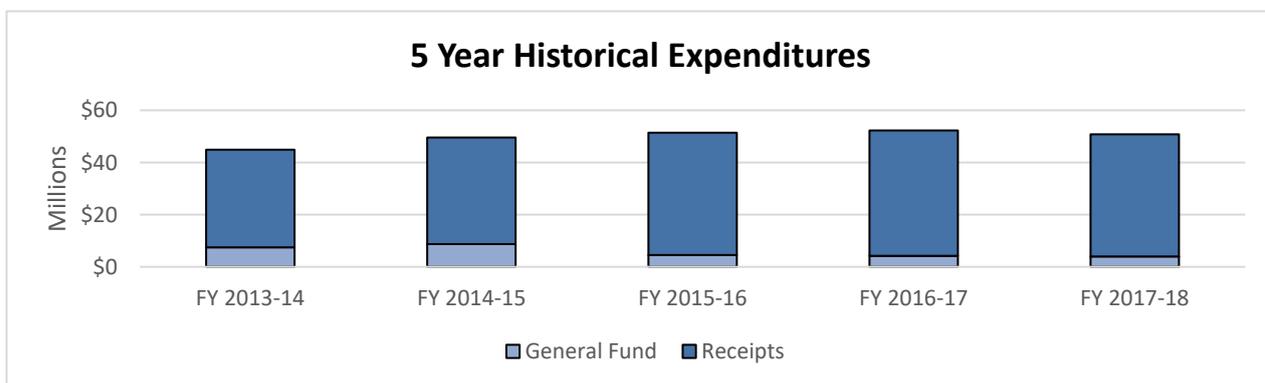
Agency Profile

- Administers employee retirement systems for more than 900,000 public workers, as well as supplemental plans.
- Oversees State Health Plan coverage for more than 727,000 teachers, state employees, retirees, current and former lawmakers, university employees, community college employees, and their dependents.
- Oversees local government units by aiding in the sale of local debt obligations and maintaining sound budget, accounting, and reporting procedures.
- Oversees the issuance of State debt.
- Maintains unclaimed property.
- Maintains the State’s core banking system.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Agency expenditures do not include the State Health Plan

Department of State Treasurer (13410)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 62,424,683	\$ 1,791,266	\$ 219,461	\$ 2,010,727	\$ 64,435,410	3.2%
Receipts	\$ 57,559,579	\$ 1,640,731	\$ 213,500	\$ 1,854,231	\$ 59,413,810	3.2%
Net Appropriation	\$ 4,865,104	\$ 150,535	\$ 5,961	\$ 156,496	\$ 5,021,600	3.2%
Positions (FTE)	392.600	11.000	0.000	11.000	403.600	2.8%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 62,458,796	\$ 1,945,601	\$ 200,000	\$ 2,145,601	\$ 64,604,397	3.4%
Receipts	\$ 57,593,692	\$ 1,640,731	\$ 200,000	\$ 1,840,731	\$ 59,434,423	3.2%
Net Appropriation	\$ 4,865,104	\$ 304,870	\$ -	\$ 304,870	\$ 5,169,974	6.3%
Positions (FTE)	392.600	11.000	0.000	11.000	403.600	2.8%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	17,276	\$ -	\$ 34,854	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	17,276	\$ -	\$ 34,854	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	10,519	\$ 5,961	\$ 24,370	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	10,519	\$ 5,961	\$ 24,370	\$ -
	FTE	0.000	0.000	0.000	0.000
3 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	4,533	\$ -	\$ 9,232	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,533	\$ -	\$ 9,232	\$ -
	FTE	0.000	0.000	0.000	0.000
State and Local Government					
4 Recruitment and Retention					
Increases compensation for State and Local Government Finance Division staff. The division has had problems with recruitment and retention of staff.	Req \$	178,528	\$ -	\$ 178,528	\$ -
	Rec \$	178,528	\$ -	\$ 178,528	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Retirement Systems					
5 Electronic Authentication					
Appropriates funds to allow the Retirement Systems Division to upgrade the ORBIT system to allow users to do all transactions online.	Req \$	300,000	\$ 200,000	\$ 300,000	\$ 200,000
	Rec \$	300,000	\$ 200,000	\$ 300,000	\$ 200,000
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
6 Call Center Expansion					
Appropriates funds to increase staff at the Retirement Systems Division Call Center. Actuarial projections show a significant increase in retirees that will result in increased need for customer service support.	Req \$	704,883	\$ 13,500	\$ 704,883	\$ -
	Rec \$	704,883	\$ 13,500	\$ 704,883	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	9.000	0.000	9.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
7 Recruitment and Retention					
Increases salaries to midpoint for staff at the Retirement Systems Division to aid in the recruitment and retention of employees.	Req \$	457,320	\$ -	\$ 457,320	\$ -
	Rec \$	457,320	\$ -	\$ 457,320	\$ -
	App \$	-	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Department Analytics					
8 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	118,207	\$ -	\$ 236,414	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000
Total Change to Requirements	\$	1,791,266	\$ 219,461	\$ 1,945,601	\$ 200,000
Total Change to Receipts	\$	1,640,731	\$ 213,500	\$ 1,640,731	\$ 200,000
Total Change to Net Appropriation	\$	150,535	\$ 5,961	\$ 304,870	\$ -
Total Change to Full-Time Equivalent (FTE)		11.000	0.000	11.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 156,496	\$	304,870
Recommended Total FTE Changes			11.000		11.000

State Treasurer - Retirement System (13412)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 29,360,641	\$	350,000	\$	-	\$ 350,000	\$ 29,710,641	1.2%
Receipts	\$ -	\$	-	\$	-	\$ -	\$ -	0.0%
Net Appropriation	\$ 29,360,641	\$	350,000	\$	-	\$ 350,000	\$ 29,710,641	1.2%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 29,360,641	\$	700,000	\$	-	\$ 700,000	\$ 30,060,641	2.4%
Receipts	\$ -	\$	-	\$	-	\$ -	\$ -	0.0%
Net Appropriation	\$ 29,360,641	\$	700,000	\$	-	\$ 700,000	\$ 30,060,641	2.4%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Firefighters' and Rescue Squad Workers' Pension Fund				
Increases funding to the Firefighters' and Rescue Squad Workers' Pension Fund to meet the actuarially required contribution.	Req \$ 350,000	\$ -	\$ 700,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 350,000	\$ -	\$ 700,000	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 350,000	\$ -	\$ 700,000	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 350,000	\$ -	\$ 700,000	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 350,000		\$ 700,000	
Recommended Total FTE Changes	0.000		0.000	

State Treasurer - Escheats (63412)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 66,430,854	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 68,830,854	3.6%
Receipts	\$ 193,296,363	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 195,696,363	1.2%
Δ in Fund Balance	\$ 126,865,509	\$ -	\$ -	\$ -	\$ 126,865,509	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 66,430,854	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 68,830,854	3.6%
Receipts	\$ 193,296,363	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 195,696,363	1.2%
Δ in Fund Balance	\$ 126,865,509	\$ -	\$ -	\$ -	\$ 126,865,509	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Children of War Veterans Scholarships				
Provides funds to increase the Children of War Veterans Scholarship program on a recurring basis. The program received a one-time increase in FY 2018-19. The program has been on the same recurring funding since FY 2011-12 while college costs have increased. The revised net appropriation for this program is \$8.9 million.	Req \$ 2,400,000	\$ -	\$ 2,400,000	\$ -
	Rec \$ 2,400,000	\$ -	\$ 2,400,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 2,400,000	\$ -	\$ 2,400,000	\$ -
Total Change to Receipts	\$ 2,400,000	\$ -	\$ 2,400,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Recommended Total FTE Changes		0.000		0.000

Mission

To promote a stable insurance market through unbiased regulation and to protect the lives and property of every citizen in all 100 counties while fostering superior, user-friendly service, courtesy and respect.

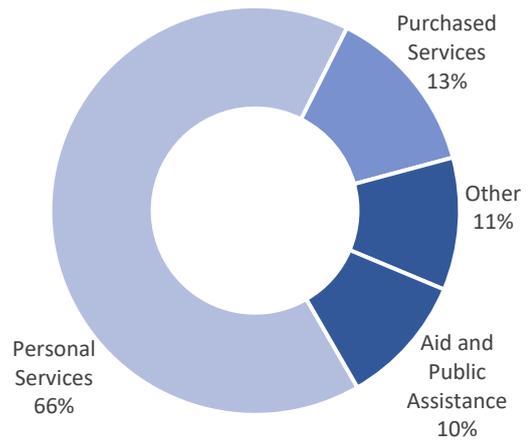
Goals

1. Consumer Protection, Education and Support.
2. Citizen Safety.
3. Marketplace Optimization.
4. Organizational Excellence.

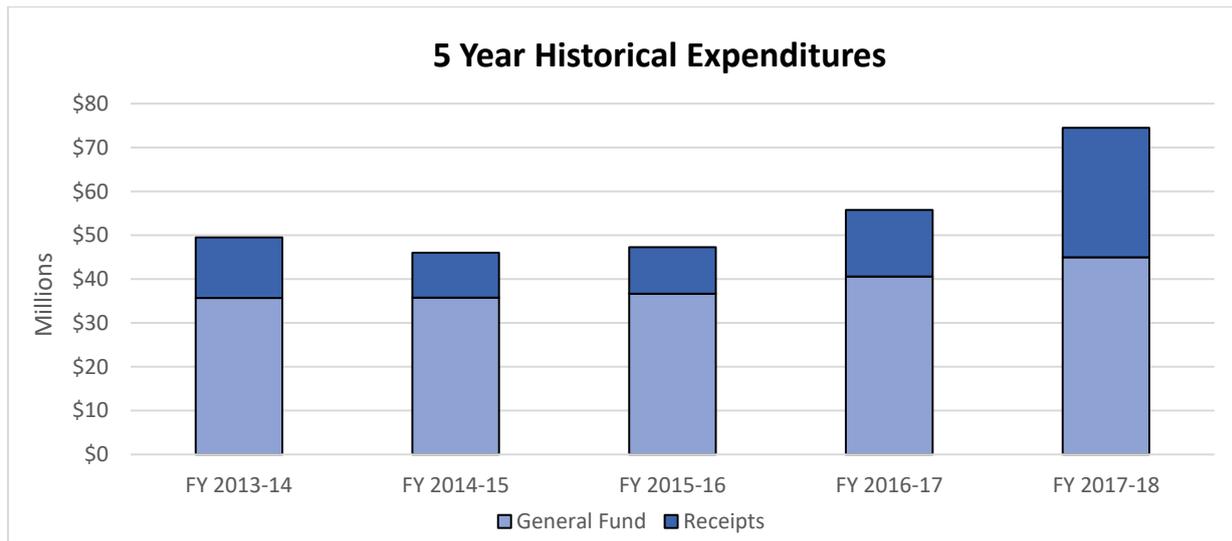
Agency Profile

- Focused on consumers through fair ratemaking, injury prevention efforts, scrupulous regulation of insurance company solvency and industry practices, and protecting against insurance fraud.
- In 2016, when the department had 20 sworn law enforcement officers, there were: 4,523 cases of fraud, resulting in 233 arrests and 153 convictions.
- In 2016, monetary recovery was \$4,889,229.48.
- DOI provides North Carolinians assistance with health insurance questions, complaints and appeals.
- The North Carolina captive insurance program has experienced significant growth, which is expected to continue.

FY 2018-19 Authorized Expenditures by Account



5 Year Historical Expenditures



Department of Insurance (13900)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 49,109,619	\$ 1,587,758	\$ 383,113	\$ 1,970,871	\$ 51,080,490	4.0%
Receipts	\$ 8,137,431	\$ -	\$ -	\$ -	\$ 8,137,431	0.0%
Net Appropriation	\$ 40,972,188	\$ 1,587,758	\$ 383,113	\$ 1,970,871	\$ 42,943,059	4.8%
Positions (FTE)	452.344	1.000	0.000	1.000	453.344	0.2%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 49,112,642	\$ 2,709,135	\$ -	\$ 2,709,135	\$ 51,821,777	5.5%
Receipts	\$ 8,137,431	\$ -	\$ -	\$ -	\$ 8,137,431	0.0%
Net Appropriation	\$ 40,975,211	\$ 2,709,135	\$ -	\$ 2,709,135	\$ 43,684,346	6.6%
Positions (FTE)	452.344	1.000	0.000	1.000	453.344	0.2%

	FY 2019-20		FY 2020-21	
	R Changes		R Changes	NR Changes
Compensation and Benefits Reserve				
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	526,632	\$ -	\$ 1,062,463
	Rec \$	-	\$ -	\$ -
	App \$	526,632	\$ -	\$ 1,062,463
	FTE	0.000	0.000	0.000
			0.000	0.000
2 Compensation Reserve - Public Safety Employees				
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	26,240	\$ -	\$ 26,240
	Rec \$	-	\$ -	\$ -
	App \$	26,240	\$ -	\$ 26,240
	FTE	0.000	0.000	0.000
			0.000	0.000
3 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	320,670	\$ 181,713	\$ 742,886
	Rec \$	-	\$ -	\$ -
	App \$	320,670	\$ 181,713	\$ 742,886
	FTE	0.000	0.000	0.000
			0.000	0.000
4 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	100,533	\$ -	\$ 204,760
	Rec \$	-	\$ -	\$ -
	App \$	100,533	\$ -	\$ 204,760
	FTE	0.000	0.000	0.000
			0.000	0.000
Department Wide				
5 Fire Safety Prevention				
Expands the existing fire safety program allowing Injury Prevention Staff to increase outreach and education on fire prevention and safety. The goal is to save lives through education and involvement in the Community Risk Reduction Program.	Req \$	60,000	\$ -	\$ 60,000
	Rec \$	-	\$ -	\$ -
	App \$	60,000	\$ -	\$ 60,000
	FTE	0.000	0.000	0.000
			0.000	0.000
6 Call Center Telephone System				
Funds replacement of the call center telephone systems that support the public and licensed insurance agents to better serve customers with reliable processes and procedures.	Req \$	123,600	\$ 201,400	\$ 123,600
	Rec \$	-	\$ -	\$ -
	App \$	123,600	\$ 201,400	\$ 123,600
	FTE	0.000	0.000	0.000
			0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
7 Enterprise Wide Information Technology				
Funds increases for enterprise level IT expenditures for which a recurring budget source does not exist.	Req \$ 294,979	\$ -	\$ 294,979	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 294,979	\$ -	\$ 294,979	\$ -
	FTE 0.000	0.000	0.000	0.000
8 New Fire Staff Units - Operating Budgets				
Establishes recurring operating budgets for the Fire Department Ratings and Fire Investigations staffs. Both units were created in FY2017-18 by the General Assembly.	Req \$ 76,000	\$ -	\$ 76,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 76,000	\$ -	\$ 76,000	\$ -
	FTE 0.000	0.000	0.000	0.000
9 Advanced Analytics and Data Interpretation				
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$ 59,104	\$ -	\$ 118,207	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 59,104	\$ -	\$ 118,207	\$ -
	FTE 1.000	0.000	1.000	0.000
Total Change to Requirements	\$ 1,587,758	\$ 383,113	\$ 2,709,135	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 1,587,758	\$ 383,113	\$ 2,709,135	\$ -
Total Change to Full-Time Equivalent (FTE)	1.000	0.000	1.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	1,970,871	\$	2,709,135
Recommended Total FTE Changes		1.000		1.000

Industrial Commission (13902)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 22,363,107	\$ 123,325	\$ 23,389	\$ 146,714	\$ 22,509,821	0.7%
Receipts	\$ 13,053,262	\$ -	\$ -	\$ -	\$ 13,053,262	0.0%
Net Appropriation	\$ 9,309,845	\$ 123,325	\$ 23,389	\$ 146,714	\$ 9,456,559	1.6%
Positions (FTE)	149.000	0.000	0.000	0.000	149.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 22,363,707	\$ 259,385	\$ -	\$ 259,385	\$ 22,623,092	1.2%
Receipts	\$ 13,053,262	\$ -	\$ -	\$ -	\$ 13,053,262	0.0%
Net Appropriation	\$ 9,310,445	\$ 259,385	\$ -	\$ 259,385	\$ 9,569,830	2.8%
Positions (FTE)	149.000	0.000	0.000	0.000	149.000	0.0%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	67,785	\$ -	\$ 136,753	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	67,785	\$ -	\$ 136,753	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees					
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	1,968	\$ -	\$ 1,968	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,968	\$ -	\$ 1,968	\$ -
	FTE	0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	41,275	\$ 23,389	\$ 95,619	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	41,275	\$ 23,389	\$ 95,619	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	12,297	\$ -	\$ 25,045	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	12,297	\$ -	\$ 25,045	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	123,325	\$ 23,389	\$ 259,385	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	123,325	\$ 23,389	\$ 259,385	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		146,714	\$	259,385
Recommended Total FTE Changes			0.000		0.000

Mission

The North Carolina Department of Administration provides high quality services effectively, efficiently, and economically for our customers who are citizens, agencies, and communities of our state.

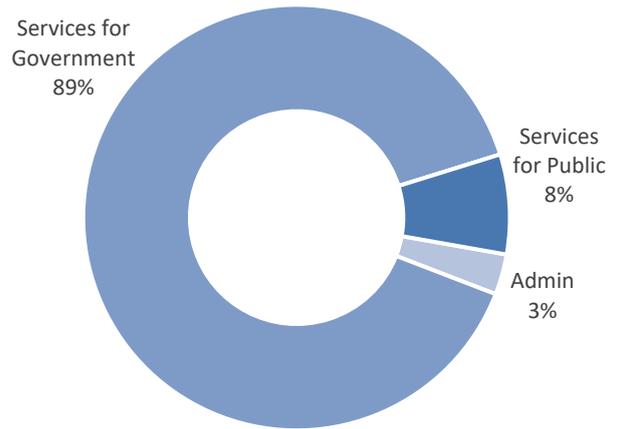
Goals

1. Explore new and improved ways to deliver effective and efficient services to create value for taxpayers.
2. Provide superior customer service.
3. Create a culture of trust through enhanced employee engagement, openness, and inclusiveness.

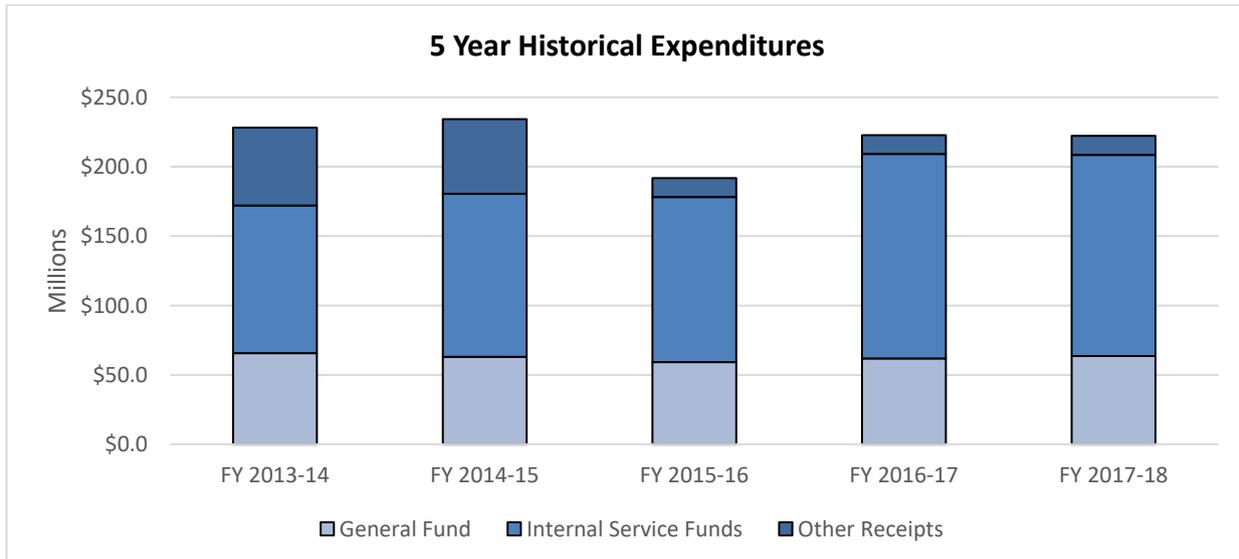
Agency Profile

- Provides services for state government by overseeing government operations in building construction, purchasing and contracting for goods and services, managing state vehicles, acquiring and disposing of real property, overseeing Raleigh state facilities, disposing of surplus real property, and operating a courier service. Budget figures also include the Office of State Human Resources.
- Provides advocacy, assistance, and services to underserved populations, and staffs councils in the areas of Indian Affairs, Historically Underutilized Businesses, MLK Jr., Youth Involvement, Non-Public Education, Domestic Violence and Rape Crisis, and Women.

FY 2018-19 Authorized Budget by Program



5 Year Historical Expenditures



Charts include General Fund and Internal Service budget codes

Department of Administration (14100)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 73,387,880	\$ 2,680,065	\$ 2,902,272	\$ 5,582,337	\$ 78,970,217	7.6%
Receipts	\$ 9,887,542	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 11,887,542	20.2%
Net Appropriation	\$ 63,500,338	\$ 2,680,065	\$ 902,272	\$ 3,582,337	\$ 67,082,675	5.6%
Positions (FTE)	420.709	17.000	0.000	17.000	437.709	4.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 73,387,880	\$ 3,637,440	\$ -	\$ 3,637,440	\$ 77,025,320	5.0%
Receipts	\$ 9,887,542	\$ -	\$ -	\$ -	\$ 9,887,542	0.0%
Net Appropriation	\$ 63,500,338	\$ 3,637,440	\$ -	\$ 3,637,440	\$ 67,137,778	5.7%
Positions (FTE)	420.709	17.000	0.000	17.000	437.709	4.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$ 441,306	\$ -	\$ 890,322	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 441,306	\$ -	\$ 890,322	\$ -
FTE	0.000	0.000	0.000	0.000

2 TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$ 268,715	\$ 152,272	\$ 622,523	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 268,715	\$ 152,272	\$ 622,523	\$ -
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$ 92,066	\$ -	\$ 187,514	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 92,066	\$ -	\$ 187,514	\$ -
FTE	0.000	0.000	0.000	0.000

Department of Administration

4 State Property Office Compliance

Provides two additional staff for the State Property Office to comply with S.L. 2016-119 which created additional requirements regarding property tracking, analysis, and reporting of State property.

Req	\$ 157,678	\$ -	\$ 157,678	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 157,678	\$ -	\$ 157,678	\$ -
FTE	2.000	0.000	2.000	0.000

5 Contract Monitoring and Accountability

Increase accountability and oversight of state agency procurement by adding four positions to the Purchase and Contract Division to enhance agency compliance and proficiency. This request supports the Administration's initiative to consolidate State procurement oversight, training, and compliance functions within the Department of Administration.

Req	\$ 363,788	\$ -	\$ 363,788	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 363,788	\$ -	\$ 363,788	\$ -
FTE	4.000	0.000	4.000	0.000

6 Historically Underutilized Businesses

Provides one FTE for the Office of Historically Underutilized Business. The position will assist in training and compliance audits for agencies relating to historically underutilized businesses.

Req	\$ 80,345	\$ -	\$ 80,345	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 80,345	\$ -	\$ 80,345	\$ -
FTE	1.000	0.000	1.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
7 Council for Women and Youth Involvement				
Increases the budget for the Council for Women and Youth Involvement Office. Funds will provide for ten additional internships, increase internship wages, provide an additional administrative support staff person, and increase the budget for information technology.	Req \$ 135,399	\$ -	\$ 135,399	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 135,399	\$ -	\$ 135,399	\$ -
	FTE 1.000	0.000	1.000	0.000
8 Commission on Indian Affairs				
Provides a Deputy Director for the Commission on Indian Affairs to assist with management and oversight. The Commission participates in numerous state and federal programs as well as 40 statutorily required boards and commission.	Req \$ 82,010	\$ -	\$ 82,010	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 82,010	\$ -	\$ 82,010	\$ -
	FTE 1.000	0.000	1.000	0.000
9 Non Public Education				
Provides additional administrative support for the Division of Non-Public Education. The State has experienced a significant growth in the number of non-public schools, which requires additional support for registration and monitoring.	Req \$ 50,000	\$ -	\$ 50,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 50,000	\$ -	\$ 50,000	\$ -
	FTE 1.000	0.000	1.000	0.000
10 Advanced Analytics and Data Interpretation				
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$ 59,104	\$ -	\$ 118,207	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 59,104	\$ -	\$ 118,207	\$ -
	FTE 1.000	0.000	1.000	0.000
11 Special Capital Projects Management Team				
Provides three additional staff to manage capital projects within the Downtown Complex and for agencies that have capital needs but do not require a full time position; most immediately, the team will manage the Department of Environmental Quality's Reedy Creek Lab Renovation and Expansion and the relocation of the Department of Health and Human Services Administration off of Dorothea Dix Campus.	Req \$ 400,000	\$ -	\$ 400,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 400,000	\$ -	\$ 400,000	\$ -
	FTE 3.000	0.000	3.000	0.000
State Human Resources				
12 Local Government Support Position				
Provides funds for one position to support local government social services and public health entities, which employ over 20,000 individuals subject to the State Human Resources Act. The Office of State Human Resources (OSHR) maintains the classification and compensation system for these positions, assists in recruitment and hiring of employees, and consults with these government entities to provide necessary training, professional development, and other services.	Req \$ 99,654	\$ -	\$ 99,654	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 99,654	\$ -	\$ 99,654	\$ -
	FTE 1.000	0.000	1.000	0.000
13 Data Driven Human Resource Management				
Provides funding for OSHR to partner with the Government Data Analytics Center (GDAC) to aid in aggregating, formatting, and organizing the state's human resource data into a client-friendly format. The expected outcome will be real-time, predictive analytics to assist state agencies and other stakeholders in addressing challenges such as turnover, recruitment, demographic data, workforce planning, and leave.	Req \$ 250,000	\$ 750,000	\$ 250,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 250,000	\$ 750,000	\$ 250,000	\$ -
	FTE 0.000	0.000	0.000	0.000
14 Core Human Resource Applications				
Utilized \$2 M from the FICA Savings Fund to support an analysis of the state's human resource (HR) platforms and the implementation of recommended solutions. The state currently has nine different HR platforms outside of the Integrated HR/Payroll system, including MarketPay, NeoGov, PeopleAdmin, and CorVel.	Req \$ -	\$ 2,000,000	\$ -	\$ -
	Rec \$ -	\$ 2,000,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
State Ethics Commission				
15 State Ethics Commission				
Appropriates funds for the reconstituted Ethics Commission to hire an executive director, key staff, and for general operating requirements.	Req \$ 200,000	\$ -	\$ 200,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 200,000	\$ -	\$ 200,000	\$ -
	FTE 2.000	0.000	2.000	0.000
Total Change to Requirements	\$ 2,680,065	\$ 2,902,272	\$ 3,637,440	\$ -
Total Change to Receipts	\$ -	\$ 2,000,000	\$ -	\$ -
Total Change to Net Appropriation	\$ 2,680,065	\$ 902,272	\$ 3,637,440	\$ -
Total Change to Full-Time Equivalent (FTE)	17.000	0.000	17.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ 3,582,337	\$ -	\$ 3,637,440
Recommended Total FTE Changes		17.000		17.000

Mission

The Office of the State Controller (OSC) protects the financial integrity of the State and promotes accountability in an objective and efficient manner.

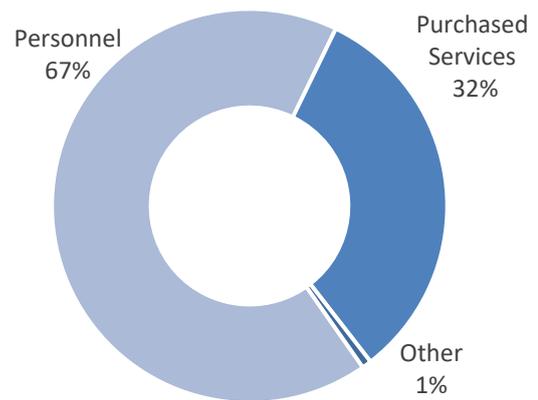
Goals

1. Implement a new enterprise financial system for State government.
2. Maintain and support the State’s triple-A bond rating.
3. Continue optimizing and expanding the Shared Services Center.
4. Improve information technology operations.

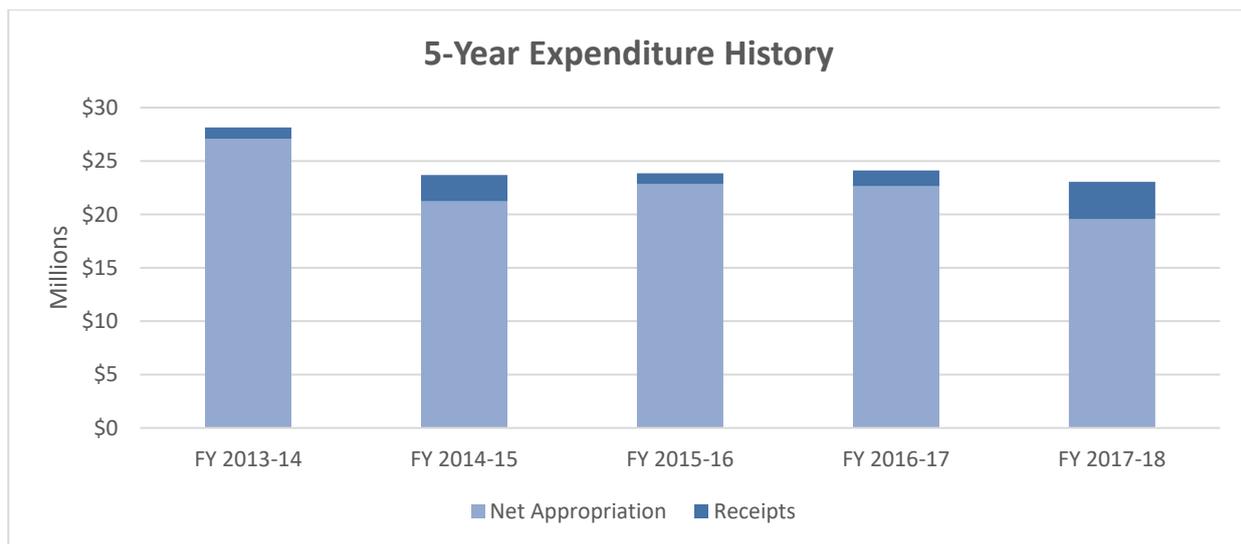
Agency Profile

- The State Controller is appointed by the Governor and confirmed by the General Assembly to a seven-year term.
- OSC manages government-wide systems for accounting, cash management, payroll, risk mitigation and internal controls, e-commerce, and financial reporting.
- OSC maintains systems, standards, and business processes to control spending.
- OSC prepares the State’s Comprehensive Annual Financial Report (CAFR), which summarizes the State’s financial performance during a fiscal year and its financial position at the end of the year.
- North Carolina’s CAFR has received an unqualified, or “clean” audit opinion every year since 1994.

FY 2018-19 Authorized Expenditures By Account



5-Year Expenditure History



Office of the State Controller (14160)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change		Recommended Budget		% Δ from Base Budget
Requirements	\$	25,174,460	\$	533,643	\$	80,723	\$	614,366	\$	25,788,826	2.4%
Receipts	\$	846,028	\$	-	\$	-	\$	-	\$	846,028	0.0%
Net Appropriation	\$	24,328,432	\$	533,643	\$	80,723	\$	614,366	\$	24,942,798	2.5%
Positions (FTE)		169.000		2.000		0.000		2.000		171.000	1.2%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change		Recommended Budget		% Δ from Base Budget
Requirements	\$	25,188,476	\$	1,117,917	\$	-	\$	1,117,917	\$	26,306,393	4.4%
Receipts	\$	846,028	\$	-	\$	-	\$	-	\$	846,028	0.0%
Net Appropriation	\$	24,342,448	\$	1,117,917	\$	-	\$	1,117,917	\$	25,460,365	4.6%
Positions (FTE)		169.000		2.000		0.000		2.000		171.000	1.2%

	FY 2019-20				FY 2020-21				
	R Changes	NR Changes	R Changes	NR Changes	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees									
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	233,946	\$	-	\$	471,979	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	233,946	\$	-	\$	471,979	\$	-	
	FTE	0.000		0.000		0.000		0.000	
2 TSERS Retirement Contribution									
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	142,452	\$	80,723	\$	330,013	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	142,452	\$	80,723	\$	330,013	\$	-	
	FTE	0.000		0.000		0.000		0.000	
3 State Health Plan Contribution									
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	39,038	\$	-	\$	79,511	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	39,038	\$	-	\$	79,511	\$	-	
	FTE	0.000		0.000		0.000		0.000	
4 Advanced Analytics and Data Interpretation									
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	118,207	\$	-	\$	236,414	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	118,207	\$	-	\$	236,414	\$	-	
	FTE	2.000		0.000		2.000		0.000	
5 Information Technology Reserve - ERP Financial System Implementation									
Provides \$10 million from the Information Technology Reserve to implement a new Enterprise Resource Planning system for accounting, cash management, and other financial functions.	Req \$	-	\$	-	\$	-	\$	-	
	Rec \$	-	\$	-	\$	-	\$	-	
	App \$	-	\$	-	\$	-	\$	-	
	FTE	0.000		0.000		0.000		0.000	
Total Change to Requirements	\$	533,643	\$	80,723	\$	1,117,917	\$	-	
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-	
Total Change to Net Appropriation	\$	533,643	\$	80,723	\$	1,117,917	\$	-	
Total Change to Full-Time Equivalent (FTE)		2.000		0.000		2.000		0.000	
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	614,366	\$		\$	1,117,917	
Recommended Total FTE Changes				2.000				2.000	

State Controller - Special (24160)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 15,289,394	\$ 2,527,694	\$ 14,800,000	\$ 17,327,694	\$ 32,617,088	113.3%
Receipts	\$ 9,862,597	\$ 2,527,694	\$ 12,800,000	\$ 15,327,694	\$ 25,190,291	155.4%
Δ in Fund Balance	\$ (5,426,797)	\$ -	\$ 2,000,000	\$ (2,000,000)	\$ (7,426,797)	36.9%
Positions (FTE)	2.000	28.000	0.000	28.000	30.000	1400.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 15,289,394	\$ 7,627,695	\$ 25,200,000	\$ 32,827,695	\$ 48,117,089	214.7%
Receipts	\$ 9,862,597	\$ 7,627,695	\$ 25,200,000	\$ 32,827,695	\$ 42,690,292	332.9%
Δ in Fund Balance	\$ (5,426,797)	\$ -	\$ -	\$ -	\$ (5,426,797)	0.0%
Positions (FTE)	2.000	28.000	0.000	28.000	30.000	1400.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Recurring Costs for ERP Financial System Implementation				
Funds recurring costs for Enterprise Resource Planning (ERP) system implementation, including salaries, benefits, and software.	Req \$ 2,527,694	\$ -	\$ 7,627,695	\$ -
	Rec \$ 2,527,694	\$ -	\$ 7,627,695	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 28.000	0.000	28.000	0.000
2 Nonrecurring Costs for ERP Financial System Implementation				
Funds non-recurring costs for ERP system implementation, including system integration, infrastructure, and independent verification.	Req \$ -	\$ 12,800,000	\$ -	\$ 25,200,000
	Rec \$ -	\$ 12,800,000	\$ -	\$ 25,200,000
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
3 Transfer from NC Flex FICA Reserve Fund to OSHR				
Transfers funds from the NC Flex Federal Insurance Contributions Act Reserve Fund to the Office of State Human Resources to support an analysis of the State's human resource (HR) platforms and implementation of improved HR solutions.	Req \$ -	\$ 2,000,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	CFB \$ -	\$ 2,000,000	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 2,527,694	\$ 14,800,000	\$ 7,627,695	\$ 25,200,000
Total Change to Receipts	\$ 2,527,694	\$ 12,800,000	\$ 7,627,695	\$ 25,200,000
Total Change to Fund Balance	\$ -	\$ 2,000,000	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	28.000	0.000	28.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ 2,000,000	\$ -	\$ -
Recommended Total FTE Changes		28.000		28.000

Mission

The mission of the Department of Information Technology (DIT) is to promote a stronger North Carolina that connects customers, citizens, business, education, and government.

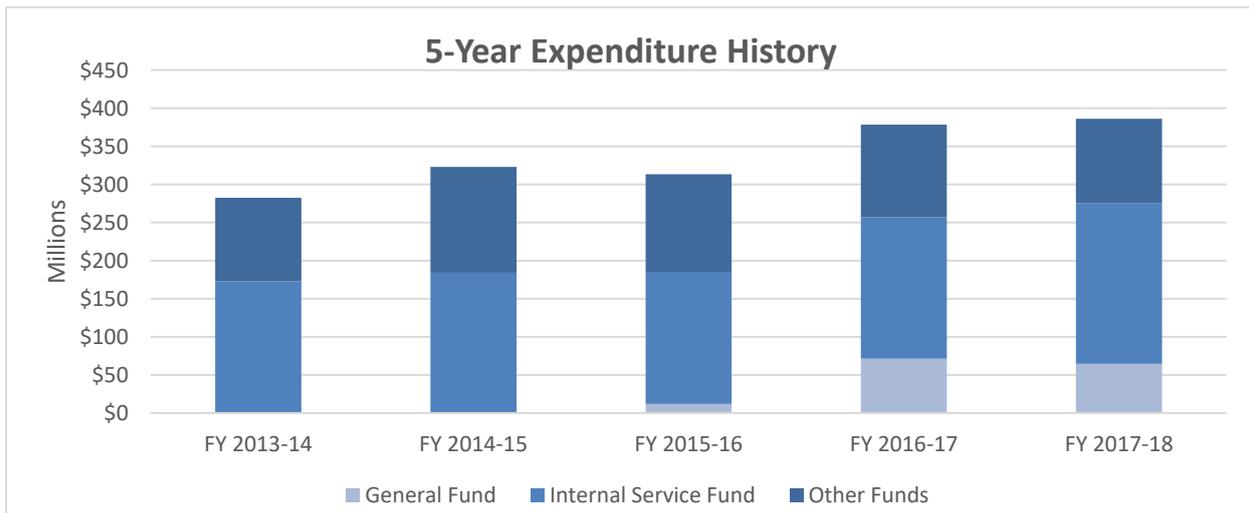
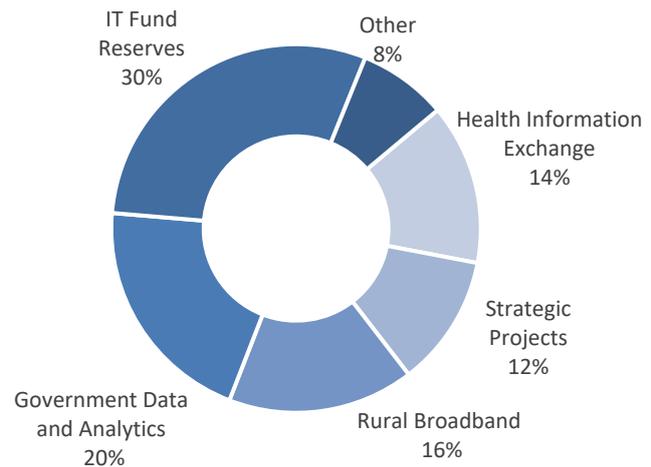
Goals

1. Secure information technology (IT) systems and infrastructure.
2. Deepen trusted partnerships.
3. Improve the management and transparency of IT.
4. Cultivate the IT workforce.
5. Empower citizens through technology.
6. Modernize and centralize IT operations.

Agency Profile

- Provides services to state agencies, local governments, and education institutions that include strengthening cybersecurity, procuring IT resources, expanding broadband access in rural parts of the state, and using the state’s vast data resources to improve service delivery to residents.
- Houses the state’s 911 Board, which oversees emergency communications, as well as HealthConnex, the state’s health information exchange.
- Optimizes state IT functions, bringing IT personnel from most executive branch agencies into one organization to increase efficiencies and address the digital government needs of the state more effectively.

FY 2018-19 Authorized Budget by Program



FY 2018-19 expenditures chart include General Fund budget code only, 5 year history includes General Fund and Internal Service Fund budget codes.

Department of Information Technology (14660)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 53,914,125	\$ 3,023,890	\$ 35,062,335	\$ 38,086,225	\$ 92,000,350	70.6%
Receipts	\$ 395,579	\$ -	\$ -	\$ -	\$ 395,579	0.0%
Net Appropriation	\$ 53,518,546	\$ 3,023,890	\$ 35,062,335	\$ 38,086,225	\$ 91,604,771	71.2%
Positions (FTE)	102.250	10.000	0.000	10.000	112.250	9.8%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 53,914,125	\$ 3,435,328	\$ -	\$ 3,435,328	\$ 57,349,453	6.4%
Receipts	\$ 395,579	\$ -	\$ -	\$ -	\$ 395,579	0.0%
Net Appropriation	\$ 53,518,546	\$ 3,435,328	\$ -	\$ 3,435,328	\$ 56,953,874	6.4%
Positions (FTE)	102.250	10.000	0.000	10.000	112.250	9.8%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 180,656	\$ -	\$ 364,468	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 180,656	\$ -	\$ 364,468	\$ -
	FTE 0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 110,003	\$ 62,335	\$ 254,840	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 110,003	\$ 62,335	\$ 254,840	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 22,846	\$ -	\$ 46,532	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 22,846	\$ -	\$ 46,532	\$ -
	FTE 0.000	0.000	0.000	0.000
4 IT Enhancements for DMVA				
Provides funding to automate the Department of Military and Veterans Affairs (DMVA)'s review of documents and applications, add an applications support specialist to manage critical IT programs including DMVA's Scholarships and Case Management programs, and upgrade DMVA's customer service software.	Req \$ 200,000	\$ -	\$ 200,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 200,000	\$ -	\$ 200,000	\$ -
	FTE 1.000	0.000	1.000	0.000
5 Cybersecurity Upgrades				
Enhances cybersecurity by (1) providing appropriated funds for an anomaly detection, correlation, and incident response system, and (2) upgrading the State's e-mail filtering capabilities to defend against cyberattacks. This item also includes \$625,000 to expand the Veteran Cyber Apprenticeship program.	Req \$ 1,500,000	\$ -	\$ 1,500,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,500,000	\$ -	\$ 1,500,000	\$ -
	FTE 0.000	0.000	0.000	0.000
6 Appropriated Funds for Chief Information Officers				
Transfers two Chief Information Officer positions (DEQ and DMVA) from the Internal Service Fund to the General Fund. This change will permit more equitable and centralized funding of CIO costs.	Req \$ 331,728	\$ -	\$ 331,728	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 331,728	\$ -	\$ 331,728	\$ -
	FTE 2.000	0.000	2.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
7 Shift of Web and Digital Modernization Positions to General Fund					
Shifts six web developer positions from Internal Service Fund to General Fund. This lets DIT deploy these resources where they are most needed, rather than allocating resources based on funding available to agencies.	Req	\$ 619,553	\$ -	\$ 619,553	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 619,553	\$ -	\$ 619,553	\$ -
	FTE	6.000	0.000	6.000	0.000
8 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
9 GREAT Program Expansion (Rural Broadband)					
Provides \$30 million to expand the Growing Rural Economies with Access to Technology (GREAT) program, which awards competitive grants to private providers who agree to offer broadband service in unserved or underserved communities. GREAT had a non-recurring appropriation of \$10 million for FY 2018-19.	Req	\$ -	\$ 30,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 30,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
10 Homework Gap					
Provides \$5 million for competitive grants to school districts to provide high-speed Internet access to students who lack such service because it is unavailable or unaffordable. Districts would provide access through laptop and tablet purchases, and mobile hotspots and service.	Req	\$ -	\$ 5,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 5,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 3,023,890	\$ 35,062,335	\$ 3,435,328	\$ -
Total Change to Receipts		\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation		\$ 3,023,890	\$ 35,062,335	\$ 3,435,328	\$ -
Total Change to Full-Time Equivalent (FTE)		10.000	0.000	10.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	38,086,225	\$	3,435,328
Recommended Total FTE Changes			10.000		10.000

Governor's Office - Information Technology Services - Internal Service (74660)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 267,585,011	\$ (934,062)	\$ -	\$ (934,062)	\$ 266,650,949	-0.3%
Receipts	\$ 267,476,399	\$ (767,761)	\$ -	\$ (767,761)	\$ 266,708,638	-0.3%
Δ in Fund Balance	\$ (108,612)	\$ 166,301	\$ -	\$ 166,301	\$ 57,689	-153.1%
Positions (FTE)	1010.250	(8.000)	0.000	(8.000)	1002.250	-0.8%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 267,585,011	\$ (934,062)	\$ -	\$ (934,062)	\$ 266,650,949	-0.3%
Receipts	\$ 267,476,399	\$ (767,761)	\$ -	\$ (767,761)	\$ 266,708,638	-0.3%
Δ in Fund Balance	\$ (108,612)	\$ 166,301	\$ -	\$ 166,301	\$ 57,689	-153.1%
Positions (FTE)	1010.250	(8.000)	0.000	(8.000)	1002.250	-0.8%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Internal Service Fund Reduction for Chief Information Officers				
Reduces Internal Service Fund costs by transferring two CIO positions (DEQ and DMVA) to General Fund. This change will permit more equitable and centralized funding of CIO costs.	Req \$ (329,161)	\$ -	\$ (329,161)	\$ -
	Rec \$ (162,860)	\$ -	\$ (162,860)	\$ -
	CFB \$ 166,301	\$ -	\$ 166,301	\$ -
	FTE (2.000)	0.000	(2.000)	0.000
2 Shift of Web and Digital Modernization Positions to General Fund				
Shifts six web developer positions from the Internal Service Fund to the General Fund. This lets DIT deploy these resources where they are most needed, rather than allocating resources based on funding available to agencies.	Req \$ (604,901)	\$ -	\$ (604,901)	\$ -
	Rec \$ (604,901)	\$ -	\$ (604,901)	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE (6.000)	0.000	(6.000)	0.000
Total Change to Requirements	\$ (934,062)	\$ -	\$ (934,062)	\$ -
Total Change to Receipts	\$ (767,761)	\$ -	\$ (767,761)	\$ -
Total Change to Fund Balance	\$ 166,301	\$ -	\$ 166,301	\$ -
Total Change to Full-Time Equivalent (FTE)	(8.000)	0.000	(8.000)	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$	166,301	\$	166,301
Recommended Total FTE Changes		(8.000)		(8.000)

Mission

The mission of the Department of Revenue (DOR) is to fund public services benefiting the people of North Carolina by administering the tax laws and collecting the taxes due in an impartial, consistent, secure, and efficient manner.

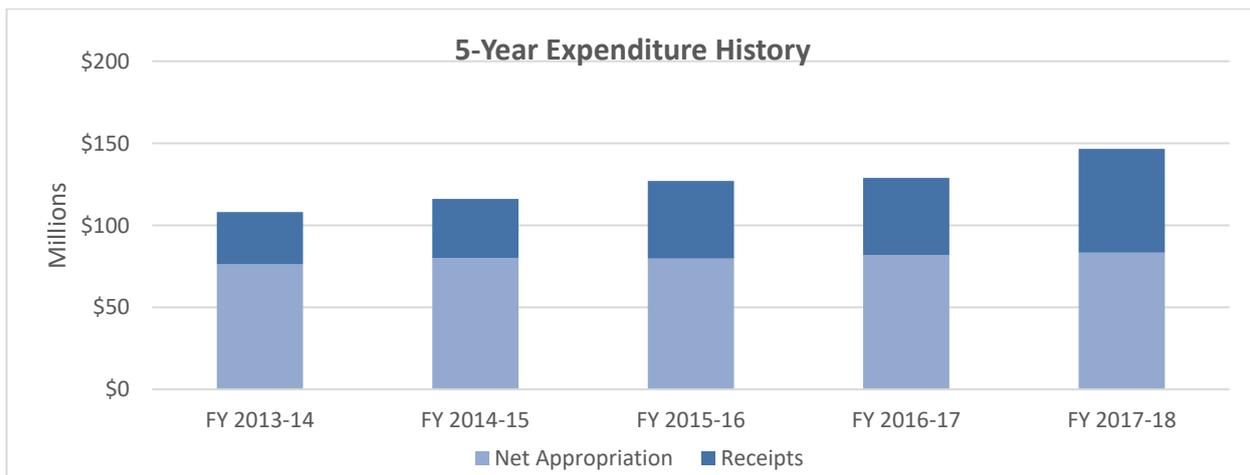
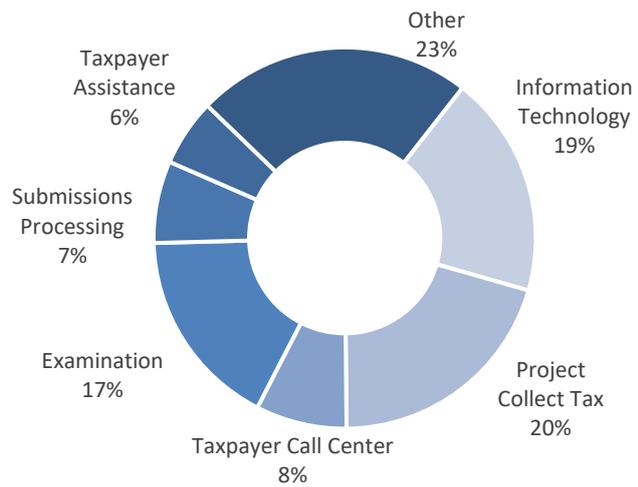
Goals

1. Collect taxes due to the State in a fair, impartial manner.
2. Protect taxpayers from identity theft and refund fraud.
3. Develop employees and undertake succession planning.

Agency Profile

- DOR collects over 20 different tax types, including individual income, corporate income, sales and use, motor fuel, alcoholic beverage, and tobacco taxes.
- DOR collected \$31.2 billion in revenue during FY 2017-18 and deposited 93% of that sum into the State’s general fund.
- The individual income tax represents the largest source of revenue for the State, followed by the sales tax.
- DOR received 83% of payments electronically during FY 2017-18.
- DOR’s compliance and enforcement efforts yielded more than \$1 billion in revenue during FY 2017-18.

FY 2018-19 Authorized Expenditures by Program



Charts include General Fund budget code only.

Department of Revenue (14700)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 146,213,204	\$ 1,868,460	\$ 17,240,610	\$ 19,109,070	\$ 165,322,274	13.1%
Receipts	\$ 59,236,207	\$ -	\$ 16,900,000	\$ 16,900,000	\$ 76,136,207	28.5%
Net Appropriation	\$ 86,976,997	\$ 1,868,460	\$ 340,610	\$ 2,209,070	\$ 89,186,067	2.5%
Positions (FTE)	1463.920	1.000	0.000	1.000	1464.920	0.1%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 146,280,481	\$ 9,937,952	\$ 10,900,000	\$ 20,837,952	\$ 167,118,433	14.2%
Receipts	\$ 59,268,852	\$ -	\$ 10,900,000	\$ 10,900,000	\$ 70,168,852	18.4%
Net Appropriation	\$ 87,011,629	\$ 9,937,952	\$ -	\$ 9,937,952	\$ 96,949,581	11.4%
Positions (FTE)	1463.920	1.000	0.000	1.000	1464.920	0.1%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 987,137	\$ -	\$ 1,991,518	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 987,137	\$ -	\$ 1,991,518	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees				
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$ 14,155	\$ -	\$ 14,155	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 14,155	\$ -	\$ 14,155	\$ -
	FTE 0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 601,076	\$ 340,610	\$ 1,392,492	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 601,076	\$ 340,610	\$ 1,392,492	\$ -
	FTE 0.000	0.000	0.000	0.000
4 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 206,988	\$ -	\$ 421,580	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 206,988	\$ -	\$ 421,580	\$ -
	FTE 0.000	0.000	0.000	0.000
5 Critical IT Operations and Maintenance				
Maintains funding for all DOR tax filing systems, allowing individuals and businesses to file individual and corporate income, franchise, and partnership taxes electronically. This item also funds maintenance, support, and upgrades for DOR hardware and software. Recurring funding is needed because special-fund resources are being depleted.	Req \$ -	\$ 12,500,000	\$ 6,000,000	\$ 6,500,000
	Rec \$ -	\$ 12,500,000	\$ -	\$ 6,500,000
	App \$ -	\$ -	\$ 6,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
6 Identity Theft and Tax Fraud Prevention				
Maintains funding for identity theft and refund fraud prevention as fraudulent schemes grow in volume and complexity. Identity theft prevention measures saved \$30 million in FY 2017-18.	Req \$ -	\$ 4,400,000	\$ -	\$ 4,400,000
	Rec \$ -	\$ 4,400,000	\$ -	\$ 4,400,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
7 Advanced Analytics and Data Interpretation				
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$ 59,104	\$ -	\$ 118,207	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 59,104	\$ -	\$ 118,207	\$ -
	FTE 1.000	0.000	1.000	0.000
Total Change to Requirements	\$ 1,868,460	\$ 17,240,610	\$ 9,937,952	\$ 10,900,000
Total Change to Receipts	\$ -	\$ 16,900,000	\$ -	\$ 10,900,000
Total Change to Net Appropriation	\$ 1,868,460	\$ 340,610	\$ 9,937,952	\$ -
Total Change to Full-Time Equivalent (FTE)	1.000	0.000	1.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ 2,209,070	\$ -	\$ 9,937,952
Recommended Total FTE Changes	1.000	1.000	1.000	1.000

Revenue - Project Collect Tax (24704)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 36,593,221	\$	-	\$	(16,900,000)	\$(16,900,000)	\$ 19,693,221	-46.2%
Receipts	\$ 33,627,756	\$	-	\$	(16,900,000)	\$(16,900,000)	\$ 16,727,756	-50.3%
Δ in Fund Balance	\$ (2,965,465)	\$	-	\$	-	-\$	(2,965,465)	0.0%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 36,622,858	\$	-	\$	(10,900,000)	\$(10,900,000)	\$ 25,722,858	-29.8%
Receipts	\$ 33,657,393	\$	-	\$	(10,900,000)	\$(10,900,000)	\$ 22,757,393	-32.4%
Δ in Fund Balance	\$ (2,965,465)	\$	-	\$	-	-\$	(2,965,465)	0.0%
Positions (FTE)	0.000		0.000		0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Critical IT Operations and Maintenance				
Authorizes the use of receipts from the Collections Assistance Fee to support DOR tax filing systems, allowing individuals and businesses to file individual and corporate income, franchise, and partnership taxes electronically. This item also funds maintenance, support, and upgrades for DOR hardware and software.	Req \$ -	\$(12,500,000)	\$ -	\$(6,500,000)
	Rec \$ -	\$(12,500,000)	\$ -	\$(6,500,000)
	CFB \$ -	-\$	\$ -	-\$
	FTE 0.000	0.000	0.000	0.000
2 Identity Theft and Tax Fraud Prevention				
Authorizes the use of receipts from the Collections Assistance Fee to maintain funding for identity theft and refund fraud prevention as fraudulent schemes grow in volume and complexity. Identify theft prevention measures saved \$30 million in FY 2017-18.	Req \$ -	\$(4,400,000)	\$ -	\$(4,400,000)
	Rec \$ -	\$(4,400,000)	\$ -	\$(4,400,000)
	CFB \$ -	-\$	\$ -	-\$
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$(16,900,000)	\$ -	\$(10,900,000)
Total Change to Receipts	\$ -	\$(16,900,000)	\$ -	\$(10,900,000)
Total Change to Fund Balance	\$ -	-\$	\$ -	-\$
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	-\$	\$ -	-\$
Recommended Total FTE Changes	0.000	0.000	0.000	0.000

Mission

The mission of the State Board of Elections (SBE) is to promote among the citizens of North Carolina confidence in the integrity of the free election process through the consistent administration and equal application of all elections and campaign finance laws, rules, and regulations.

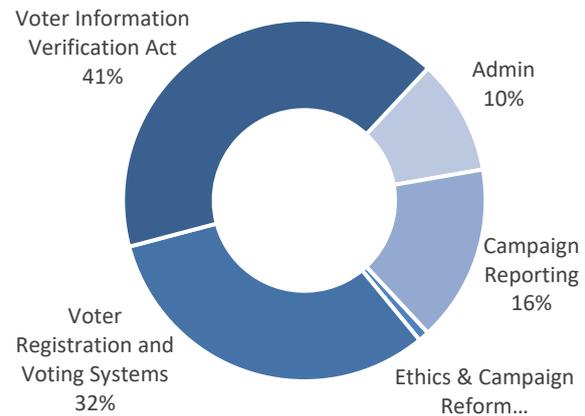
Goals

1. To ensure fair elections and protect constitutional rights of voters and candidates through equal application of Federal and State laws.
2. To increase political transparency and accountability by ensuring timely and accurate disclosure of campaign finance data.
3. To promote voter registration and participation by all qualified, eligible citizens of North Carolina.

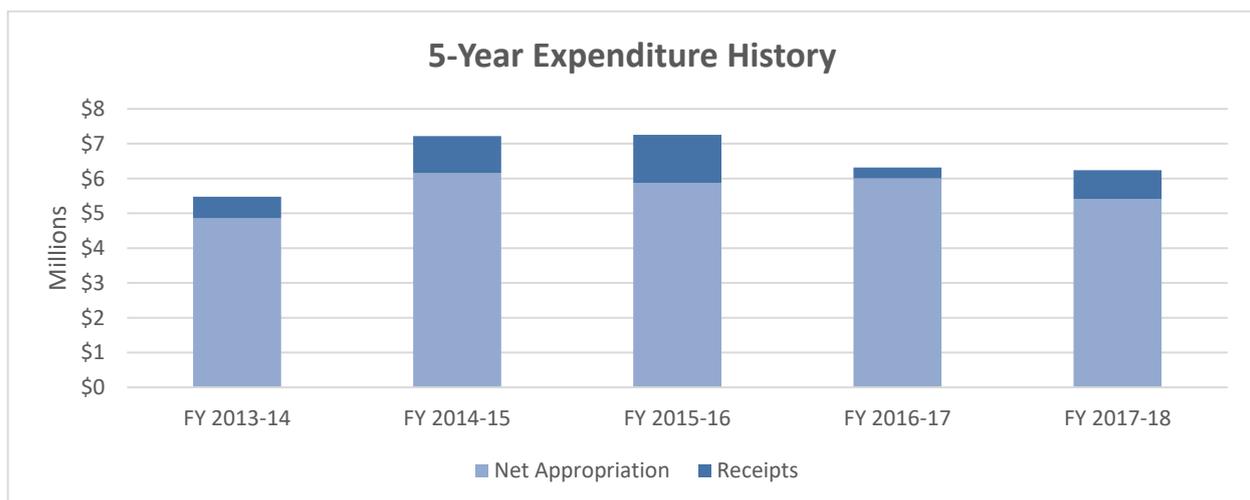
Agency Profile

- SBE supervises elections and campaign finance disclosure in the State. Elections are conducted by 100 county elections boards under SBE oversight.
- SBE is governed by a five-member Board appointed by the Governor. No more than three members may belong to the same party.
- SBE appoints four of the five members for each county's elections board. The Governor names the fifth member, who serves as the chair.
- SBE must evaluate and certify voting equipment used by county boards to administer elections.
- SBE is upgrading the Statewide Election Information Management System in order to automate processes for voter registration, voting, election site operations, and other key functions.

FY 2018-19 Authorized Expenditures by Program



5-Year Expenditure History



Charts include General Fund budget code only.

State Board of Elections (18025)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 6,935,297	\$ 547,858	\$ 33,428	\$ 581,286	\$ 7,516,583	8.4%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 6,833,297	\$ 547,858	\$ 33,428	\$ 581,286	\$ 7,414,583	8.5%
Positions (FTE)	60.000	3.000	0.000	3.000	63.000	5.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 6,935,297	\$ 802,761	\$ -	\$ 802,761	\$ 7,738,058	11.6%
Receipts	\$ 102,000	\$ -	\$ -	\$ -	\$ 102,000	0.0%
Net Appropriation	\$ 6,833,297	\$ 802,761	\$ -	\$ 802,761	\$ 7,636,058	11.7%
Positions (FTE)	60.000	3.000	0.000	3.000	63.000	5.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 96,879	\$ -	\$ 195,450	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 96,879	\$ -	\$ 195,450	\$ -
	FTE 0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 58,990	\$ 33,428	\$ 136,661	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 58,990	\$ 33,428	\$ 136,661	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 18,865	\$ -	\$ 38,423	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 18,865	\$ -	\$ 38,423	\$ -
	FTE 0.000	0.000	0.000	0.000
4 Elections Help Desk Expansion				
Adds two positions to elections help desk to resolve software problems more quickly and improve the quality of service to 1,000 county board of elections users and 3,000 users of campaign finance disclosure systems. The elections help desk assists users with critical applications such as voter registration, absentee ballot requests, ballot design, election reporting, and campaign finance report filing.	Req \$ 164,020	\$ -	\$ 164,020	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 164,020	\$ -	\$ 164,020	\$ -
	FTE 2.000	0.000	2.000	0.000
5 Elections Administration Improvement				
Supports measures to promote the fair, effective, and efficient administration of North Carolina elections.	Req \$ 150,000	\$ -	\$ 150,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 150,000	\$ -	\$ 150,000	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104	\$ -	\$ 118,207	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements	\$	547,858	\$ 33,428	\$ 802,761	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	547,858	\$ 33,428	\$ 802,761	\$ -
Total Change to Full-Time Equivalent (FTE)		3.000	0.000	3.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 581,286		\$ 802,761
Recommended Total FTE Changes			3.000		3.000

Mission

To serve the citizens of North Carolina with quality and efficiency by providing an independent forum for prompt and impartial resolution of administrative law contested cases involving citizens and state agencies; functioning as the State’s codifier, publisher, and reviewer of all administrative rules; and, investigating alleged acts of unlawful discrimination in employment and housing.

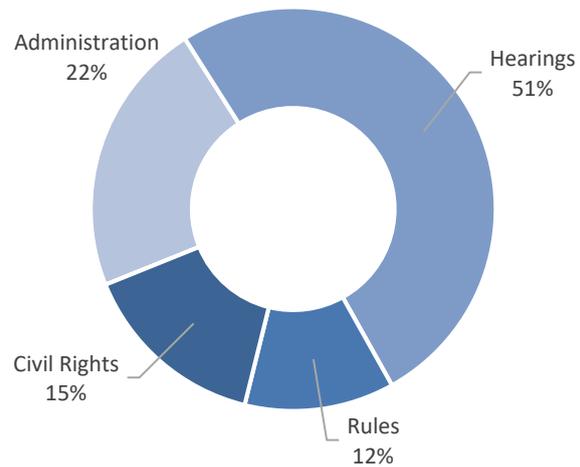
Goals

1. Manage dockets and case flow to conduct and conclude contested cases in a timely manner.
2. Publish and review all administrative rules within the established deadlines set by Statute and rule.
3. Conduct and conclude discrimination investigations in a timely manner, consistent with State and Federal law.

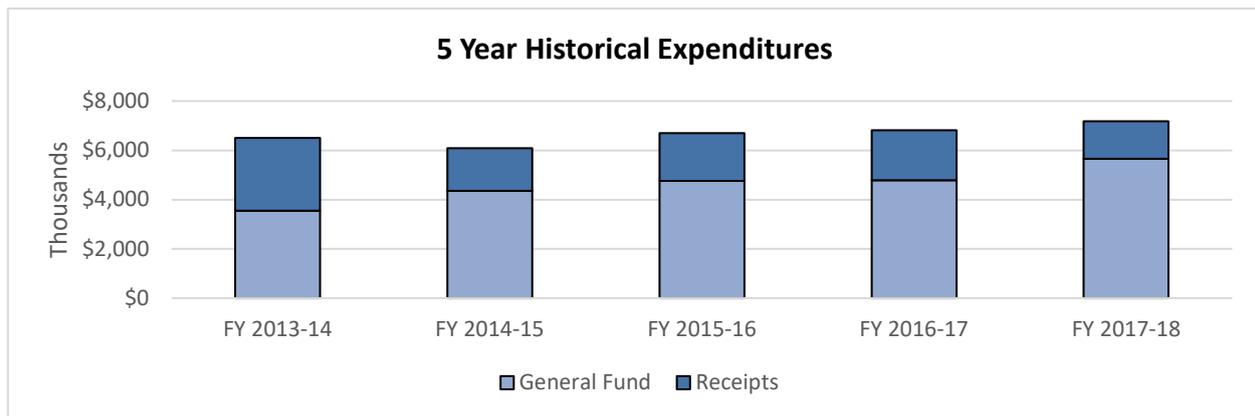
Agency Profile

- Hears and renders administrative decisions in a fair and impartial manner.
- Administers a uniform system of administrative rule making and review procedures for agencies.
- Acts as the official publisher of the North Carolina Register and the North Carolina Administrative Code.
- Serves as the deferral agency for the Equal Employment Opportunity Commission and receives fair housing complaints from US Dept. of Housing and Urban Development.
- Investigates acts of discrimination in employment and housing.
- Staffs both the Rules Review and Human Relations Commissions.

FY 2018-19 Authorized Expenditures



5 Year Historical Expenditures



Office of Administrative Hearings (18210)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 7,853,519	\$ 313,709	\$ 25,623	\$ 339,332	\$ 8,192,851	4.3%
Receipts	\$ 1,684,910	\$ -	\$ -	\$ -	\$ 1,684,910	0.0%
Net Appropriation	\$ 6,168,609	\$ 313,709	\$ 25,623	\$ 339,332	\$ 6,507,941	5.5%
Positions (FTE)	55.790	3.000	0.000	3.000	58.790	5.4%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 7,860,093	\$ 521,185	\$ -	\$ 521,185	\$ 8,381,278	6.6%
Receipts	\$ 1,684,910	\$ -	\$ -	\$ -	\$ 1,684,910	0.0%
Net Appropriation	\$ 6,175,183	\$ 521,185	\$ -	\$ 521,185	\$ 6,696,368	8.4%
Positions (FTE)	55.790	3.000	0.000	3.000	58.790	5.4%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Compensation and Benefits Reserve				
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 74,259	\$ -	\$ 149,815	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 74,259	\$ -	\$ 149,815	\$ -
	FTE 0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 45,217	\$ 25,623	\$ 104,752	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 45,217	\$ 25,623	\$ 104,752	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 12,811	\$ -	\$ 26,093	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 12,811	\$ -	\$ 26,093	\$ -
	FTE 0.000	0.000	0.000	0.000
Organization Wide				
4 User Support Technician				
Establishes and additional user support technician to assist the office in information technology matters. The office currently only has 1.4 FTE dedicated to information technology.	Req \$ 73,937	\$ -	\$ 73,937	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 73,937	\$ -	\$ 73,937	\$ -
	FTE 1.000	0.000	1.000	0.000
5 Administrative Support				
Establishes an administrative support position to assist the Clerks Office and the Human Relations Commission.	Req \$ 48,381	\$ -	\$ 48,381	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 48,381	\$ -	\$ 48,381	\$ -
	FTE 1.000	0.000	1.000	0.000
6 Advanced Analytics and Data Interpretation				
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$ 59,104	\$ -	\$ 118,207	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 59,104	\$ -	\$ 118,207	\$ -
	FTE 1.000	0.000	1.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Total Change to Requirements	\$ 313,709	\$ 25,623	\$ 521,185	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 313,709	\$ 25,623	\$ 521,185	\$ -
Total Change to Full-Time Equivalent (FTE)	3.000	0.000	3.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	339,332	\$	521,185
Recommended Total FTE Changes		3.000		3.000



Closing the Coverage Gap for Healthier North Carolinians and a Healthier Economy

Recommends expanding Medicaid to provide access to affordable health insurance to 500,000 additional individuals, help rural hospitals keep their doors open, aid in addressing the opioid epidemic, and secure North Carolina’s share of federal resources to inject over \$5 billion in direct spending into the state.

Transforming Medicaid and Health Choice

Provides funding to support the transition of the Medicaid and Health Choice programs from fee-for-service to managed care by leveraging \$268 million of the Medicaid Transformation Reserve.

Fighting the Opioid Epidemic through Expanded Treatment and Recovery

Directs more than \$15 million in Medicaid funding to expand treatment and recovery services for individuals with opioid use disorders. Opioids harm North Carolina families, communities and economy and are a leading cause of accidental death in North Carolina. Expanding access to treatment and recovery services is critical to fighting the opioid epidemic.

Investing in Early Learning and Development

Invests more than \$95 million from 2019-2021 in early education and child development. Adds 2,000 more childcare subsidy slots each year for children from low-income working families to receive high-quality care. Increases NC Pre-K reimbursement rate using lottery proceeds to help more children access Pre-K. Increases Smart Start by 10 percent to support families and children in all 100 counties, including by expanding home visiting programs.

Helping People with Disabilities Live, Work and Learn in Their Home Communities

Invests \$1 million in state-of-the-art adaptive equipment and assistive technologies to help people with disabilities live, work, and be educated in their communities. Provides funds to assist individuals who are blind and/or have other disabilities return to work.

Supporting Abused and Neglected Children

Provides \$1.1 million to improve child welfare services and add critical staffing and training to improve safety and outcomes for children experiencing abuse or neglect.

Upgrading Critical Health Services

Continues the state’s investment in protecting public health by providing funds to replace and upgrade equipment in the State Laboratory of Public Health. Ensures the Office of the Chief Medical Examiner can perform robust investigations by providing additional investigators to handle growing caseloads. Provides funds to operate and maintain the Medical Examiner Information System.

Central Management and Support Aging and Adult Services Child Development and Early Education
Public Health Social Services Health Benefits
Mental Health/Developmental Disabilities/Substance Abuse Services
Services for the Blind, Deaf and Hard of Hearing Health Services Regulation Vocational Rehabilitation

Mission

In collaboration with our partners, the North Carolina Department of Health and Human Services provides essential services to improve the health, safety, and well-being of all North Carolinians.

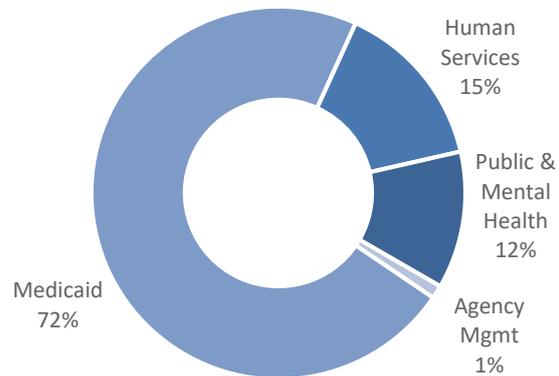
Goals

1. Advance the health and well-being of North Carolinians utilizing the programmatic tools of our Department.
2. Build an innovative, coordinated, and whole-person centered system that addresses both the medical and non-medical drivers of health.
3. Turn the tide of North Carolina’s opioid crisis.
4. Ensure all North Carolina children get a healthy start and develop to their full potential in safe and nurturing families, schools and communities.
5. Achieve operational excellence.

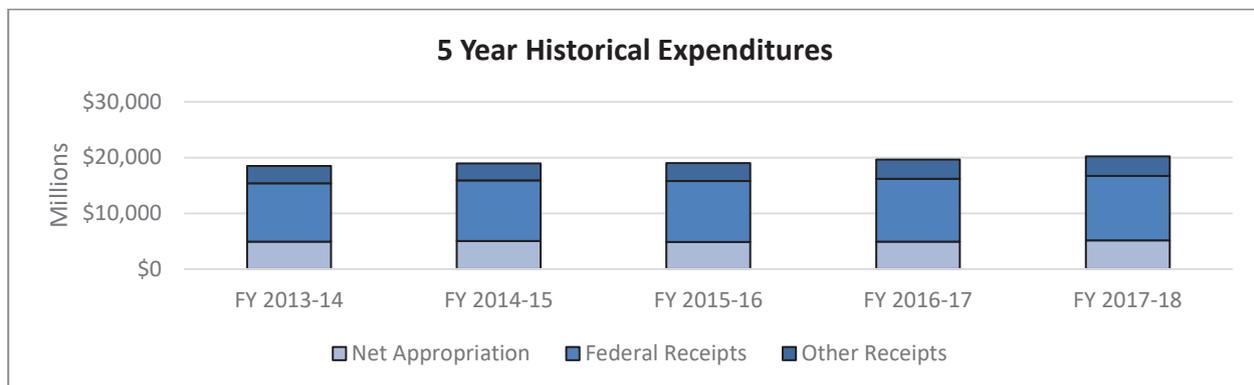
Agency Profile

- Buy health for people through our Medicaid program, including working with underserved communities to improve access to quality health care and reduce health disparities.
- Safeguard public health by protecting communities from communicable and chronic diseases, epidemics, and contaminated food/water.
- Protect the safety, security and well-being of children and vulnerable adults.
- Support individuals with disabilities and older adults in leading healthy and fulfilling lives.
- Promote family economic independence and self-sufficiency.
- Ensure high standards in the many health care facilities we operate or regulate.

FY 2018-19 Authorized Budget by Program



5 Year Historical Expenditures



Charts include General Fund budget code only

Division of Central Management and Support (14410)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	213,596,948	\$	21,106,270	\$	16,279,187	\$	37,385,457	\$	250,982,405	17.5%
Receipts	\$	97,500,522	\$	13,292,426	\$	-	\$	13,292,426	\$	110,792,948	13.6%
Net Appropriation	\$	116,096,426	\$	7,813,844	\$	16,279,187	\$	24,093,031	\$	140,189,457	20.8%
Positions (FTE)		962.000		11.000		0.000		11.000		973.000	1.1%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	213,596,948	\$	29,201,886	\$	-	\$	29,201,886	\$	242,798,834	13.7%
Receipts	\$	97,500,522	\$	17,273,984	\$	-	\$	17,273,984	\$	114,774,506	17.7%
Net Appropriation	\$	116,096,426	\$	11,927,902	\$	-	\$	11,927,902	\$	128,024,328	10.3%
Positions (FTE)		962.000		16.000		0.000		16.000		978.000	1.7%

	FY 2019-20		FY 2020-21					
	R Changes	NR Changes	R Changes	NR Changes				
1 Cost of Living Adjustment Reserve - State Employees								
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	809,126	\$	-	\$	1,632,386	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	809,126	\$	-	\$	1,632,386	\$	-
	FTE	0.000		0.000		0.000		0.000
2 TSERS Retirement Contribution								
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	492,683	\$	279,187	\$	1,141,383	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	492,683	\$	279,187	\$	1,141,383	\$	-
	FTE	0.000		0.000		0.000		0.000
3 State Health Plan Contribution								
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	150,161	\$	-	\$	305,837	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	150,161	\$	-	\$	305,837	\$	-
	FTE	0.000		0.000		0.000		0.000
4 Office of Healthy Opportunities								
Establishes the Office of Healthy Opportunities to assist DHHS in improving the health and well-being of North Carolinians, while reducing costs, by impacting both the medical and nonmedical drivers of health through an innovative, well-coordinated system of care. These efforts will address the conditions in which people live that impact up to 80 percent of a person's health, such as food insecurity, housing instability, transportation needs, and interpersonal violence.	Req \$	334,587	\$	-	\$	334,587	\$	-
	Rec \$	50,582	\$	-	\$	50,582	\$	-
	App \$	284,005	\$	-	\$	284,005	\$	-
	FTE	3.000		0.000		3.000		0.000
5 NC FAST Project Development								
Modernizes NC FAST by initiating enhancements to provide 24/7 access to the system and cloud-based computing solutions so that counties experience little to no down time. Supports continued development and improvements to the child welfare case management system and enhances program integrity and security through the development of a document management system.	Req \$	-	\$	9,222,928	\$	-	\$	-
	Rec \$	-	\$	-	\$	-	\$	-
	App \$	-	\$	9,222,928	\$	-	\$	-
	FTE	0.000		0.000		0.000		0.000

North Carolina State Budget
 Governor's Recommended Budget, 2019-21

General Fund
 DHHS - Division of Central Management and Support

6 NC FAST Operations and Maintenance

Funds operations and maintenance, additional technical assistance, and provider help desk staff to support new NC FAST functionality.	Req	\$ 19,201,506	\$ 6,777,072	\$ 25,551,279	\$ -
	Rec	\$ 13,241,844	\$ -	\$ 17,223,402	\$ -
	App	\$ 5,959,662	\$ 6,777,072	\$ 8,327,877	\$ -
	FTE	6.000	0.000	11.000	0.000

7 Advanced Analytics and Data Interpretation

Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 118,207	\$ -	\$ 236,414	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000

Total Change to Requirements	\$	21,106,270	\$	16,279,187	\$	29,201,886	\$	-
Total Change to Receipts	\$	13,292,426	\$	-	\$	17,273,984	\$	-
Total Change to Net Appropriation	\$	7,813,844	\$	16,279,187	\$	11,927,902	\$	-
Total Change to Full-Time Equivalent (FTE)		11.000		0.000		16.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	24,093,031	\$		\$	11,927,902
Recommended Total FTE Changes				11.000				16.000

DHHS - Central Management - Special Fund (24410)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,875,403	\$ 1,561,306	\$ 198,681,626	\$ 200,242,932	\$ 202,118,335	10677.3%
Receipts	\$ 1,875,406	\$ 1,561,306	\$ 254,292,896	\$ 255,854,202	\$ 257,729,608	13642.6%
Δ in Fund Balance	\$ 3	\$ -	\$ 55,611,270	\$ 55,611,270	\$ 55,611,273	1853709000.0%
Positions (FTE)	68.000	0.000	0.000	0.000	68.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,875,403	\$ 1,561,306	\$ 106,702,577	\$ 108,263,883	\$ 110,139,286	5772.8%
Receipts	\$ 1,875,406	\$ 1,561,306	\$ 212,313,847	\$ 213,875,153	\$ 215,750,559	11404.2%
Δ in Fund Balance	\$ 3	\$ -	\$ 105,611,270	\$ 105,611,270	\$ 105,611,273	3520375666.7%
Positions (FTE)	68.000	0.000	0.000	0.000	68.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Medicaid Transformation IT				
Authorizes the use of receipts for Medicaid Transformation-related IT projects.	Req \$ 1,561,306	\$ 138,921,927	\$ 1,561,306	\$ 106,702,577
	Rec \$ 1,561,306	\$ 194,533,197	\$ 1,561,306	\$ 212,313,847
	CFB \$ -	\$ 55,611,270	\$ -	\$ 105,611,270
	FTE 0.000	0.000	0.000	0.000
2 NC FAST Project Development				
Authorizes the use of receipts for NC FAST project development.	Req \$ -	\$ 31,297,213	\$ -	\$ -
	Rec \$ -	\$ 31,297,213	\$ -	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
3 NC FAST Operations and Maintenance				
Authorizes the use of receipts for NC FAST operations and maintenance.	Req \$ -	\$ 28,462,486	\$ -	\$ -
	Rec \$ -	\$ 28,462,486	\$ -	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 1,561,306	\$ 198,681,626	\$ 1,561,306	\$ 106,702,577
Total Change to Receipts	\$ 1,561,306	\$ 254,292,896	\$ 1,561,306	\$ 212,313,847
Total Change to Fund Balance	\$ -	\$ 55,611,270	\$ -	\$ 105,611,270
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ 55,611,270	\$ -	\$ 105,611,270
Recommended Total FTE Changes		0.000		0.000

Division of Aging and Adult Services (14411)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$	115,322,884	\$ 72,009	\$ 1,090,967	\$ 1,162,976	\$ 116,485,860	1.0%
Receipts	\$	70,287,436	\$ -	\$ 107,728	\$ 107,728	\$ 70,395,164	0.2%
Net Appropriation	\$	45,035,448	\$ 72,009	\$ 983,239	\$ 1,055,248	\$ 46,090,696	2.3%
Positions (FTE)		77.000	0.000	0.000	0.000	77.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$	115,322,884	\$ 152,661	\$ -	\$ 152,661	\$ 115,475,545	0.1%
Receipts	\$	70,287,436	\$ -	\$ -	\$ -	\$ 70,287,436	0.0%
Net Appropriation	\$	45,035,448	\$ 152,661	\$ -	\$ 152,661	\$ 45,188,109	0.3%
Positions (FTE)		77.000	0.000	0.000	0.000	77.000	0.0%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	39,675	\$ -	\$ 80,042	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	39,675	\$ -	\$ 80,042	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	24,158	\$ 13,690	\$ 55,967	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	24,158	\$ 13,690	\$ 55,967	\$ -
	FTE	0.000	0.000	0.000	0.000
3 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	8,176	\$ -	\$ 16,652	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	8,176	\$ -	\$ 16,652	\$ -
	FTE	0.000	0.000	0.000	0.000
4 Support for Aging and Adult Services					
Supports aging and adult services by continuing nonrecurring funding to the Home and Community Care Block Grant.	Req \$	-	\$ 1,077,277	\$ -	\$ -
	Rec \$	-	\$ 107,728	\$ -	\$ -
	App \$	-	\$ 969,549	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	72,009	\$ 1,090,967	\$ 152,661	\$ -
Total Change to Receipts	\$	-	\$ 107,728	\$ -	\$ -
Total Change to Net Appropriation	\$	72,009	\$ 983,239	\$ 152,661	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		1,055,248	\$	152,661
Recommended Total FTE Changes			0.000		0.000

Division of Child Development and Early Education (14420)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 793,277,135	\$ 30,957,641	\$ 19,498,432	\$ 50,456,073	\$ 843,733,208			6.4%	
Receipts	\$ 555,637,868	\$ 15,900,000	\$ 14,487,749	\$ 30,387,749	\$ 586,025,617			5.5%	
Net Appropriation	\$ 237,639,267	\$ 15,057,641	\$ 5,010,683	\$ 20,068,324	\$ 257,707,591			8.4%	
Positions (FTE)	336.000	0.000	0.000	0.000	336.000			0.0%	

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 802,627,135	\$ 31,022,079	\$ 14,290,489	\$ 45,312,568	\$ 847,939,703			5.6%	
Receipts	\$ 555,637,868	\$ 15,900,000	\$ 14,290,489	\$ 30,190,489	\$ 585,828,357			5.4%	
Net Appropriation	\$ 246,989,267	\$ 15,122,079	\$ -	\$ 15,122,079	\$ 262,111,346			6.1%	
Positions (FTE)	336.000	0.000	0.000	0.000	336.000			0.0%	

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 30,961	\$ -	\$ 62,462	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 30,961	\$ -	\$ 62,462	\$ -
	FTE 0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 18,852	\$ 10,683	\$ 43,674	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 18,852	\$ 10,683	\$ 43,674	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 7,828	\$ -	\$ 15,943	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 7,828	\$ -	\$ 15,943	\$ -
	FTE 0.000	0.000	0.000	0.000
4 NC Pre-K Capacity Building				
Addresses the barriers communities face to expanding NC Pre-K, including rising operating costs and a reimbursement rate that has not changed since 2012. Invests almost \$16 million in lottery receipts to increase the NC Pre-K reimbursement rate by 8% per slot and the administrative support by 2% to build local capacity to expand the number of eligible children served in Pre-K slots created by SL 2018-2 and maintain program quality.	Req \$ 15,900,000	\$ -	\$ 15,900,000	\$ -
	Rec \$ 15,900,000	\$ -	\$ 15,900,000	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
5 Smart Start for Children				
Increases the State's investment in Smart Start to expand evidence-based, family strengthening and home visiting programs as well as other early childhood initiatives.	Req \$ 15,000,000	\$ 5,000,000	\$ 15,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 15,000,000	\$ 5,000,000	\$ 15,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
6 Child Care for Working Families				
Provides approximately 2,300 additional slots for child care subsidy payments for children from low-income working families. Child care subsidy allows these children to receive high-quality child care that supports their healthy development while parents go to work, search for employment, or receive job training.	Req \$ -	\$ 14,487,749	\$ -	\$ 14,290,489
	Rec \$ -	\$ 14,487,749	\$ -	\$ 14,290,489
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Total Change to Requirements	\$ 30,957,641	\$ 19,498,432	\$ 31,022,079	\$ 14,290,489
Total Change to Receipts	\$ 15,900,000	\$ 14,487,749	\$ 15,900,000	\$ 14,290,489
Total Change to Net Appropriation	\$ 15,057,641	\$ 5,010,683	\$ 15,122,079	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	20,068,324	\$	15,122,079
Recommended Total FTE Changes		0.000		0.000

Division of Public Health (14430)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	898,572,342	\$	2,092,947	\$	756,384	\$	2,849,331	\$	901,421,673	0.3%
Receipts	\$	744,471,330	\$	-	\$	-	\$	-	\$	744,471,330	0.0%
Net Appropriation	\$	154,101,012	\$	2,092,947	\$	756,384	\$	2,849,331	\$	156,950,343	1.8%
Positions (FTE)		1947.880		4.000		0.000		4.000		1951.880	0.2%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	898,273,086	\$	3,551,646	\$	-	\$	3,551,646	\$	901,824,732	0.4%
Receipts	\$	744,127,621	\$	-	\$	-	\$	-	\$	744,127,621	0.0%
Net Appropriation	\$	154,145,465	\$	3,551,646	\$	-	\$	3,551,646	\$	157,697,111	2.3%
Positions (FTE)		1947.880		4.000		0.000		4.000		1951.880	0.2%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	717,681	\$	-
	Rec \$	-	\$	-
	App \$	717,681	\$	-
	FTE	0.000		0.000
				0.000
				0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	437,002	\$	247,634
	Rec \$	-	\$	-
	App \$	437,002	\$	247,634
	FTE	0.000		0.000
				0.000
				0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	147,671	\$	-
	Rec \$	-	\$	-
	App \$	147,671	\$	-
	FTE	0.000		0.000
				0.000
				0.000
4 Office of the Chief Medical Examiner				
Improves death investigations by funding three additional Medicolegal Death Investigator positions and one administrative support position. The positions will support increased investigatory caseloads, address backlogs, and enable full-time medicolegal death investigator coverage. Much of the increase in demand for death investigation has been driven by the opioid crisis and related overdoses.	Req \$	290,593	\$	8,750
	Rec \$	-	\$	-
	App \$	290,593	\$	8,750
	FTE	4.000		0.000
				4.000
				0.000
5 Medical Examiner Information System				
Provides funding for the operation and maintenance of the Medical Examiner Information System, which is used by the Office of the Chief Medical Examiner to house data on investigations, toxicology results, autopsy findings, as well as to provide public reports. The General Assembly appropriated funding in FY 2016-17 to replace the system and additional funds are needed for the operation and maintenance of the system.	Req \$	500,000	\$	-
	Rec \$	-	\$	-
	App \$	500,000	\$	-
	FTE	0.000		0.000
				0.000
				0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
6 The State Laboratory of Public Health Equipment					
Provides funding to replace or upgrade old and obsolete clinical and environmental laboratory equipment in the State Laboratory of Public Health. Additional funding will allow equipment to be replaced or upgraded to meet government requirements and to ensure patient and employee safety.	Req	\$ -	\$ 500,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 2,092,947	\$ 756,384	\$ 3,551,646	\$ -
Total Change to Receipts		\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation		\$ 2,092,947	\$ 756,384	\$ 3,551,646	\$ -
Total Change to Full-Time Equivalent (FTE)		4.000	0.000	4.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	2,849,331	\$	3,551,646
Recommended Total FTE Changes			4.000		4.000

Division of Social Services (14440)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	1,909,946,882	\$	4,320,413	\$	1,054,019	\$	5,374,432	\$	1,915,321,314	0.3%
Receipts	\$	1,715,816,278	\$	220,125	\$	-	\$	220,125	\$	1,716,036,403	0.0%
Net Appropriation	\$	194,130,604	\$	4,100,288	\$	1,054,019	\$	5,154,307	\$	199,284,911	2.7%
Positions (FTE)		404.000		11.000		0.000		11.000		415.000	2.7%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget		
Requirements	\$	1,909,948,174	\$	4,640,067	\$	-	\$	4,640,067	\$	1,914,588,241	0.2%
Receipts	\$	1,715,817,168	\$	220,125	\$	-	\$	220,125	\$	1,716,037,293	0.0%
Net Appropriation	\$	194,131,006	\$	4,419,942	\$	-	\$	4,419,942	\$	198,550,948	2.3%
Positions (FTE)		404.000		11.000		0.000		11.000		415.000	2.7%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$	156,556	\$	-	\$	315,846	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	156,556	\$	-	\$	315,846	\$	-
FTE		0.000		0.000		0.000		0.000

2 TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$	95,328	\$	54,019	\$	220,843	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	95,328	\$	54,019	\$	220,843	\$	-
FTE		0.000		0.000		0.000		0.000

3 State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$	33,614	\$	-	\$	68,463	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	33,614	\$	-	\$	68,463	\$	-
FTE		0.000		0.000		0.000		0.000

4 Intensive Family Preservation Services

Increases funding for evidence-based intensive family preservation services to prevent the unnecessary removal of children from families by improving family functionality, resiliency, and safety. Research shows that families served by these services are less likely to enter foster care.

Req	\$	2,900,000	\$	-	\$	2,900,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	2,900,000	\$	-	\$	2,900,000	\$	-
FTE		0.000		0.000		0.000		0.000

5 Child Welfare Training

Invests in 11 DHHS Child Welfare positions to improve child welfare training, continuous quality improvement through onsite technical assistance to counties, and accountability for better outcomes for children and families. This request also includes \$750,000 to purchase web-based child welfare training for state and county use.

Req	\$	1,134,915	\$	-	\$	1,134,915	\$	-
Rec	\$	220,125	\$	-	\$	220,125	\$	-
App	\$	914,790	\$	-	\$	914,790	\$	-
FTE		11.000		0.000		11.000		0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
6 Support Local Food Banks					
Provides \$1 million in nonrecurring funding to food banks to assist with the increased demand from the recent hurricanes and other natural disasters that have impacted North Carolina.	Req	\$ -	\$ 1,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 4,320,413	\$ 1,054,019	\$ 4,640,067	\$ -
Total Change to Receipts		\$ 220,125	\$ -	\$ 220,125	\$ -
Total Change to Net Appropriation		\$ 4,100,288	\$ 1,054,019	\$ 4,419,942	\$ -
Total Change to Full-Time Equivalent (FTE)		11.000	0.000	11.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	5,154,307	\$	4,419,942
Recommended Total FTE Changes			11.000		11.000

Division of Health Benefits (14445)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 14,875,059,304	\$	2,905,360,845	\$	779,073,199	\$	3,684,434,044	\$ 18,559,493,348	24.8%
Receipts	\$ 10,950,483,105	\$	2,718,613,951	\$	828,045,584	\$	3,546,659,535	\$ 14,497,142,640	32.4%
Net Appropriation	\$ 3,924,576,199	\$	186,746,894	\$	(48,972,385)	\$	137,774,509	\$ 4,062,350,708	3.5%
Positions (FTE)	470.500		2.000		0.000		2.000	472.500	0.4%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 14,875,069,384	\$	5,232,794,557	\$	398,571,828	\$	5,631,366,385	\$ 20,506,435,769	37.9%
Receipts	\$ 10,950,486,002	\$	4,805,370,953	\$	359,674,655	\$	5,165,045,608	\$ 16,115,531,610	47.2%
Net Appropriation	\$ 3,924,583,382	\$	427,423,603	\$	38,897,173	\$	466,320,776	\$ 4,390,904,158	11.9%
Positions (FTE)	470.500		2.000		0.000		2.000	472.500	0.4%

	FY 2019-20				FY 2020-21			
	R Changes		NR Changes		R Changes		NR Changes	
1 Cost of Living Adjustment Reserve - State Employees								
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req	\$ 287,173	\$ -	\$ -	\$ 579,361	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App	\$ 287,173	\$ -	\$ -	\$ 579,361	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution								
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req	\$ 174,862	\$ 99,088	\$ 99,088	\$ 405,095	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App	\$ 174,862	\$ 99,088	\$ 99,088	\$ 405,095	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3 State Health Plan Contribution								
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req	\$ 53,430	\$ -	\$ -	\$ 108,822	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App	\$ 53,430	\$ -	\$ -	\$ 108,822	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4 Medicaid Rebase								
Provides funds to reflect longstanding and expected changes in the federal participation rate based on an improved North Carolina economy and changes in enrollment, utilization, costs, rates, and services associated with the Medicaid program for the upcoming biennium.	Req	\$ 676,464,525	\$ -	\$ -	\$ 887,206,518	\$ -	\$ -	\$ -
	Rec	\$ 522,923,514	\$ 71,721,473	\$ 71,721,473	\$ 588,264,939	\$ 15,102,827	\$ 15,102,827	\$ 15,102,827
	App	\$ 153,541,011	\$ (71,721,473)	\$ (71,721,473)	\$ 298,941,579	\$ (15,102,827)	\$ (15,102,827)	\$ (15,102,827)
	FTE	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5 Medicaid and Health Choice Transformation								
Appropriates \$107 million from the Medicaid Transformation Reserve in the General Fund to the Medicaid Transformation Fund for qualifying needs directly related to Medicaid Transformation. These funds will support the enrollment broker and ombudsman program, an Electronic Data Interchange and Information Exchange Portal, centralized provider data management and credential verification, and finance and program integrity capabilities. Funds may be used to establish time-limited positions to support these efforts. With this authorization and the authorization for fee-for-service claims runoff, the Medicaid Transformation Reserve will have a minimum balance of \$132M at the end of the biennium.	Req	\$ -	\$ 232,948,897	\$ 232,948,897	\$ -	\$ 198,428,623	\$ 198,428,623	\$ 198,428,623
	Rec	\$ -	\$ 232,948,897	\$ 232,948,897	\$ -	\$ 198,428,623	\$ 198,428,623	\$ 198,428,623
	App	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Fee-for-Service Claims Runout					
Appropriates \$161.6 million from the Medicaid Transformation Reserve in the General Fund to the Medicaid Transformation Fund for the State share of up to \$509.1M in total requirements for qualifying needs directly related to the payment of claims incurred under the fee-for-service model. When NC transitions to managed care, there will be a window where the State must finish paying the remaining fee-for-service claims that were incurred prior to the managed care launch. With this authorization and the authorization for other needs related to Medicaid Transformation, the Medicaid Transformation Reserve will have a minimum balance of \$132M at the end of the biennium.	Req	\$ -	\$ 472,737,114	\$ -	\$ 36,357,946
	Rec	\$ -	\$ 472,737,114	\$ -	\$ 36,357,946
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
7 Hospital Access Payments					
Provides funds to help ensure financial stability for NC hospitals during the transition of Medicaid to a managed care system.	Req	\$ -	\$ 66,788,100	\$ -	\$ 163,785,259
	Rec	\$ -	\$ 44,788,100	\$ -	\$ 109,785,259
	App	\$ -	\$ 22,000,000	\$ -	\$ 54,000,000
	FTE	0.000	0.000	0.000	0.000
8 Medicaid Coverage Gap					
Provides access to affordable health insurance to 500,000 North Carolinians, helps prevent rural hospitals from closing, lowers health care costs for people and employers who buy health insurance, reduces the number of uninsured veterans, and helps fight the opioid epidemic. Medicaid expansion requires no State dollars, as the federal government pays 90% of the costs and the rest is paid by hospitals and health plans, including the \$3.3 million and \$74.9 million shown as appropriations in this item.	Req	\$ 2,130,667,375	\$ -	\$ 4,170,592,840	\$ -
	Rec	\$ 2,127,367,375	\$ -	\$ 4,095,692,840	\$ -
	App	\$ 3,300,000	\$ -	\$ 74,900,000	\$ -
	FTE	0.000	0.000	0.000	0.000
9 Medicaid Existing Eligibility Enrollment Increase					
Supports projected increases in Medicaid enrollment among individuals who currently are eligible but not enrolled. Changes in a program require increased outreach that often results in greater awareness of the program. Projected increases are based on the experiences of other states and are supported by research-based health policy simulators.	Req	\$ 63,396,677	\$ -	\$ 126,355,372	\$ -
	Rec	\$ 47,647,437	\$ -	\$ 92,300,180	\$ -
	App	\$ 15,749,240	\$ -	\$ 34,055,191	\$ -
	FTE	0.000	0.000	0.000	0.000
10 More Services to Fight the Opioid Crisis					
Provides funds to expand the continuum of services for individuals fighting opioid and other substance use disorders. Additional services may include substance use disorder halfway house services and high-intensity residential services for individuals no longer needing inpatient care but not yet ready to return home. This is part of the State's comprehensive strategy to address opioid use disorders.	Req	\$ 15,500,000	\$ -	\$ 20,600,000	\$ -
	Rec	\$ 10,394,688	\$ -	\$ 13,808,180	\$ -
	App	\$ 5,105,312	\$ -	\$ 6,791,820	\$ -
	FTE	0.000	0.000	0.000	0.000
11 Money Follows the Person (MFP) Sustainability					
Replaces expiring federal receipts to continue support for transitioning individuals with disabilities from inpatient facilities to qualified community settings. This funding shifts seven existing FTE from receipt-supported positions and adds two new FTE to provide administration, management, fiscal oversight, technical assistance, and direct support to beneficiaries.	Req	\$ 266,803	\$ -	\$ 296,549	\$ -
	Rec	\$ 84,697	\$ -	\$ (66,756)	\$ -
	App	\$ 182,106	\$ -	\$ 363,305	\$ -
	FTE	2.000	0.000	2.000	0.000
12 Developmental Disability Innovations Waiver Program					
Provides additional low-acuity Innovations Waiver slots for individuals with developmental disabilities who are on the Innovations Waiver waiting list. 82% of the children and adults on the waiting list are receiving Medicaid. The Innovations Waiver allows individuals with disabilities to obtain individualized services and remain in their homes and communities. These additional slots will become available January 2020.	Req	\$ 3,300,000	\$ -	\$ 9,900,000	\$ -
	Rec	\$ 2,212,980	\$ -	\$ 6,638,940	\$ -
	App	\$ 1,087,020	\$ -	\$ 3,261,060	\$ -
	FTE	0.000	0.000	0.000	0.000
13 Transition to Community Living					
Increases funding for the Transition to Community Living Initiative, which supports eligible adults with mental illness in transitioning from institutions to community care settings. This funding will provide additional tenancy and peer support services related to the US DOJ Olmstead Settlement.	Req	\$ 2,100,000	\$ -	\$ 2,100,000	\$ -
	Rec	\$ 1,408,260	\$ -	\$ 1,407,630	\$ -
	App	\$ 691,740	\$ -	\$ 692,370	\$ -
	FTE	0.000	0.000	0.000	0.000
14 Consolidated Independent Assessment Entity					
Provides funding for additional independent assessment services for individuals served through the Community Alternatives Program for Children. This funding is necessary to put the State in compliance with federal regulations requiring independent assessments of eligibility for the program.	Req	\$ 8,500,000	\$ -	\$ 8,500,000	\$ -
	Rec	\$ 4,250,000	\$ -	\$ 4,250,000	\$ -
	App	\$ 4,250,000	\$ -	\$ 4,250,000	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
15 Electronic Vendor Verification System					
Provides funding to comply with federal regulations requiring the use of an electronic vendor verification system for services requiring an in-home visit by providers.	Req \$	1,500,000	\$ 6,500,000	\$ 3,000,000	\$ -
	Rec \$	750,000	\$ 5,850,000	\$ 1,500,000	\$ -
Nonrecurring funding supports initial development costs. Recurring operating and maintenance costs are annualized in FY 2020-21.	App \$	750,000	\$ 650,000	\$ 1,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
16 MMIS Multi Factor Authentication					
Funds initial implementation of multi-factor authentication of applications integrated with the North Carolina Identity Service (NCID). This funding supports security for applications related to enrollment of beneficiaries in Medicaid.	Req \$	3,150,000	\$ -	\$ 3,150,000	\$ -
	Rec \$	1,575,000	\$ -	\$ 1,575,000	\$ -
	App \$	1,575,000	\$ -	\$ 1,575,000	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	2,905,360,845	\$ 779,073,199	\$ 5,232,794,557	\$ 398,571,828
Total Change to Receipts	\$	2,718,613,951	\$ 828,045,584	\$ 4,805,370,953	\$ 359,674,655
Total Change to Net Appropriation	\$	186,746,894	\$ (48,972,385)	\$ 427,423,603	\$ 38,897,173
Total Change to Full-Time Equivalent (FTE)		2.000	0.000	2.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 137,774,509	\$	\$ 466,320,776
Recommended Total FTE Changes			2.000		2.000

Division of Services for the Blind, Deaf and Hard of Hearing (14450)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 46,281,875	\$ 901,050	\$ 17,699	\$ 918,749	\$ 47,200,624	2.0%
Receipts	\$ 37,728,332	\$ 626,324	\$ -	\$ 626,324	\$ 38,354,656	1.7%
Net Appropriation	\$ 8,553,543	\$ 274,726	\$ 17,699	\$ 292,425	\$ 8,845,968	3.4%
Positions (FTE)	334.510	0.000	0.000	0.000	334.510	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 46,299,143	\$ 1,015,673	\$ -	\$ 1,015,673	\$ 47,314,816	2.2%
Receipts	\$ 37,745,044	\$ 626,324	\$ -	\$ 626,324	\$ 38,371,368	1.7%
Net Appropriation	\$ 8,554,099	\$ 389,349	\$ -	\$ 389,349	\$ 8,943,448	4.6%
Positions (FTE)	334.510	0.000	0.000	0.000	334.510	0.0%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees and increases for state agency teachers paid in accordance with the statewide teachers salary schedule in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	61,048	\$ -	\$ 121,141	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	61,048	\$ -	\$ 121,141	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	31,234	\$ 17,699	\$ 72,358	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	31,234	\$ 17,699	\$ 72,358	\$ -
	FTE	0.000	0.000	0.000	0.000
3 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	12,931	\$ -	\$ 26,337	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	12,931	\$ -	\$ 26,337	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Match for Basic Support Vocational Rehabilitation Grant					
Provides state matching funds to support jobs and training for individuals who are blind, deaf/blind, or visually impaired through the Basic Support Vocational Rehabilitation grant. This will allow North Carolina to leverage an additional \$600,000 in federal funds.	Req \$	795,837	\$ -	\$ 795,837	\$ -
	Rec \$	626,324	\$ -	\$ 626,324	\$ -
	App \$	169,513	\$ -	\$ 169,513	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	901,050	\$ 17,699	\$ 1,015,673	\$ -
Total Change to Receipts	\$	626,324	\$ -	\$ 626,324	\$ -
Total Change to Net Appropriation	\$	274,726	\$ 17,699	\$ 389,349	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		292,425	\$	389,349
Recommended Total FTE Changes			0.000		0.000

Division of Mental Health/Developmental Disabilities/Substance Abuse Services (14460)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,532,807,958	\$ 11,466,178	\$ 2,384,999	\$ 13,851,177	\$ 1,546,659,135	0.9%
Receipts	\$ 790,690,151	\$ 936,157	\$ -	\$ 936,157	\$ 791,626,308	0.1%
Net Appropriation	\$ 742,117,807	\$ 10,530,021	\$ 2,384,999	\$ 12,915,020	\$ 755,032,827	1.7%
Positions (FTE)	11313.780	11.000	0.000	11.000	11324.780	0.1%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,532,807,958	\$ 29,439,671	\$ -	\$ 29,439,671	\$ 1,562,247,629	1.9%
Receipts	\$ 790,690,151	\$ 1,707,685	\$ -	\$ 1,707,685	\$ 792,397,836	0.2%
Net Appropriation	\$ 742,117,807	\$ 27,731,986	\$ -	\$ 27,731,986	\$ 769,849,793	3.7%
Positions (FTE)	11313.780	71.000	0.000	71.000	11384.780	0.6%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees and increases for state agency teachers paid in accordance with the statewide teachers salary schedule in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	4,218,155	\$ -	\$ 8,387,331	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,218,155	\$ -	\$ 8,387,331	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety & Mental Health Employees					
Provides funds for an additional \$500 annual recurring salary increase for certified law enforcement officers and employees in positions that spend a majority of their working hours in state-operated facilities.	Req \$	2,859,732	\$ -	\$ 2,859,732	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,859,732	\$ -	\$ 2,859,732	\$ -
	FTE	0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	2,444,116	\$ 1,384,999	\$ 5,662,202	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,444,116	\$ 1,384,999	\$ 5,662,202	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	1,008,018	\$ -	\$ 2,053,066	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,008,018	\$ -	\$ 2,053,066	\$ -
	FTE	0.000	0.000	0.000	0.000
5 Staffing for New Broughton Hospital					
Creates 60 FTE in second year of biennium to serve additional patients and provides operational support, including utilities, maintenance costs, and other physical plant operation costs in the new Broughton hospital.	Req \$	-	\$ -	\$ 9,407,447	\$ -
	Rec \$	-	\$ -	\$ 637,792	\$ -
	App \$	-	\$ -	\$ 8,769,655	\$ -
	FTE	0.000	0.000	60.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
6 Substance Abuse Treatment Improvement					
Establishes eight FTE to improve substance abuse treatment and recovery services, including oversight and monitoring of opioid treatment programs and administering the Substance Abuse Prevention and Treatment Block Grant, the Opioid STR Grant, and the State Opioid Response Grant. These positions will be supported entirely by the Substance Abuse Prevention and Treatment Block Grant and include four program managers and four program consultants to manage current projects and address newly identified needs.	Req	\$ 802,420	\$ -	\$ 802,420	\$ -
	Rec	\$ 802,420	\$ -	\$ 802,420	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	8.000	0.000	8.000	0.000
7 Mental Health Services Improvement					
Establishes three FTE to improve the quality of mental health services. These positions will be supported entirely by the Community Mental Health Services Block Grant.	Req	\$ 133,737	\$ -	\$ 267,473	\$ -
	Rec	\$ 133,737	\$ -	\$ 267,473	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	3.000	0.000	3.000	0.000
8 Medication Cart Replacement					
Provides funds to upgrade and replace automated medication dispensing carts across eight state operated healthcare facilities. The vendor has discontinued the model and support services for existing carts, and they will no longer be operational after January 2020.	Req	\$ -	\$ 1,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 1,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 11,466,178	\$ 2,384,999	\$ 29,439,671	\$ -
Total Change to Receipts		\$ 936,157	\$ -	\$ 1,707,685	\$ -
Total Change to Net Appropriation		\$ 10,530,021	\$ 2,384,999	\$ 27,731,986	\$ -
Total Change to Full-Time Equivalent (FTE)		11.000	0.000	71.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	12,915,020	\$	27,731,986
Recommended Total FTE Changes			11.000		71.000

Division of Health Services Regulation (14470)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 71,496,505	\$ 551,811	\$ 105,270	\$ 657,081	\$ 72,153,586	0.9%
Receipts	\$ 52,638,449	\$ -	\$ -	\$ -	\$ 52,638,449	0.0%
Net Appropriation	\$ 18,858,056	\$ 551,811	\$ 105,270	\$ 657,081	\$ 19,515,137	3.5%
Positions (FTE)	578.500	0.000	0.000	0.000	578.500	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 71,496,505	\$ 1,170,017	\$ -	\$ 1,170,017	\$ 72,666,522	1.6%
Receipts	\$ 52,638,449	\$ -	\$ -	\$ -	\$ 52,638,449	0.0%
Net Appropriation	\$ 18,858,056	\$ 1,170,017	\$ -	\$ 1,170,017	\$ 20,028,073	6.2%
Positions (FTE)	578.500	0.000	0.000	0.000	578.500	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 305,087	\$ -	\$ 615,504	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 305,087	\$ -	\$ 615,504	\$ -
	FTE 0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 185,770	\$ 105,270	\$ 430,367	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 185,770	\$ 105,270	\$ 430,367	\$ -
	FTE 0.000	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 60,954	\$ -	\$ 124,146	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 60,954	\$ -	\$ 124,146	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 551,811	\$ 105,270	\$ 1,170,017	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 551,811	\$ 105,270	\$ 1,170,017	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 657,081	\$ 1,170,017		
Recommended Total FTE Changes	0.000	0.000		

Division of Vocational Rehabilitation (14480)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change		Recommended Budget		% Δ from Base Budget
Requirements	\$	150,494,601	\$	3,262,707	\$	1,077,405	\$	4,340,112	\$	154,834,713	2.9%
Receipts	\$	111,221,410	\$	2,236,987	\$	-	\$	2,236,987	\$	113,458,397	2.0%
Net Appropriation	\$	39,273,191	\$	1,025,720	\$	1,077,405	\$	2,103,125	\$	41,376,316	5.4%
Positions (FTE)		986.250		5.000		0.000		5.000		991.250	0.5%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change		Recommended Budget		% Δ from Base Budget
Requirements	\$	150,528,124	\$	3,732,345	\$	-	\$	3,732,345	\$	154,260,469	2.5%
Receipts	\$	111,246,271	\$	2,236,987	\$	-	\$	2,236,987	\$	113,483,258	2.0%
Net Appropriation	\$	39,281,853	\$	1,495,358	\$	-	\$	1,495,358	\$	40,777,211	3.8%
Positions (FTE)		986.250		5.000		0.000		5.000		991.250	0.5%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	224,332	\$ -	\$ 452,583
	Rec \$	-	\$ -	\$ -
	App \$	224,332	\$ -	\$ 452,583
	FTE	0.000	0.000	0.000
2 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	136,598	\$ 77,405	\$ 316,451
	Rec \$	-	\$ -	\$ -
	App \$	136,598	\$ 77,405	\$ 316,451
	FTE	0.000	0.000	0.000
3 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	59,354	\$ -	\$ 120,888
	Rec \$	-	\$ -	\$ -
	App \$	59,354	\$ -	\$ 120,888
	FTE	0.000	0.000	0.000
4 State Match for Basic Support Vocational Rehabilitation Grant				
Provides state matching funds to support jobs and training for individuals with disabilities through the Basic Support Vocational Rehabilitation grant. This will allow North Carolina to leverage an additional \$1.9 million in federal funds.	Req \$	2,408,303	\$ -	\$ 2,408,303
	Rec \$	1,895,335	\$ -	\$ 1,895,335
	App \$	512,968	\$ -	\$ 512,968
	FTE	0.000	0.000	0.000
5 Benefits Counseling				
Provides funding to support five benefits counselors for individuals who are blind and/or have other disabilities to support their employment efforts and explain available support services.	Req \$	434,120	\$ -	\$ 434,120
	Rec \$	341,652	\$ -	\$ 341,652
	App \$	92,468	\$ -	\$ 92,468
	FTE	5.000	0.000	5.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
6 Assistive Technologies				
Invests state funding to make a robust supply of state-of-the-art adaptive equipment and assistive technologies available to people with disabilities to enable them to live, work, and be educated in their communities.	Req \$	- \$	1,000,000 \$	- \$
	Rec \$	- \$	- \$	- \$
	App \$	- \$	1,000,000 \$	- \$
	FTE	0.000	0.000	0.000
Total Change to Requirements	\$	3,262,707	\$	1,077,405
Total Change to Receipts	\$	2,236,987	\$	-
Total Change to Net Appropriation	\$	1,025,720	\$	1,077,405
Total Change to Full-Time Equivalent (FTE)		5.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	2,103,125	\$	1,495,358
Recommended Total FTE Changes		5.000		5.000



Implementing Raise the Age Legislation

Supports raising the age of juvenile jurisdiction to 18 and meets the December 1, 2019 implementation date. Provides \$26 million in the first year of the biennium and \$36 million in the second year to increase staff, court services, facilities, and transportation, and establish focused programming for the 16- and 17-year-olds who will enter the juvenile justice system. Provides \$1.2 million in the first year of the biennium and \$1.6 million in the second year for the court system to handle the increased juvenile caseload.

Increasing Evidence Testing

Provides \$6 million to analyze more than 15,000 untested sexual assault evidence collection kits from across the state. Adds six new forensic scientists at the State Crime Lab to address continuing growth in evidence submitted by law enforcement agencies due to the ongoing opioid crisis, the need for more sexual assault kit testing, and overall population increase.

Making Prisons Safer

Dedicates \$10 million to improve safety and security at prisons by fortifying facilities and providing corrections staff with additional training, enhanced surveillance and detection tools, and updated technologies.

Protecting Communities and Schools

Expands the capabilities of the North Carolina National Guard Reaction Force by providing \$1.8 million for personal protective equipment needed to respond to events that threaten public safety. Provides funding for new positions within North Carolina Emergency Management to support school safety and cyber security. Provides new positions to support public safety work by the State Bureau of Investigation.

Improving Disaster Response and Recovery

Maintains national standards for readiness in the event of a disaster by providing \$1.5 million to statewide search and rescue teams for training and equipment maintenance. Includes \$250,000 for the North Carolina 2-1-1 network to provide information and assistance in times of disaster or emergency and funding for additional Emergency Management positions to assist in disaster recovery and resiliency.

Providing Effective Legal Services

Ensures the Department of Justice can deliver effective legal representation on complex criminal appellate cases from state trial courts and provide legal advice and technical assistance to local law enforcement and district attorneys. Six additional appellate attorneys will help to ensure criminal convictions are handled appropriately.

Protecting Children in Domestic Court Proceedings

Provides \$1 million to the Guardian Ad Litem program to recruit and coordinate volunteers who advocate for abused and neglected children in court and \$770,000 for additional custody mediators to reduce conflict and resolve custody issues prior to cases going to trial.

Encouraging Law Enforcement Careers

Provides \$2 million to the State Highway Patrol to address the increased enrollment in the Basic Schools cadet training program. Includes \$660,000 to implement the Criminal Justice Fellows Program for individuals interested in careers in law enforcement.

Mission

To protect and preserve the rights and liberties of all the people, as guaranteed by the Constitutions and laws of the United States and North Carolina, by providing a fair, independent and accessible forum for the just, timely, and economical resolution of their legal affairs.

The NC Administrative Office of the Courts (NCAOC) provides services to help North Carolina’s unified court system operate more efficiently and effectively, considering each courthouse’s diverse needs, caseloads and available resources.

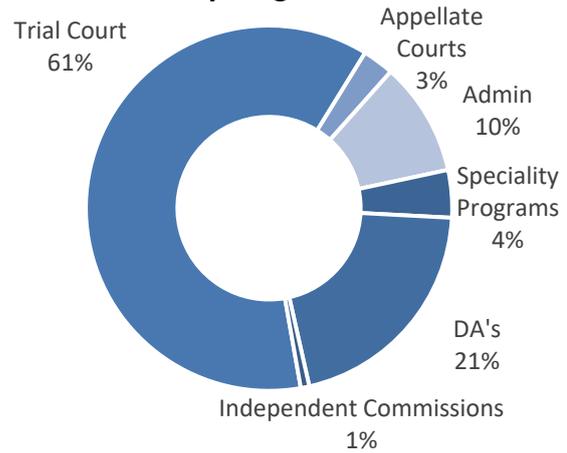
Goals

1. Strengthen fairness in the NC Court System
2. Improve meaningful access to the courts to all North Carolinians
3. Promote more effective and efficient case management that saves time and supports good stewardship of taxpayer dollars.

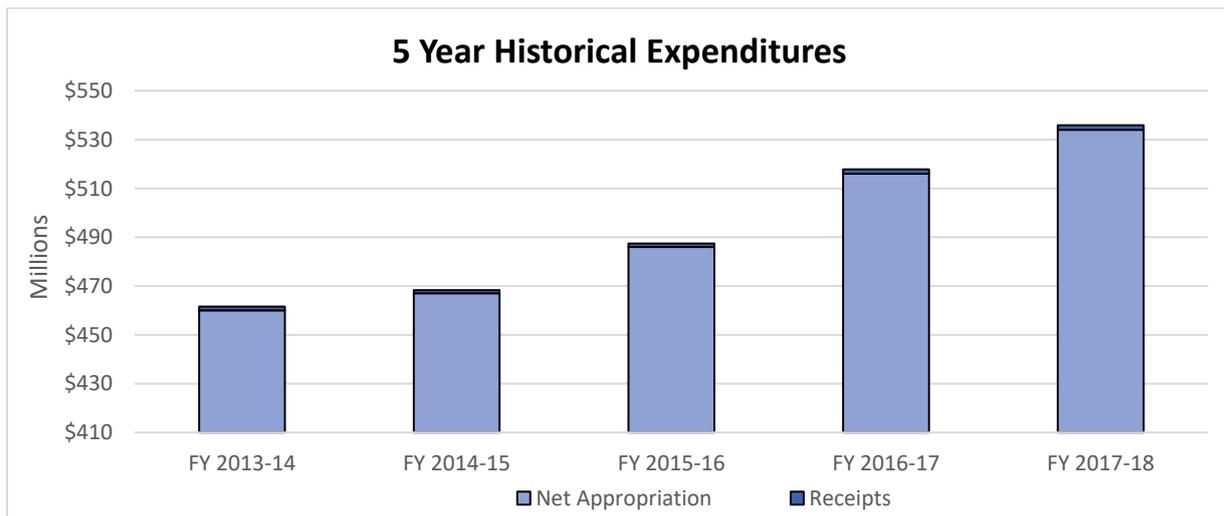
Agency Profile

- State appropriations fund nearly 300 NCAOC staff positions that support the needs of 545 independently elected court officials and almost 6,400 total court personnel.
- Provides centralized operations and support for the field, including Human Resources, Financial Services, Training, and Technology Services.
- Budgets and authorizes expenditures, identifying staffing needs statewide, procuring and distributing equipment and supplies, prescribing uniform practices for clerks, and making recommendations for the overall improvement of the Judicial Branch.

FY 2018-19 Authorized Budget by Program



5 Year Historical Expenditures



Charts include General Fund budget code only.

Judicial Branch (12000)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 557,476,262	\$ 16,322,542	\$ 3,009,317	\$ 19,331,859	\$ 576,808,121	3.5%
Receipts	\$ 1,136,462	\$ -	\$ -	\$ -	\$ 1,136,462	0.0%
Net Appropriation	\$ 556,339,800	\$ 16,322,542	\$ 3,009,317	\$ 19,331,859	\$ 575,671,659	3.5%
Positions (FTE)	5962.540	34.000	0.000	34.000	5996.540	0.6%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 557,694,915	\$ 31,712,977	\$ -	\$ 31,712,977	\$ 589,407,892	5.7%
Receipts	\$ 1,136,462	\$ -	\$ -	\$ -	\$ 1,136,462	0.0%
Net Appropriation	\$ 556,558,453	\$ 31,712,977	\$ -	\$ 31,712,977	\$ 588,271,430	5.7%
Positions (FTE)	5966.040	34.000	0.000	34.000	6000.040	0.6%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 7,088,411	\$ -	\$ 14,300,647	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 7,088,411	\$ -	\$ 14,300,647	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees				
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$ 1,968	\$ -	\$ 1,968	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,968	\$ -	\$ 1,968	\$ -
	FTE 0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 3,444,212	\$ 1,951,720	\$ 7,979,091	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 3,444,212	\$ 1,951,720	\$ 7,979,091	\$ -
	FTE 0.000	0.000	0.000	0.000
4 Consolidated Judicial Retirement System Contribution				
Increases the state's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for CJRS is exceeds \$31 million in both years of the biennium, an increase of nearly \$1.4 million in FY 2019-20 and \$2.1 million in FY 2020-21.	Req \$ 428,723	\$ 915,578	\$ 1,991,019	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 428,723	\$ 915,578	\$ 1,991,019	\$ -
	FTE 0.000	0.000	0.000	0.000
5 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 1,459,200	\$ -	\$ 2,972,004	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,459,200	\$ -	\$ 2,972,004	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Information Technology Reserve - "eCourts"					
Provides \$15 million in an IT Reserve for the statewide rollout of an integrated, cloud-based system for the automation of all court processes. The eCourts system will provide statewide electronic filing, paperless courthouses, integrated case management and calendaring, and integrated financial management. This system will bring higher efficiencies to the justice system by providing "anytime, anywhere" access to information, reducing manual processes and reliance on paper, and increasing collaboration among court officials, lawyers, and law enforcement.	Req \$	- \$	- \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
7 Raise the Age - Additional District Court Staff					
Provides funds for 13 new district court positions – three District Court Judges, four Assistant District Attorneys, three Legal Assistants and three Deputy Clerks beginning November 1, 2019. These positions are needed to meet the additional juvenile case workload from the Raise the Age law which will be implemented on December 1, 2019.	Req \$	1,018,210 \$	61,421 \$	1,527,327 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	1,018,210 \$	61,421 \$	1,527,327 \$	-
	FTE	13.000	0.000	13.000	0.000
8 Guardian Ad Litem Program					
Adds nine Guardian ad Litem (GAL) supervisors and one regional administrator to increase statewide capacity for the GAL Program. The GAL Program equips volunteers to advocate for the best interests of abused and neglected children in court.	Req \$	1,021,833 \$	35,003 \$	1,021,833 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	1,021,833 \$	35,003 \$	1,021,833 \$	-
	FTE	10.000	0.000	10.000	0.000
9 Custody Mediators					
Creates six new custody mediation positions to address staffing shortages. All cases involving contested custody and visitation issues must go through custody mediation before being tried in court. Mediators resolve cases before court, reduce conflict, keep parents focused on the best interest of children, and save the state court proceeding costs.	Req \$	767,177 \$	35,308 \$	767,177 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	767,177 \$	35,308 \$	767,177 \$	-
	FTE	6.000	0.000	6.000	0.000
10 Treatment Court Coordinators					
Provides funding for three Judicial Management and Accountability Courts (treatment courts) which provide intensive, specialized services to defendants with substance use and mental health disorders. These programs are proven effective in reducing recidivism and improving health and criminal justice outcomes. This funding would enable AOC to open treatment courts in areas with an identified need.	Req \$	283,704 \$	10,287 \$	283,704 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	283,704 \$	10,287 \$	283,704 \$	-
	FTE	3.000	0.000	3.000	0.000
11 Human Trafficking Commission					
Provides continued funding for the Executive Director who coordinates and conducts trainings throughout the state, speaks at educational events on the topics of human trafficking awareness and prevention, and staffs the Human Trafficking Commission. The Commission was transferred to AOC in July 2018 and is currently being funded by a non-recurring appropriation.	Req \$	100,000 \$	- \$	100,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	100,000 \$	- \$	100,000 \$	-
	FTE	1.000	0.000	1.000	0.000
12 Legal Education Assistance Funding					
Provides \$500,000 to NC Legal Education Assistance Foundation which encourages attorneys to pursue careers in public service and retains well-trained public servants in the legal profession.	Req \$	500,000 \$	- \$	500,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	500,000 \$	- \$	500,000 \$	-
	FTE	0.000	0.000	0.000	0.000
13 Operating Support to the NC Innocence Inquiry Commission					
Increases funding for the work of the North Carolina Innocence Inquiry Commission which provides an independent forum for credible post-conviction claims of innocence. Over the last decade, funding has remained steady but needs for additional personnel, costs for forensic and DNA testing, data management, and travel have increased.	Req \$	150,000 \$	- \$	150,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	150,000 \$	- \$	150,000 \$	-
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21					
	R Changes	NR Changes	R Changes	NR Changes				
14 Advanced Analytics and Data Interpretation								
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104	\$ -	\$ 118,207	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	59,104	\$ -	\$ 118,207	\$ -			
	FTE	1.000	0.000	1.000	0.000			
Total Change to Requirements	\$	16,322,542	\$	3,009,317	\$	31,712,977	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	16,322,542	\$	3,009,317	\$	31,712,977	\$	-
Total Change to Full-Time Equivalent (FTE)		34.000		0.000		34.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	19,331,859	\$		\$	31,712,977
Recommended Total FTE Changes				34.000				34.000

INDIGENT DEFENSE SERVICES

Thomas K. Maher
Executive Director

Mission

Per the Indigent Defense Services Act of 2000, the General Assembly charges the Office of Indigent Defense Services with the responsibility of overseeing the provision of legal representation to indigent clients who are entitled to counsel under the Constitution and North Carolina law.

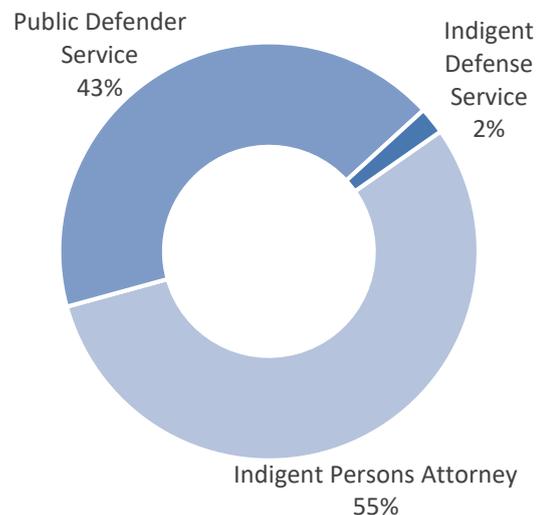
Goals

1. Enhance oversight of the delivery of counsel and related services provided at State expense
2. Improve the quality of representation and ensure the independence of counsel
3. Establish uniform policies and procedures for the delivery of services
4. Deliver services in the most efficient and cost-effective manner without sacrificing quality representation
5. Generate reliable statistical information to evaluate the services provided and funds expended

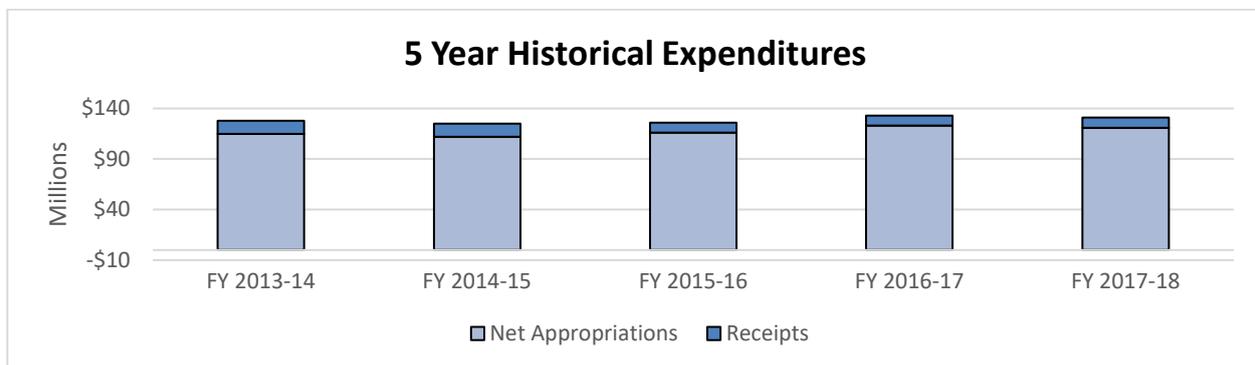
Agency Profile

- IDS's central office staff administers and implements policy as directed by the 13-member Indigent Defense Commission and the financial services office processes appointed attorney and expert fee applications and contractor payments
- Manages the Private Assigned Counsel Fund which pays court appointed attorneys to represent indigent individuals and provides direct support for court appointed counsel through resources such as Forensic Resource Counsel and Regional Defenders
- Administers and oversees Offices of the Appellate Defender, Capital Defender, Juvenile Defender, Parent Representation and Special Counsel as well as Public Defender Offices in 18 court districts and contract defenders around the state.
- Develops training, qualification and performance standards to govern the provision of legal services to indigent persons.

FY 2018-19 Authorized Budget by Program



5 Year Historical Expenditures



Charts include General fund budget code only

Judicial Branch - Indigent Defense (12001)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 133,735,671	\$ 3,811,839	\$ 588,001	\$ 4,399,840	\$ 138,135,511	3.3%
Receipts	\$ 10,182,323	\$ -	\$ -	\$ -	\$ 10,182,323	0.0%
Net Appropriation	\$ 123,553,348	\$ 3,811,839	\$ 588,001	\$ 4,399,840	\$ 127,953,188	3.6%
Positions (FTE)	553.000	3.000	0.000	3.000	556.000	0.5%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 133,739,847	\$ 7,602,431	\$ -	\$ 7,602,431	\$ 141,342,278	5.7%
Receipts	\$ 10,182,323	\$ -	\$ -	\$ -	\$ 10,182,323	0.0%
Net Appropriation	\$ 123,557,524	\$ 7,602,431	\$ -	\$ 7,602,431	\$ 131,159,955	6.2%
Positions (FTE)	553.000	3.000	0.000	3.000	556.000	0.5%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	785,803	\$ -	\$ 1,585,333	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	785,803	\$ -	\$ 1,585,333	\$ -
	FTE	0.000	0.000	0.000	0.000
2 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	443,597	\$ 251,371	\$ 1,027,665	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	443,597	\$ 251,371	\$ 1,027,665	\$ -
	FTE	0.000	0.000	0.000	0.000
3 Consolidated Judicial Retirement System Contribution					
Increases the state's contribution for members of the Consolidated Judicial Retirement System (CJRS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for CJRS is exceeds \$31 million in both years of the biennium, an increase of nearly \$1.4 million in FY 2019-20 and \$2.1 million in FY 2020-21.	Req \$	17,152	\$ 36,630	\$ 79,655	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	17,152	\$ 36,630	\$ 79,655	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	134,015	\$ -	\$ 272,953	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	134,015	\$ -	\$ 272,953	\$ -
	FTE	0.000	0.000	0.000	0.000
5 Private Assigned Counsel Rate Restoration					
Provides funds for rate increases for private counsel representing persons declared indigent by the courts. Rate reductions in previous years have affected Indigent Defense Services' ability to recruit and retain counsel.	Req \$	2,125,000	\$ -	\$ 4,250,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	2,125,000	\$ -	\$ 4,250,000	\$ -
	FTE	0.000	0.000	0.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
6 Raise the Age - Additional Assistant Juvenile Defender					
Provides funds for an additional Assistant Juvenile Defender for the Office of the Juvenile Defender due to the Raise the Age law which will begin implementation on December 1, 2019. This position is needed because not enough attorneys have experience with juveniles in all jurisdictions and because the juvenile population will increase. This position will provide support, training and oversight for attorneys in juvenile cases which is a specialized area of law. The first year of this funding will start December 1, 2019.	Req	\$ 87,681	\$ -	\$ 109,131	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 87,681	\$ -	\$ 109,131	\$ -
	FTE	1.000	0.000	1.000	0.000
7 Increased Use of Regional Defenders for Local Supervision					
Provides funds for an additional Regional Defender which will increase supervision capabilities for private counsel and contract attorneys across the state to provide case and county specific support, training, and oversight to deliver the most efficient and cost-effective defense counsel.	Req	\$ 159,487	\$ -	\$ 159,487	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 159,487	\$ -	\$ 159,487	\$ -
	FTE	1.000	0.000	1.000	0.000
8 Technology Initiatives					
Provides non-recurring funds to implement technology solutions identified in IDS's long-range IT strategic plan to improve work processes and data analytics capabilities.	Req	\$ -	\$ 300,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 300,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
9 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements		\$ 3,811,839	\$ 588,001	\$ 7,602,431	\$ -
Total Change to Receipts		\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation		\$ 3,811,839	\$ 588,001	\$ 7,602,431	\$ -
Total Change to Full-Time Equivalent (FTE)		3.000	0.000	3.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	4,399,840	\$	7,602,431
Recommended Total FTE Changes			3.000		3.000

Mission

The Department of Justice protects the people of North Carolina through its work to prevent crime and support law enforcement, to safeguard consumers, and to defend the State, its people, and their constitutional rights.

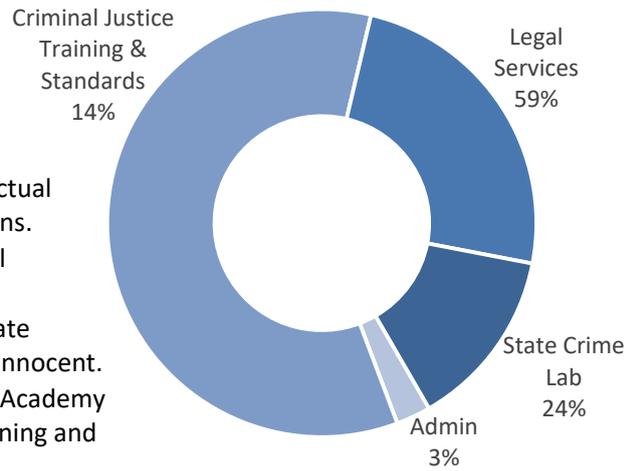
Goals

1. Put and keep violent criminals behind bars.
2. Provide legal counsel and defense to the State.
3. Provide local law enforcement agencies with high-value, cost-effective, and responsive officer training, licensure, and certification activities.
4. Use science to promote justice.
5. Provide high-quality and responsive consumer protection services to the State and its citizens.

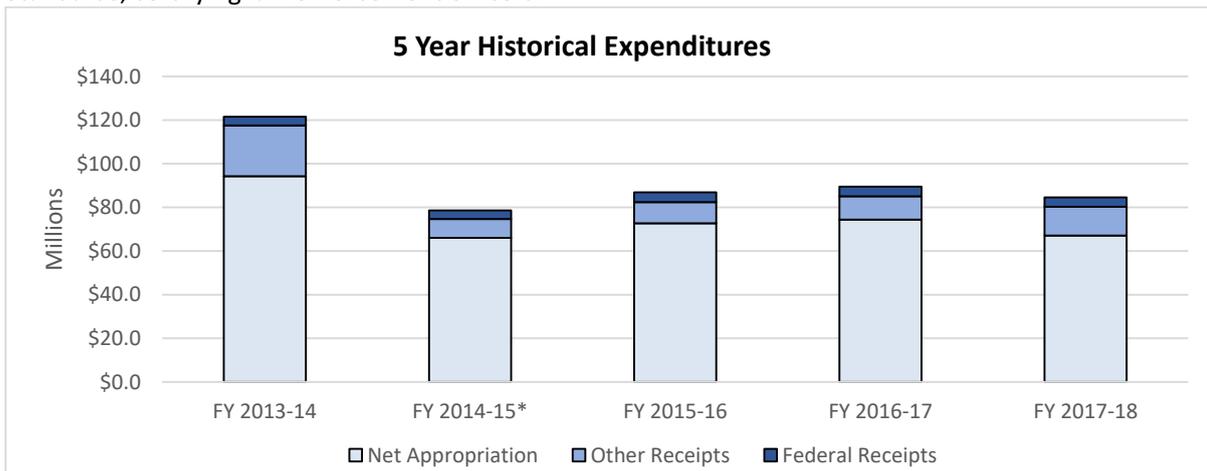
Agency Profile

- Protects consumers by working to prevent scams, investigating and taking legal action against corporations that break the law, combatting Medicaid fraud, prosecuting tax cheats and confronting the opioid crisis.
- Provides legal advice and representation to state agencies; defending against liability claims, contractual disputes and protecting the environment for citizens.
- Prosecutes complex criminal cases and handling all criminal appeals from state trial courts.
- Works with partners to analyze evidence at the State Crime Lab to convict the guilty and exonerate the innocent.
- Supports law enforcement through the NC Justice Academy providing officer training, and Criminal Justice Training and Standards, certifying law enforcement officers.

FY 2018-19 Authorized Budget by Program



5 Year Historical Expenditures



Charts include General Fund budget code only

**State Bureau of Investigation was transferred to the Department of Public Safety in FY 2014-15*

Department of Justice (13600)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 91,187,642	\$ 3,262,377	\$ 3,218,446	\$ 6,480,823	\$ 97,668,465	7.1%
Receipts	\$ 40,484,546	\$ -	\$ -	\$ -	\$ 40,484,546	0.0%
Net Appropriation	\$ 50,703,096	\$ 3,262,377	\$ 3,218,446	\$ 6,480,823	\$ 57,183,919	12.8%
Positions (FTE)	794.885	13.000	0.000	13.000	807.885	1.6%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 91,192,205	\$ 4,601,893	\$ 3,000,000	\$ 7,601,893	\$ 98,794,098	8.3%
Receipts	\$ 40,487,512	\$ -	\$ -	\$ -	\$ 40,487,512	0.0%
Net Appropriation	\$ 50,704,693	\$ 4,601,893	\$ 3,000,000	\$ 7,601,893	\$ 58,306,586	15.0%
Positions (FTE)	794.885	13.000	0.000	13.000	807.885	1.6%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$ 633,089	\$ -	\$ 1,277,237	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 633,089	\$ -	\$ 1,277,237	\$ -
FTE	0.000	0.000	0.000	0.000

2 Compensation Reserve - Public Safety Employees

Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.

Req	\$ 27,552	\$ -	\$ 27,552	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 27,552	\$ -	\$ 27,552	\$ -
FTE	0.000	0.000	0.000	0.000

3 TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$ 385,493	\$ 218,446	\$ 893,059	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 385,493	\$ 218,446	\$ 893,059	\$ -
FTE	0.000	0.000	0.000	0.000

4 State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$ 124,139	\$ -	\$ 252,838	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 124,139	\$ -	\$ 252,838	\$ -
FTE	0.000	0.000	0.000	0.000

5 Sexual Assault Evidence Collection Kit Testing

Provides \$3 million of non-recurring funds in each year of the biennium to analyze untested sexual assault evidence collection kits. A statewide audit identified the need to test 15,000 untested kits at a total cost of \$10 million. The Department of Justice received a \$2 million federal grant and \$2 million from the Governor's Crime Commission to test evidence kits, meeting the total \$10 million need.

Req	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Additional Appellate Attorney Positions					
Addresses the criminal appeal demands and caseload increases by funding six attorney positions to focus on criminal appellate work. This will ensure that attorneys are appropriately trained to handle complex and serious criminal cases instead of requiring civil and administrative attorneys to take these cases on a rotating basis. NC is the only state that assigns criminal appellate briefs to non-criminal attorneys due to a lack of enough criminal appellate attorneys to handle the state's caseload.	Req	\$ 748,686	\$ -	\$ 748,686	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 748,686	\$ -	\$ 748,686	\$ -
	FTE	6.000	0.000	6.000	0.000
7 State Crime Lab Positions					
Provides funds for six State Crime Lab positions – three forensic scientists, two drug chemists, and one latent evidence scientist. These additional scientists will help address continuing growth in evidence submissions from law enforcement agencies caused by the ongoing opioid crisis, sexual assault kit testing needs, and North Carolina's population growth.	Req	\$ 620,314	\$ -	\$ 620,314	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 620,314	\$ -	\$ 620,314	\$ -
	FTE	6.000	0.000	6.000	0.000
8 Criminal Justice Fellows Program					
Provides \$664,000 to implement the Criminal Justice Fellows Program which will recruit qualified in-state high school seniors or unemployed/underemployed graduates and provide them with a forgivable community college loan to pursue a career in law enforcement. Pursuant to Section 17.1 of SL 2018-5, the General Assembly established the Criminal Justice Fellows Program within the Department of Justice but no funds were appropriated. This funding provides \$6,310 per year to be distributed to each county for these loans, plus funds for marketing and program administration.	Req	\$ 664,000	\$ -	\$ 664,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 664,000	\$ -	\$ 664,000	\$ -
	FTE	0.000	0.000	0.000	0.000
9 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements	\$	3,262,377	\$ 3,218,446	\$ 4,601,893	\$ 3,000,000
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	3,262,377	\$ 3,218,446	\$ 4,601,893	\$ 3,000,000
Total Change to Full-Time Equivalent (FTE)		13.000	0.000	13.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 6,480,823	\$ 7,601,893	
Recommended Total FTE Changes			13.000	13.000	

Mission

Safeguard and preserve the lives and property of the people of North Carolina through prevention, protection, and preparation with integrity and honor.

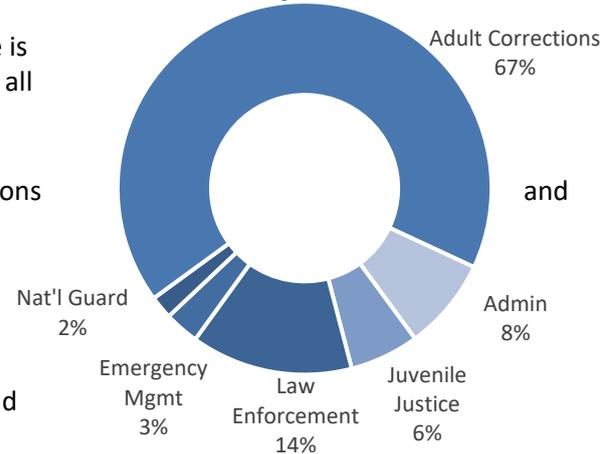
Goals

1. Strengthen the Department’s unity of effort as a consolidated and allied entity
2. Create a true culture of preparedness, prevention and protection
3. Create and maintain an environment throughout the Department where employees are engaged, accountable, and recognized for the contributions the Department makes to enhance public safety.

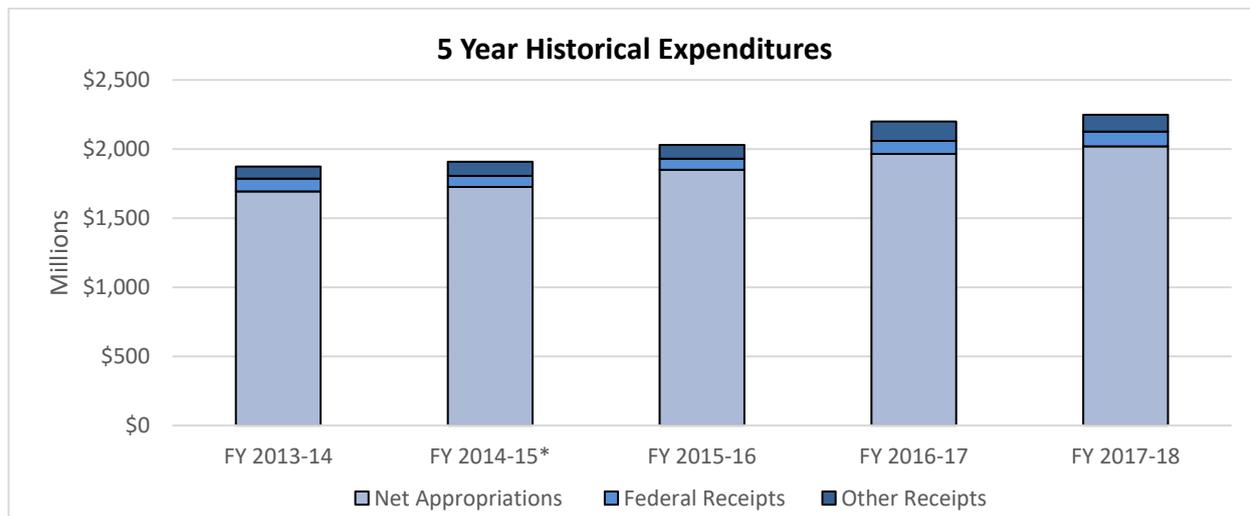
Agency Profile

- Serves as the state’s chief protector and defender of the public and is the statewide public safety and homeland security agency.
- The Division of Adult Correction and Juvenile Justice is responsible for the care, custody and supervision of all adults and juveniles sentenced after conviction for violations of North Carolina Law.
- The State Highway Patrol mission is to reduce collisions and make the highways as safe as possible.
- The State Bureau of Investigation provides expert criminal investigative assistance to local law enforcement agencies.
- Emergency Management personnel help plan for and recover from man-made or natural disasters
- The North Carolina National Guard deploys military capabilities, in support of state and/or national authorities, to protect the lives and properties of fellow citizens, defend the state and nation and secure our American way of life.

FY 2018-19 Authorized Budget by Division



5 Year Historical Expenditures



Charts include General Fund budget code only

* State Bureau of Investigation was transferred from Department of Justice to Department of Public Safety in FY 2014-15.

Department of Public Safety (14550)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 2,332,787,149	\$ 88,623,204	\$ 25,251,524	\$ 113,874,728	\$ 2,446,661,877	4.9%
Receipts	\$ 258,254,879	\$ 1,380,000	\$ 75,030	\$ 1,455,030	\$ 259,709,909	0.6%
Net Appropriation	\$ 2,074,532,270	\$ 87,243,204	\$ 25,176,494	\$ 112,419,698	\$ 2,186,951,968	5.4%
Positions (FTE)	24590.122	298.000	0.000	298.000	24888.122	1.2%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 2,332,876,685	\$ 149,206,392	\$ 250,000	\$ 149,456,392	\$ 2,482,333,077	6.4%
Receipts	\$ 258,254,879	\$ 1,380,000	\$ -	\$ 1,380,000	\$ 259,634,879	0.5%
Net Appropriation	\$ 2,074,621,806	\$ 147,826,392	\$ 250,000	\$ 148,076,392	\$ 2,222,698,198	7.1%
Positions (FTE)	24590.122	298.000	0.000	298.000	24885.122	1.2%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees and increases for state agency teachers paid in accordance with the statewide teachers salary schedule in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million

Req	\$ 21,641,321	\$ -	\$ 43,638,949	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 21,641,321	\$ -	\$ 43,638,949	\$ -
FTE	0.000	0.000	0.000	0.000

2 Compensation Reserve - Public Safety & Mental Health Employees

Provides funds for an additional \$500 annual recurring salary increase for certified law enforcement officers and employees in positions that spend a majority of their working hours in state-operated facilities.

Req	\$ 14,360,902	\$ -	\$ 14,360,902	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 14,360,902	\$ -	\$ 14,360,902	\$ -
FTE	0.000	0.000	0.000	0.000

3 TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$ 13,034,972	\$ 7,386,484	\$ 30,197,686	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 13,034,972	\$ 7,386,484	\$ 30,197,686	\$ -
FTE	0.000	0.000	0.000	0.000

4 State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$ 5,902,802	\$ -	\$ 12,022,441	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 5,902,802	\$ -	\$ 12,022,441	\$ -
FTE	0.000	0.000	0.000	0.000

5 Raise the Age - Juvenile Justice

Provides additional funds to the Juvenile Justice Section for the implementation of the Juvenile Justice Reinvestment Act (Raise the Age) which goes into effect December 1, 2019. Additional funds are needed to meet the demands of the new 16 and 17-year old population entering the Juvenile Justice system. This funding will phase in 97.0 FTE for Court Services, and support for electronic monitoring and IT solutions. Funding will support six positions and funding for Juvenile Crime Prevention Council aid to counties and Level II contractual services. Funding will support contracts with county detention centers to house the additional juveniles that will require detention. Provides funding for 49.0 FTE that includes security and custody staff, educational/vocational staff and administrative staff and operational funding to open CA Dillon State Detention Center in Granville County. Provides funds to support 17 positions and related costs for transportation, training, IT and administration.

Req	\$ 20,515,000	\$ 5,550,000	\$ 35,700,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 20,515,000	\$ 5,550,000	\$ 35,700,000	\$ -
FTE	184.000	0.000	184.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
6 State Highway Patrol - Training Sustainability					
Provides \$2 million in funding to support the increased number of cadets entering Highway Patrol Basic School which is the 15-week Trooper training class. Enrollment in Basic School training has nearly doubled over 2018, so funds are needed for Basic School training operations and to provide new equipment, uniforms, vehicles and safety gear for new Troopers.	Req	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
7 Statewide Search and Rescue Teams					
Provides funds to search and rescue teams located throughout the state to supplement local funding for training, administration and equipment maintenance expenses. These teams ensure national standards are met and responses are effective in the event of a disaster.	Req	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
8 Adult Corrections Operating Capacity					
Provides \$2 million to enhance training, intelligence gathering and support for new staff to improve employee and public safety. Training funds will support expanding basic training to non-certified institutional staff and enhancing supervisory and leadership training in the classroom and online. Funds will be used to hire additional correctional justice analysts to identify safety and security risks such as gang, drug, or contraband activity. Funds will also go toward Probation and Parole Field Specialists to enhance community supervision and reduce recidivism.	Req	\$ 2,000,000	\$ 500,000	\$ 2,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,000,000	\$ 500,000	\$ 2,000,000	\$ -
	FTE	18.000	0.000	18.000	0.000
9 Re-entry Programming and Community Partner Support					
Expands capacity for Re-entry programming by adding 11 positions. Four licensed clinical social workers will provide guidance and oversight to the field officers to more effectively address the needs of those on probation, parole or post-release supervision who have serious and persistent mental health issues. Four additional probation and parole officers will be assigned to re-entry facilities to provide transition planning for release from custody. The funding will support three community development specialists that will work with local re-entry councils to coordinate with community and educational partners, manage re-entry data, and report on outcomes.	Req	\$ 835,000	\$ 220,000	\$ 835,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 835,000	\$ 220,000	\$ 835,000	\$ -
	FTE	11.000	0.000	11.000	0.000
10 SBI Personnel					
Provides additional funding for up to nine positions and/or salary increases to positions that support law enforcement efforts to combat illicit activities and maintain public safety, with a focus on opioids, gangs, computer crimes, and human trafficking investigations.	Req	\$ 800,000	\$ -	\$ 800,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 800,000	\$ -	\$ 800,000	\$ -
	FTE	9.000	0.000	9.000	0.000
11 Long Term Care Facility for Central Prison					
Provides funds for operating costs and 35 positions to support the first phase of a new long-term care facility for chronically ill inmates, decreasing external medical costs and providing a more secure environment.	Req	\$ 3,500,000	\$ 1,200,000	\$ 3,500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 3,500,000	\$ 1,200,000	\$ 3,500,000	\$ -
	FTE	35.000	0.000	35.000	0.000
12 North Carolina 2-1-1					
Provides funding for North Carolina 2-1-1, an information, intake and referral service which connects North Carolinians with needed resources during natural disasters and other emergencies.	Req	\$ -	\$ 250,000	\$ -	\$ 250,000
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 250,000	\$ -	\$ 250,000
	FTE	0.000	0.000	0.000	0.000
13 NC Emergency Management Positions					
Provides funding for eight Emergency Management positions to support school safety, cyber security, disaster recovery operations and division-wide financial oversight and management.	Req	\$ 575,000	\$ 45,000	\$ 575,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 575,000	\$ 45,000	\$ 575,000	\$ -
	FTE	8.000	0.000	8.000	0.000
14 Tarheel Challenge High School					
Provides the state match portion of funding to hire additional program and support staff to improve staff-to-student ratio at Tarheel Challenge Academies. These academies provide educational and skill-building programming to at-risk 16-18 year olds who have dropped out of high school.	Req	\$ 1,840,000	\$ 100,040	\$ 1,840,000	\$ -
	Rec	\$ 1,380,000	\$ 75,030	\$ 1,380,000	\$ -
	App	\$ 460,000	\$ 25,010	\$ 460,000	\$ -
	FTE	31.000	0.000	31.000	0.000
15 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 118,207	\$ -	\$ 236,414	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 118,207	\$ -	\$ 236,414	\$ -
	FTE	2.000	0.000	2.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
16 Safety and Security Reserve					
Provides \$10 million in non-recurring funds for safety and security equipment needed in the Division of Adult Correction and for the North Carolina National Guard. A portion of this funding will continue improving safety and security and contraband elimination measures in prisons. Another portion of this funding will go towards purchasing personal protective gear for the North Carolina National Guard.	Req	\$ -	\$ 10,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 10,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
17 Information Technology Reserve - VIPER System Upgrades					
Provides \$15 million for updates to the statewide VIPER system which supports public safety communications across state agencies and local municipalities and other 911 system needs.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	88,623,204	\$ 25,251,524	\$ 149,206,392	\$ 250,000
Total Change to Receipts	\$	1,380,000	\$ 75,030	\$ 1,380,000	\$ -
Total Change to Net Appropriation	\$	87,243,204	\$ 25,176,494	\$ 147,826,392	\$ 250,000
Total Change to Full-Time Equivalent (FTE)		298.000	0.000	298.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$	112,419,698	\$	148,076,392	
Recommended Total FTE Changes		298.000		298.000	



NATURAL AND ECONOMIC RESOURCES

INVESTMENTS *for a*
Determined North Carolina

Strengthening Rural Communities

Invests over \$80.8 million to strengthen our rural communities by revitalizing rural neighborhoods, funding transformational and locally identified economic development projects, increasing support for existing economic development programs, building local government capacity, and creating the Rural Investments Strengthening Economies (RISE) fund, a new economic development program targeting economic revitalization and business development in the state’s 80 most distressed counties.

Helping North Carolina Compete for Business

Provides \$22.2 million to enhance North Carolina’s competitive advantage including \$4 million for business, agricultural, and tourism marketing; funds to grow industries such as shellfish mariculture and advanced manufacturing; and grants for developing businesses, innovation, and work-based learning. The Work-based Learning Fund will assist employers in developing worker talent through apprenticeships, internships, and up-skilling of existing employees to address skills gaps.

Investing in Communities Through Arts and Recreation

Provides more than \$2.8 million to help our communities and schools grow and thrive. The A+ Schools and Outdoor Science Curriculum programs use the arts and outdoors to enhance student learning, while the SmART Initiative and locally identified recreational trails projects support economic development through arts and recreation.

Protecting Our Water Supply

Invests in measures to ensure the state has a sufficient supply of clean and safe water, including \$6.3 million for water supply testing and analysis for perfluorinated compounds and other emerging compounds and more than \$3 million to match additional federal funds for clean water and drinking water infrastructure.

Safeguarding Our Natural Resources

Increases support for the Clean Water Management Trust Fund and Parks and Recreation Trust Fund to over \$20 million recurring per fund and allocates \$2.5 million to create the Wildlife Enhancement and Stewardship Fund for invasive species removal and native plant restoration.

Helping Clean Energy and Green Businesses Grow

Dedicates \$1.5 million to study North Carolina’s potential to host offshore wind operations and associated jobs, to support university energy centers providing technical assistance on the use of clean energy and enabling technologies, and to expand the Environmental Stewardship Initiative, which helps businesses voluntarily implement practices with environmental and economic benefits.

Improving Customer Experience

Provides funds to support state agency needs and improve customer experience, including historic site maintenance, permitting and IT systems improvements, website support, and operating funds for new facilities, including the NC Agricultural Sciences Center and nine new park facilities.

Department of Agriculture and Consumer Services

Department of Environmental Quality

Department of Labor

Department of Commerce

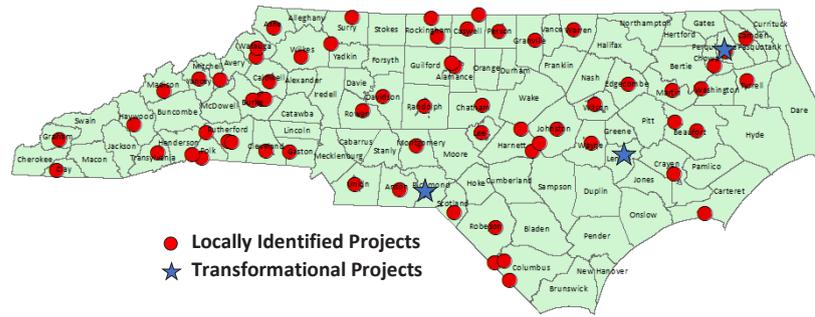
Department of Natural and Cultural Resources

Wildlife Resources Commission

Locally Identified Projects

Investing \$26.4 million in 68 projects in communities across North Carolina will spur economic development for rural areas. Local communities must provide at least \$1 for every \$4 of state funds invested in these projects. Grants are subject to grant oversight requirements, including but not limited to providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the Department.

Locally Identified and Transformational Projects



Source: North Carolina Office of State Budget and Management

Recipient	Project	Grant
Albemarle COG	Regional tourism and marketing study	\$500,000
Angier	Property acquisition, development	\$86,000
Asheboro	Renovations for community center	\$366,000
Benson	Storm drainage improvements	\$91,000
Bessemer City	Business Accelerator Program	\$102,000
Blowing Rock	Streetscape improvements	\$500,000
Boone	Appalachian Theater rehabilitation	\$1,000,000
Brevard	Clemson Plaza improvements	\$125,000
Burke County	Fonta Flora Trail development	\$660,000
Burlington	Paramount Theater	\$660,000
Burnsville	Gateway streetscape improvements	\$250,000
Cerro Gordo	Old Town Hall repurpose	\$40,000
Chimney Rock	Streetscape improvements	\$200,000
Drexel	Downtown Wi-Fi access	\$28,000
Dunn	Stewart Theatre renovation	\$166,000
Eden	Public property renovation	\$200,000
Edenton	Taylor Theatre renovation	\$66,000
Elizabeth City	Shipyards acquisition and restoration	\$1,000,000
Elkin	Railroad corridor beautification	\$416,000
Elon	Downtown parking construction	\$333,000
Fair Bluff	Environmental assessment	\$40,000
Forest City	Streetscape improvements	\$433,000
Goldsboro	The Hub urban park	\$500,000
Hayesville	Historic hotel renovation	\$500,000
Hertford	Church Street park beautification	\$3,000
Historic Bath Foundation	Auditorium and exhibit hall renovation	\$560,000
Isothermal CC	Southeast Equine Research and Education Center	\$1,000,000
Lake Lure	Dam repair and streetscape improvements	\$1,000,000
Laurinburg	Renovations for a business incubator	\$183,000
Lenoir	Historic buildings redevelopment	\$316,000
Lexington	Conrad and Hinkle Square	\$116,000
Lumberton	Lumberton Riverwalk	\$166,000
Marshall	Streetscape improvements	\$100,000

Recipient	Project	Grant
Mebane	Streetscape improvements	\$1,000,000
Monroe	Morgan Alley beautification	\$300,000
Morehead City	Crosswalk improvements	\$116,000
Morganton	Amphitheater development	\$650,000
Mount Airy	Spencer's Mill redevelopment	\$1,000,000
New Bern	The Pepsi Experience exhibit	\$1,000,000
Oxford	Historic building reuse	\$100,000
Pittsboro	Streetscape improvements	\$1,000,000
Plymouth	Open-air market	\$166,000
Reidsville	Gilmer Street renovation	\$283,000
Robbinsville	Streetscape and improvements	\$120,000
Roxboro	Desert Sands Pocket Park	\$100,000
Rutherfordton	Historic building rehabilitation	\$166,000
Salisbury	Empire Hotel renovation	\$1,000,000
Saluda	Sidewalks and signage	\$6,600
Sanford	Wicker Street streetscape	\$1,000,000
Shelby	Historic hotel renovation	\$1,000,000
Smithfield	Gabriel Johnston Hotel renovation	\$300,000
Spruce Pine	Mayland Community College Annex and multi-use event center	\$1,000,000
Tabor City	Historic train depot	\$466,000
Tarboro	Courthouse Square renovation	\$100,000
Thomas Day House/Union Tavern	Thomas Day acquisition and restoration in Milton	\$625,000
Restoration, Inc.		
Troy	All-inclusive park construction	\$166,000
Tryon	Downtown streetscape	\$200,000
Valdese	Downtown Wi-Fi access	\$28,000
Wadesboro	Sidewalks and pedestrian crossings	\$80,000
Warrenton	Building renovation for apartments	\$500,000
Washington	Streetscape improvements	\$410,000
Waynesville	Streetscape improvements	\$25,000
West Jefferson	Signage improvements	\$11,000
Wilkesboro	Rock Building improvements	\$141,000
Williamston	Renovations for business incubator	\$300,000
Wilson	Whirligig studio and makers space	\$250,000
Wilson	Hotel Cherry redevelopment	\$1,000,000
Yanceyville	Farmer's Market structure	\$80,000

Transformational Projects

Marine Industrial Park in Perquimans County: \$14.75 million

The Perquimans County Marine Industrial Park will promote, enhance, and offer business opportunities for marine-related businesses in northeastern North Carolina. The anticipated total cost of the project is \$30 million; investing \$14.75 million of state funds in this project builds upon past state and local investments in land acquisition, an access road, water and sewer infrastructure, and water access improvements. This grant is dependent upon an additional non-state match of \$250,000. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the Department.

Rockingham Motor Speedway: \$8 million

Once renovated, "The Rock Speedway and Entertainment Complex," a former NASCAR raceway and 10.5 million square foot complex, will be a world class events venue and attract additional investment and visitation to south central North Carolina. The state's investment of \$8 million to assist with needed infrastructure, including but not limited to, wastewater and water extension, a pedestrian bridge, repaving the speedway, upgrades to speedway facilities and dragway, bathrooms, and Grandstand repairs/erosion control are vital to completing this \$11.45 million project. A non-state match of at least \$1 for every \$3 from the state is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the Department.

Lenoir County/Kinston: \$5.8 million

Lenoir County is home both to the Global Transpark and the City of Kinston and is a major employment center in eastern North Carolina. A state investment of \$5.8 million in Lenoir County will build upon the County and City's ongoing transformational efforts. The Global Transpark Facility Repairs will help attract new investment in the Transpark. The identified projects in the City of Kinston complement a local investment of \$2.1 million that is remaking the primary downtown business corridor of Queen Street. Funded items include:

Project	Grant
Global Transpark Facility Repairs	\$658,000
Queen Street Streetscape	\$675,000
Kinston Pedestrian Bridge	\$2,250,000
Kinston Riverwalk Completion	\$1,350,000
Kinston Music Park Amenities	\$375,000
Paramount Theater	\$500,000
Total	\$5,808,000

A non-state match of at least \$1 for every \$4 from the state is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the Department.

Mission

To provide services that promote and improve agriculture, agribusiness and forests; protect consumers and businesses; and conserve farmland and natural resources for the prosperity of all North Carolinians.

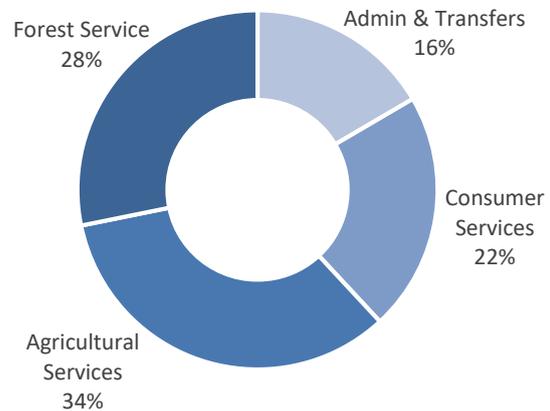
Goals

1. Ensure the sound stewardship of farmland and natural resources for all North Carolina citizens.
2. Protect, manage, and promote forest resources for the citizens of North Carolina.
3. Protect public health, safety and welfare, and preserve environmental quality by monitoring and managing risk for activities associated with North Carolina agricultural production and marketing and prevent fraud, deception, and unfair business practices for activities within the Department of Agriculture and Consumer Sciences’ regulatory scope.
4. Promote North Carolina agriculture and agribusiness by creating positive entertainment experiences and fostering economic opportunities through operation of available state facilities.
5. Provide services and support that help the Department achieve its mission.

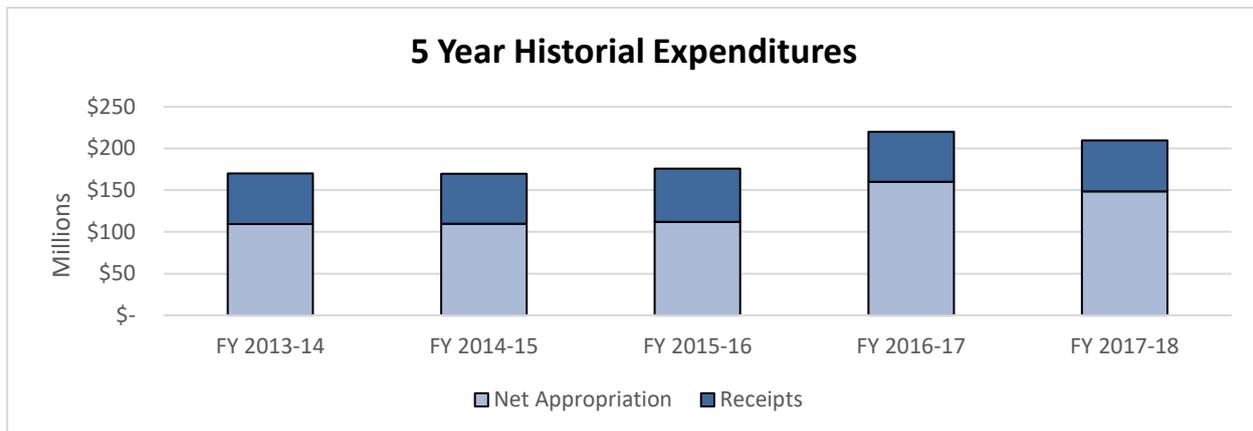
Agency Profile

- Markets and promotes North Carolina agriculture within the state, domestically, and abroad.
- Provides regulatory oversight for areas such as animal health; weights and measures; gas and oil inspection; food, drug and cosmetic testing for purity; seed and fertilizer; structural pest control; and pesticides.
- Protected homes and structures with a value of \$589 million from wildfires in FY 2017-18.
- Recorded an attendance of nearly 1 million at the 2018 North Carolina State Fair.
- Funded grants to conserve 19,440 acres of privately-owned farms and forest through the North Carolina Agricultural Development and Farmland Preservation Trust Fund.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Charts include General Fund budget code only.

Department of Agriculture and Consumer Services (13700)

Year 1 FY 2019-20	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 185,965,999	\$ 7,338,480	\$ 10,050,590	\$ 17,389,070	\$ 203,355,069	9.4%
Receipts	\$ 59,329,628	\$ -	\$ -	\$ -	\$ 59,329,628	0.0%
Net Appropriation	\$ 126,636,371	\$ 7,338,480	\$ 10,050,590	\$ 17,389,070	\$ 144,025,441	13.7%
Positions (FTE)	1814.620	11.000	0.000	11.000	1825.620	0.6%

Year 2 FY 2020-21	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 185,971,419	\$ 10,059,146	\$ -	\$ 10,059,146	\$ 196,030,565	5.4%
Receipts	\$ 59,329,628	\$ -	\$ -	\$ -	\$ 59,329,628	0.0%
Net Appropriation	\$ 126,641,791	\$ 10,059,146	\$ -	\$ 10,059,146	\$ 136,700,937	7.9%
Positions (FTE)	1814.620	11.000	0.000	11.000	1825.620	0.6%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 1,276,648	\$ -	\$ 2,575,598	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,276,648	\$ -	\$ 2,575,598	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees				
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$ 11,152	\$ -	\$ 11,152	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 11,152	\$ -	\$ 11,152	\$ -
	FTE 0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 777,362	\$ 440,505	\$ 1,800,888	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 777,362	\$ 440,505	\$ 1,800,888	\$ -
	FTE 0.000	0.000	0.000	0.000
4 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 327,073	\$ -	\$ 666,160	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 327,073	\$ -	\$ 666,160	\$ -
	FTE 0.000	0.000	0.000	0.000
5 Agricultural Marketing				
Provides funds for agricultural marketing to assist with developing new markets for agricultural products, to educate the public about the food supply NC farmers provide, and to educate school children about farming.	Req \$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
6 Emergency Programs Division Personnel				
Creates four positions for the Emergency Programs Division to bolster statewide response coordination, emergency planning, safety, training, and specialized equipment maintenance, allowing field staff to devote additional time to regional preparedness and response duties.	Req \$ 375,570	\$ -	\$ 375,570	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 375,570	\$ -	\$ 375,570	\$ -
	FTE 4.000	0.000	4.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
7 Forest Service Emergency Response Equipment					
Provides funds to replace the Forest Service's outdated equipment essential to support wildfire suppression. Over 45% of the department's initial attack bulldozers are more than 20 years old.	Req	\$ 500,000	\$ 1,000,000	\$ 500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 500,000	\$ 1,000,000	\$ 500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
8 North Carolina Agricultural Sciences Center					
Creates a complex manager position and provides nonrecurring funds for equipment and cost of moving to the new facility.	Req	\$ 150,000	\$ 7,500,000	\$ 150,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 150,000	\$ 7,500,000	\$ 150,000	\$ -
	FTE	1.000	0.000	1.000	0.000
9 Wildlife Enhancement and Stewardship Fund					
Provides grant funds for wildlife enhancement and stewardship to address invasive species removal and native plant restoration. Up to 5% of the funds may be used for administrative purposes.	Req	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 2,500,000	\$ -	\$ 2,500,000	\$ -
	FTE	0.000	0.000	0.000	0.000
10 Plant Industry and Agronomic Services Division Personnel					
Creates five positions and funds associated operating and equipment costs for the NC Industrial Hemp Program and the Nematode Assay Program.	Req	\$ 361,571	\$ 110,085	\$ 361,571	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 361,571	\$ 110,085	\$ 361,571	\$ -
	FTE	5.000	0.000	5.000	0.000
11 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements		\$ 7,338,480	\$ 10,050,590	\$ 10,059,146	\$ -
Total Change to Receipts		\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation		\$ 7,338,480	\$ 10,050,590	\$ 10,059,146	\$ -
Total Change to Full-Time Equivalent (FTE)		11.000	0.000	11.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	17,389,070	\$	10,059,146
Recommended Total FTE Changes			11.000		11.000

Mission

To foster a safe, healthy, fair and productive North Carolina by:
 Providing responsive, effective and efficient services;
 Providing and encouraging quality education and training;
 Administering consistently and fairly all regulatory mandates;
 Enhancing public confidence in the Department of Labor (DOL).

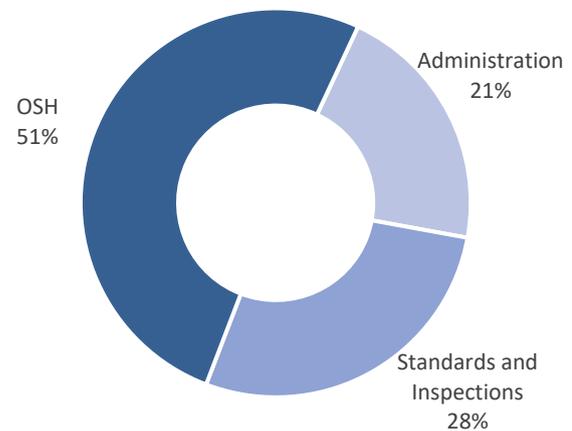
Goals

1. Protect the safety and health of North Carolina’s workforce.
2. Ensure public safety by conducting timely periodic inspections of elevators, boilers, pressure vessels, amusement devices, etc.
3. Protect employees from labor law violations by investigating allegations of wage and hour matters and retaliatory discrimination in response to protected activity.
4. Improve customer service.

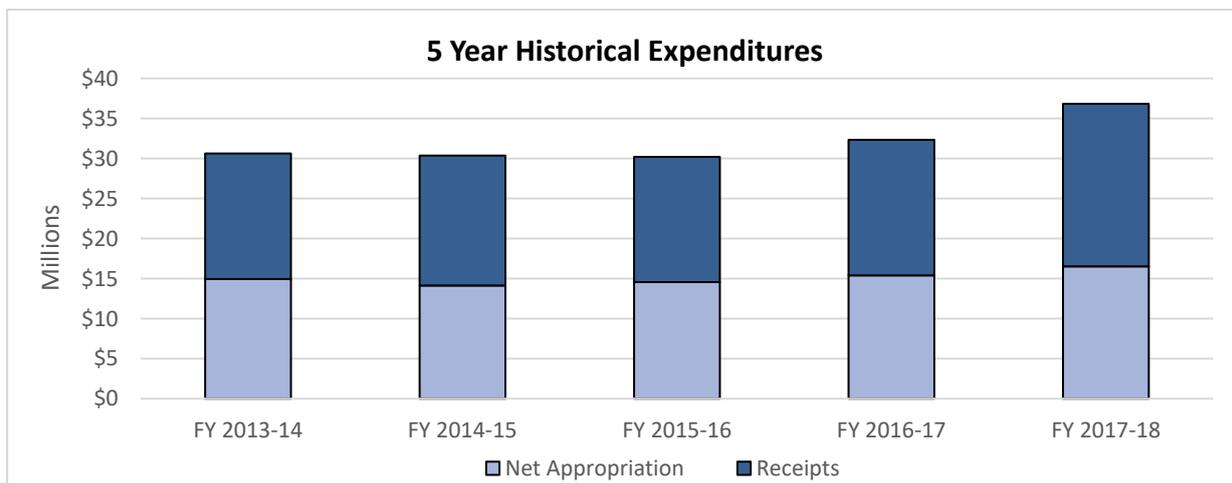
Agency Profile

- The Occupational Safety and Health Division (OSH) works to ensure the safety of employees and employers through administration of the Occupational Safety and Health Act as well as providing education, consultation, and training opportunities.
- The Standards and Inspections Division comprises five bureaus within DOL: Boiler Safety; Elevator and Amusement Device; Retaliatory Employment Discrimination; Mine and Quarry; and Wage and Hour.
- The Safety and Health Review Commission, which adjudicates contested OSH cases, is an independent body within the Department.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Department of Labor (13800)

Year 1 FY 2019-20	Recommended			Recommended		Recommended		% Δ from
	Base Budget	Net Recurring	Net Nonrecurring	Change	Budget	Base Budget		
Requirements	\$ 37,106,127	\$ 532,370	\$ 84,059	\$ 616,429	\$ 37,722,556			1.7%
Receipts	\$ 18,968,296	\$ (1,193,705)	\$ -	\$ (1,193,705)	\$ 17,774,591			-6.3%
Net Appropriation	\$ 18,137,831	\$ 1,726,075	\$ 84,059	\$ 1,810,134	\$ 19,947,965			10.0%
Positions (FTE)	382.260	1.000	0.000	1.000	383.260			0.3%

Year 2 FY 2020-21	Recommended			Recommended		Recommended		% Δ from
	Base Budget	Net Recurring	Net Nonrecurring	Change	Budget	Base Budget		
Requirements	\$ 37,126,948	\$ 1,087,854	\$ -	\$ 1,087,854	\$ 38,214,802			2.9%
Receipts	\$ 18,968,296	\$ (1,193,705)	\$ -	\$ (1,193,705)	\$ 17,774,591			-6.3%
Net Appropriation	\$ 18,158,652	\$ 2,281,559	\$ -	\$ 2,281,559	\$ 20,440,211			12.6%
Positions (FTE)	382.260	1.000	0.000	1.000	383.260			0.3%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$ 243,617	\$ -	\$ 491,489	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 243,617	\$ -	\$ 491,489	\$ -
FTE	0.000	0.000	0.000	0.000

2 TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$ 148,340	\$ 84,059	\$ 343,655	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 148,340	\$ 84,059	\$ 343,655	\$ -
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$ 51,309	\$ -	\$ 104,503	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 51,309	\$ -	\$ 104,503	\$ -
FTE	0.000	0.000	0.000	0.000

4 Position Funding

Shifts position funding from receipts to net appropriation. These positions are currently partially or fully funded by indirect costs, which are an unstable source of funding and fluctuate yearly.

Req	\$ -	\$ -	\$ -	\$ -
Rec	\$ (1,193,705)	\$ -	\$ (1,193,705)	\$ -
App	\$ 1,193,705	\$ -	\$ 1,193,705	\$ -
FTE	0.000	0.000	0.000	0.000

5 Occupational Safety and Health Review Commission

Provides additional funds for operating expenses to facilitate the timely disposition of additional court cases and for staff development and training.

Req	\$ 30,000	\$ -	\$ 30,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 30,000	\$ -	\$ 30,000	\$ -
FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Advanced Analytics and Data Interpretation					
Buils capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements		\$ 532,370	\$ 84,059	\$ 1,087,854	\$ -
Total Change to Receipts		\$ (1,193,705)	\$ -	\$ (1,193,705)	\$ -
Total Change to Net Appropriation		\$ 1,726,075	\$ 84,059	\$ 2,281,559	\$ -
Total Change to Full-Time Equivalent (FTE)		1.000	0.000	1.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	1,810,134	\$	2,281,559
Recommended Total FTE Changes			1.000		1.000

Mission

Provide science-based environmental stewardship for the health and prosperity of all North Carolinians.

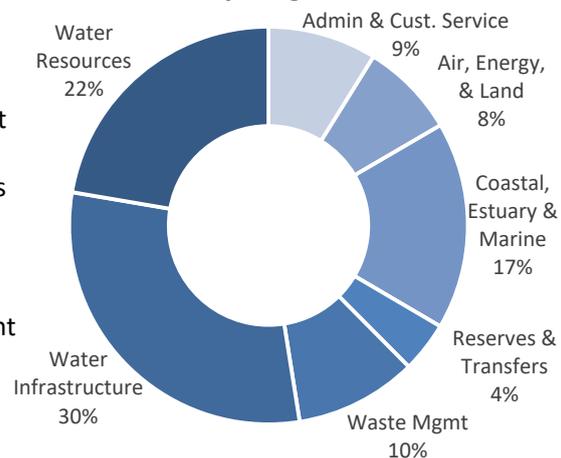
Goals

1. Protect and restore water quality, air quality, and natural resources through regulatory and voluntary programs.
2. Modernize Department of Environmental Quality (DEQ) customer service for North Carolina’s regulated community and improve transparency through more user-friendly data sources.
3. Support North Carolina’s commitment to address climate change and transition to a clean energy economy as outlined in Executive Order 80.
4. Strive to ensure that every North Carolinian has the same access to clean water and air.
5. Strengthen outreach and partnerships with local community leadership.
6. Use lessons learned from recent extreme weather to reassess critical infrastructure and develop greater resiliency in areas of DEQ influence.
7. Provide the necessary tools and resources for DEQ staff to accomplish their respective missions and tasks.

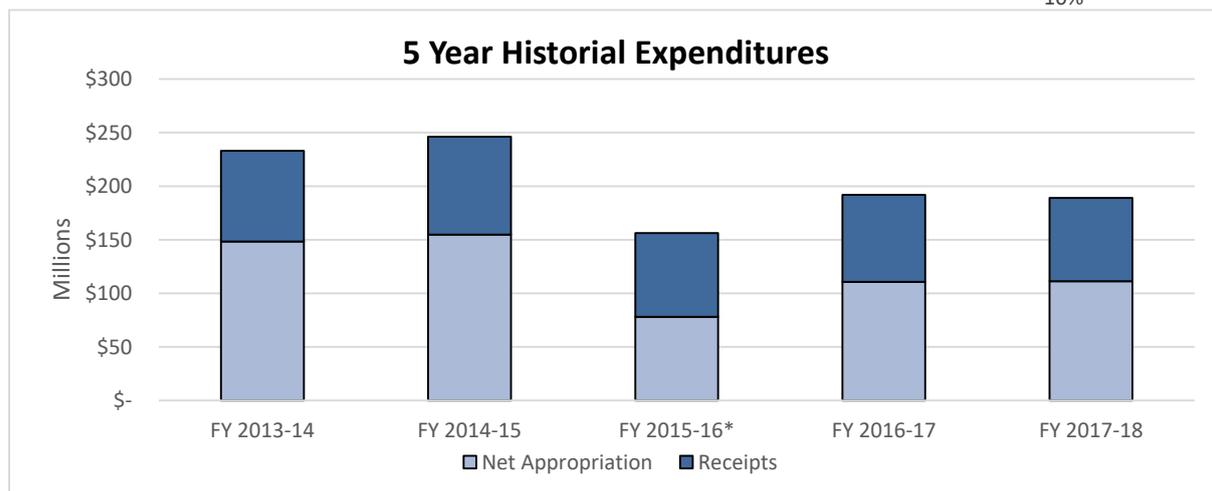
Agency Profile

- Protects North Carolina's environmental resources as the state’s lead stewardship agency.
- Administers regulatory programs designed to protect air quality, water quality, land resources, and the public's health and advances energy strategy that fits North Carolina’s needs.
- Provides technical assistance to businesses, farmers, local governments, and the public, encouraging responsible behavior with respect to the environment through education programs at DEQ facilities and in schools.

FY2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Charts include General Fund budget code only

** Five divisions from transferred from the former Department of Environment and Natural Resources to the Department of Cultural Resources in this year.*

Department of Environmental Quality (14300)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 193,918,082	\$ 12,586,399	\$ 3,554,264	\$ 16,140,663	\$ 210,058,745	8.3%
Receipts	\$ 114,576,705	\$ -	\$ -	\$ -	\$ 114,576,705	0.0%
Net Appropriation	\$ 79,341,377	\$ 12,586,399	\$ 3,554,264	\$ 16,140,663	\$ 95,482,040	20.3%
Positions (FTE)	1116.817	48.000	0.000	48.000	1164.817	4.3%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 193,892,959	\$ 13,869,297	\$ -	\$ 13,869,297	\$ 207,762,256	7.2%
Receipts	\$ 114,576,705	\$ -	\$ -	\$ -	\$ 114,576,705	0.0%
Net Appropriation	\$ 79,316,254	\$ 13,869,297	\$ -	\$ 13,869,297	\$ 93,185,551	17.5%
Positions (FTE)	1116.817	48.000	0.000	48.000	1164.817	4.3%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	598,533	\$ -	\$ 1,207,521	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	598,533	\$ -	\$ 1,207,521	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees					
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	27,690	\$ -	\$ 27,690	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	27,690	\$ -	\$ 27,690	\$ -
	FTE	0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	364,452	\$ 206,523	\$ 844,313	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	364,452	\$ 206,523	\$ 844,313	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	130,165	\$ -	\$ 265,111	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	130,165	\$ -	\$ 265,111	\$ -
	FTE	0.000	0.000	0.000	0.000
Energy and Environment					
5 Emerging Compounds in Water and Air					
Provides funds for personnel to increase detection and prevention of water and air contamination, to conduct in-house and mobile analysis of emerging compounds (e.g. GENX, PFAS compounds, endocrine disrupters), to purchase a mobile lab and testing equipment, and to support the Bernard Allen Memorial Drinking Water Fund.	Req \$	6,055,652	\$ 336,441	\$ 6,055,652	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,055,652	\$ 336,441	\$ 6,055,652	\$ -
	FTE	37.000	0.000	37.000	0.000
6 University Energy Centers					
Provides funds to support energy centers at North Carolina State University, North Carolina Agricultural and Technical State University, and Appalachian State University. These centers provide technical support to the public and private sectors on the use of clean energy and enabling technologies such as "smart grid" and energy storage.	Req \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,000,000	\$ -	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
7 Environmental Stewardship Initiative				
Funds two positions and associated operating costs to provide technical assistance and training and to expand the program to additional business sectors. The program works with businesses to implement projects with environmental and economic benefit. Businesses reported over \$8 million in cost savings from these practices in 2017.	Req \$ 173,101	\$ 3,000	\$ 173,101	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 173,101	\$ 3,000	\$ 173,101	\$ -
	FTE 2.000	0.000	2.000	0.000
8 Permitting Assistance and IT Infrastructure Improvements				
Provides recurring funds for two positions to provide better permitting assistance and regulatory guidance and nonrecurring funds to improve the department's patchwork IT infrastructure, deploy a dynamic customer relationship management tool, and improve IT integration.	Req \$ 163,126	\$ 500,000	\$ 163,126	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 163,126	\$ 500,000	\$ 163,126	\$ -
	FTE 2.000	0.000	2.000	0.000
9 Clean Water State Revolving Fund State Match				
Increases funding for the required state match for the Clean Water State Revolving Fund, which is needed due to larger federal funding. The program provides low-interest loans to local governments for wastewater treatment facilities.	Req \$ 829,198	\$ -	\$ 829,198	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 829,198	\$ -	\$ 829,198	\$ -
	FTE 0.000	0.000	0.000	0.000
10 Drinking Water State Revolving Fund State Match				
Increases funding for the required state match for the Drinking Water State Revolving Fund, which is needed due to larger federal funding. The program provides low-interest loans to local governments for water infrastructure projects.	Req \$ 2,646,960	\$ -	\$ 2,646,960	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 2,646,960	\$ -	\$ 2,646,960	\$ -
	FTE 0.000	0.000	0.000	0.000
11 Animal Feeding Operations Oversight				
Creates three positions to provide farmers at animal feeding operations direct technical assistance with regulatory compliance and wastewater management.	Req \$ 228,418	\$ 3,300	\$ 228,418	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 228,418	\$ 3,300	\$ 228,418	\$ -
	FTE 3.000	0.000	3.000	0.000
12 Grants-in-aid for Monitoring Wells				
Provides funds for grants-in-aid for qualified farmers or permittees with waste structures in the 100-year flood plain for up to 50% of the cost of installing required groundwater monitoring.	Req \$ -	\$ 125,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 125,000	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Marine Fisheries				
13 Shellfish Mariculture Support				
Provides funds to support growing the state's shellfish mariculture industry, including recurring funds for two shellfish leasing program positions, one position to support oversight of stormwater systems in eastern NC, and nonrecurring funds for oyster sanctuaries and cultch planting, a market analysis of shellfish mariculture products, and a study of the efficiency and effectiveness of the current sanctuary and planting programs.	Req \$ 310,000	\$ 1,180,000	\$ 310,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 310,000	\$ 1,180,000	\$ 310,000	\$ -
	FTE 3.000	0.000	3.000	0.000
14 Marine Patrol Equipment				
Funds the replacement of aged Marine Patrol equipment, including outboard motors, boat trailers, and vehicles. Marine Patrol has no recurring budget for replacing equipment, and it is no longer economical to replace parts for these items.	Req \$ -	\$ 1,100,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 1,100,000	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
15 Crab Pot Cleanup				
Provides funds to the North Carolina Coastal Federation to continue the Crab Pot Cleanup Program. The Coastal Federation will use the funds to contract with commercial fishermen to aid in derelict crab pot cleanup efforts.	Req \$ -	\$ 100,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 100,000	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21					
	R Changes	NR Changes	R Changes	NR Changes				
Data Analytics								
16 Advanced Analytics and Data Interpretation								
Buils capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104	\$ -	\$ 118,207	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	59,104	\$ -	\$ 118,207	\$ -			
	FTE	1.000	0.000	1.000	0.000			
Total Change to Requirements	\$	12,586,399	\$	3,554,264	\$	13,869,297	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	12,586,399	\$	3,554,264	\$	13,869,297	\$	-
Total Change to Full-Time Equivalent (FTE)		48.000		0.000		48.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	16,140,663	\$		\$	13,869,297
Recommended Total FTE Changes				48.000				48.000

Environmental Quality - Special General Fund - Interest Bearing (24318)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,767,367	\$ 300,000	\$ -	\$ 300,000	\$ 2,067,367	17.0%
Receipts	\$ 1,764,806	\$ 300,000	\$ -	\$ 300,000	\$ 2,064,806	17.0%
Δ in Fund Balance	\$ (2,561)	\$ -	\$ -	\$ -	\$ (2,561)	0.0%
Positions (FTE)	1.000	0.000	0.000	0.000	1.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 1,767,367	\$ 300,000	\$ -	\$ 300,000	\$ 2,067,367	17.0%
Receipts	\$ 1,764,806	\$ 300,000	\$ -	\$ 300,000	\$ 2,064,806	17.0%
Δ in Fund Balance	\$ (2,561)	\$ -	\$ -	\$ -	\$ (2,561)	0.0%
Positions (FTE)	1.000	0.000	0.000	0.000	1.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Bernard Allen Memorial Drinking Water Fund				
Provides funds for sampling, waterline connections, and alternate water for eligible homeowners to address the increased need from groundwater contamination of perfluoroalkyl and polyfluoroalkyl substances.	Req \$ 300,000	\$ -	\$ 300,000	\$ -
	Rec \$ 300,000	\$ -	\$ 300,000	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 300,000	\$ -	\$ 300,000	\$ -
Total Change to Receipts	\$ 300,000	\$ -	\$ 300,000	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Recommended Total FTE Changes		0.000		0.000

Mission

Conserve North Carolina’s wildlife resources and their habitats and provide programs and opportunities that allow hunters, anglers, boaters, and other outdoor enthusiasts to enjoy wildlife-associated recreation.

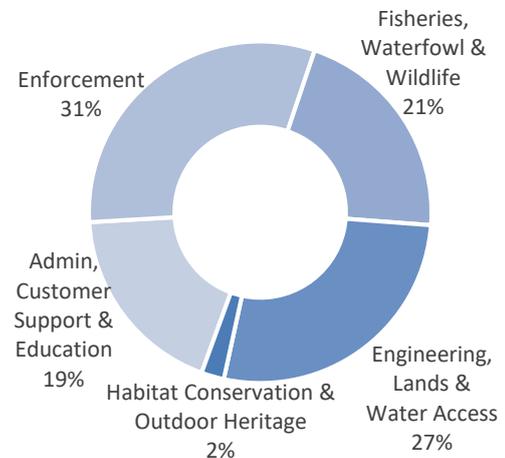
Goals

1. Ensure North Carolinians have opportunities for safe and readily available wildlife-related activities.
2. Provide and promote opportunities for every adult and child, regardless of physical abilities, to experience North Carolina’s wildlife resources.
3. Conserve and enhance the abundance and diversity of North Carolina’s fish and wildlife resources.
4. Be recognized as a leader in sustaining working lands, conserving wildlife habitats and species diversity, and maintaining the hunting and fishing heritage of North Carolina.
5. Communicate, educate, and market wildlife conservation and the role of hunting and fishing in effective wildlife-management programs.
6. Maintain a sound funding model that meets resource and constituent needs and supports current and future programs.
7. Create a work environment with clear priorities, efficient and effective decision-making, and where employees feel a sense of creativity, accountability, value, and satisfaction.

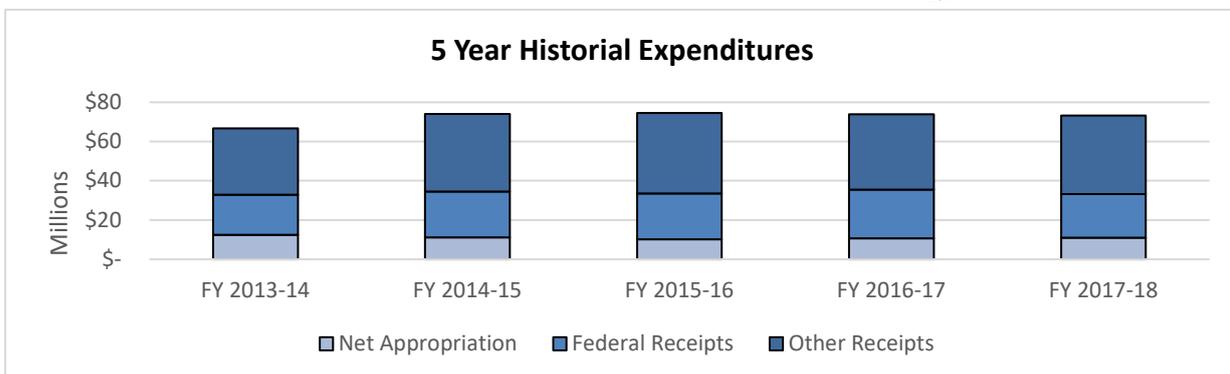
Agency Profile

- Conserves and sustains the state’s fish and wildlife resources through research, scientific management, wise use, and public input.
- Administers and enforces North Carolina fishing, hunting, trapping, and boating laws.
- Owns and operates 69 game lands of almost 500,000 acres and manages an additional 1.6 million acres through cooperative agreements for wildlife management and conservation efforts.
- Manages over 240 boating access areas, 200 public fishing areas, four educational centers and six shooting ranges to provide opportunity and access to the public.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Charts include General Fund budget code only.

Wildlife Resources Commission (14350)

Year 1 FY 2019-20	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 75,630,859	\$ 357,440	\$ 49,778	\$ 407,218	\$ 76,038,077	0.5%
Receipts	\$ 64,486,379	\$ -	\$ -	\$ -	\$ 64,486,379	0.0%
Net Appropriation	\$ 11,144,480	\$ 357,440	\$ 49,778	\$ 407,218	\$ 11,551,698	3.7%
Positions (FTE)	650.810	1.000	0.000	1.000	651.810	0.2%

Year 2 FY 2020-21	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 75,630,859	\$ 711,675	\$ -	\$ 711,675	\$ 76,342,534	0.9%
Receipts	\$ 64,486,379	\$ -	\$ -	\$ -	\$ 64,486,379	0.0%
Net Appropriation	\$ 11,144,480	\$ 711,675	\$ -	\$ 711,675	\$ 11,856,155	6.4%
Positions (FTE)	650.810	1.000	0.000	1.000	651.810	0.2%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
1 Cost of Living Adjustment Reserve - State Employees					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$	144,265	\$ -	\$ 291,051	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	144,265	\$ -	\$ 291,051	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees					
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	34,702	\$ -	\$ 34,702	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	34,702	\$ -	\$ 34,702	\$ -
	FTE	0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$	87,844	\$ 49,778	\$ 203,506	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	87,844	\$ 49,778	\$ 203,506	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$	31,525	\$ -	\$ 64,209	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	31,525	\$ -	\$ 64,209	\$ -
	FTE	0.000	0.000	0.000	0.000
5 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104	\$ -	\$ 118,207	\$ -
	Rec \$	-	\$ -	\$ 118,207	\$ -
	App \$	59,104	\$ -	\$ -	\$ -
	FTE	1.000	0.000	1.000	0.000
Total Change to Requirements	\$	357,440	\$ 49,778	\$ 711,675	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	357,440	\$ 49,778	\$ 711,675	\$ -
Total Change to Full-Time Equivalent (FTE)		1.000	0.000	1.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		407,218	\$	711,675
Recommended Total FTE Changes			1.000		1.000

Mission

To improve the economic well-being and quality of life for all North Carolinians. To do that, the North Carolina Department of Commerce works closely with local, regional, national and international organizations to propel economic, community and workforce development for the state.

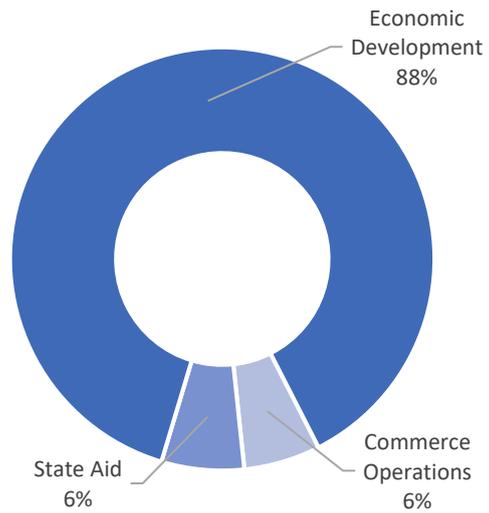
Goals

1. To support the growth of North Carolina’s economy.
2. To increase the efficiency of the Department of Commerce’s programs and service delivery.
3. Provide high quality services to businesses, individuals and communities.

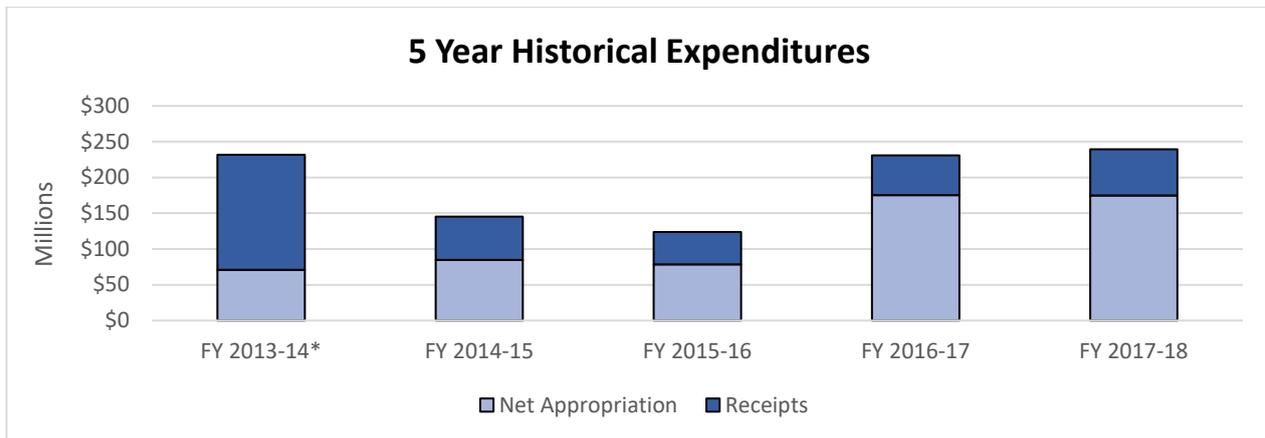
Agency Profile

- Comprised of five divisions: Employment Security; Labor and Economic Analysis; Rural Economic Development; Science, Technology and Innovation; and Workforce Solutions.
- Connects businesses with the site locations, workforce and infrastructure they need to set themselves up for success and local communities with the grants and funding they need to attract new business and ensure future prosperity.
- Administers the state’s economic incentives program and publishes data, statistics, information and reports for those interested in North Carolina’s economy.
- Contracts services from the Economic Development Partnership of North Carolina to market North Carolina as a business and visitor destination.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Charts include General Fund budget codes only (14600, 14601, 14602)

** The Department assumed administration of over \$98 million in existing grants from the NC Rural Center.*

Department of Commerce (14600)

Year 1 FY 2019-20	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 149,691,573	\$ 11,596,415	\$ 1,644,639	\$ 13,241,054	\$ 162,932,627	8.8%
Receipts	\$ 138,659,386	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 148,659,386	7.2%
Net Appropriation	\$ 11,032,187	\$ 1,596,415	\$ 1,644,639	\$ 3,241,054	\$ 14,273,241	29.4%
Positions (FTE)	173.810	3.000	0.000	3.000	176.810	1.7%

Year 2 FY 2020-21	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 149,691,573	\$ 11,921,107	\$ -	\$ 11,921,107	\$ 161,612,680	8.0%
Receipts	\$ 138,659,386	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 148,659,386	7.2%
Net Appropriation	\$ 11,032,187	\$ 1,921,107	\$ -	\$ 1,921,107	\$ 12,953,294	17.4%
Positions (FTE)	173.810	3.000	0.000	3.000	176.810	1.7%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Cost of Living Adjustment Reserve - State Employees

Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.

Req	\$ 129,370	\$ -	\$ 261,000	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 129,370	\$ -	\$ 261,000	\$ -
FTE	0.000	0.000	0.000	0.000

2 TSERS Retirement Contribution

Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.

Req	\$ 78,774	\$ 44,639	\$ 182,494	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 78,774	\$ 44,639	\$ 182,494	\$ -
FTE	0.000	0.000	0.000	0.000

3 State Health Plan Contribution

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.

Req	\$ 29,167	\$ -	\$ 59,406	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ 29,167	\$ -	\$ 59,406	\$ -
FTE	0.000	0.000	0.000	0.000

4 Supply Chain Logistics Studies

Provides funds to conduct supply chain logistics studies in industries such as automotive, aerospace, or advanced manufacturing. These studies will enhance the Department of Commerce's ability to provide sophisticated responses to business inquiries on the state's logistical capabilities for future economic development.

Req	\$ -	\$ 300,000	\$ -	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ -	\$ 300,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

5 Offshore Wind Infrastructure and Supply Chain Analysis

Funds a study to evaluate state-owned and privately held ports with the potential to host offshore wind industry operations, offshore wind maintenance, or wind component and assembly manufacturing facilities. The supply chain analysis will identify strategic opportunities to leverage North Carolina's businesses and workforce in the growing offshore wind industry.

Req	\$ -	\$ 300,000	\$ -	\$ -
Rec	\$ -	\$ -	\$ -	\$ -
App	\$ -	\$ 300,000	\$ -	\$ -
FTE	0.000	0.000	0.000	0.000

		FY 2019-20		FY 2020-21	
		R Changes	NR Changes	R Changes	NR Changes
6 NC Job Ready (Workforce) - Work-Based Learning Fund					
Establishes a competitive grant fund to assist employers in providing work-based learning opportunities to develop their workforce talent pipelines. Funds may be used to establish or expand employer apprenticeship programs; paid internships and flexible, part-time employment opportunities for students; and "up-skilling" of existing employees to address skills gaps and open entry-level positions. The Department of Commerce will collaborate with employers, Workforce Development Boards, the NC Community College System, and others to design and implement the grant program, which is funded by receipts from the NC Job Ready Fund.	Req	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
	Rec	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
7 Business and Tourism Marketing					
Increases funding for business and tourism marketing. These funds support activities that increase awareness of North Carolina and draw visitors, conventions, prospective businesses, and investment to the state.	Req	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
8 Certified Sites Program Director					
Creates a Certified Sites Program Director to administer the certification process and to maintain an inventory of industrial sites that have undergone a prequalification process. Funding is also provided for technology and marketing improvements to the Certified Sites Program. The administration of the Certified Sites Program shall be transferred to the Department of Commerce.	Req	\$ 200,000	\$ -	\$ 200,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 200,000	\$ -	\$ 200,000	\$ -
	FTE	1.000	0.000	1.000	0.000
9 Web Content Manager					
Creates a position to provide management, leadership, and day-to-day support to the department's website, which is a key source of information for prospective and existing businesses and industry.	Req	\$ 100,000	\$ -	\$ 100,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 100,000	\$ -	\$ 100,000	\$ -
	FTE	1.000	0.000	1.000	0.000
10 Advanced Analytics and Data Interpretation					
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req	\$ 59,104	\$ -	\$ 118,207	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 59,104	\$ -	\$ 118,207	\$ -
	FTE	1.000	0.000	1.000	0.000
11 Film and Entertainment Grant Program					
Updates and modernizes state-offered film and entertainment incentives to better respond to industry needs. A corresponding special provision provides additional details on these adjustments.	Req	\$ -	\$ -	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements		\$ 11,596,415	\$ 1,644,639	\$ 11,921,107	\$ -
Total Change to Receipts		\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
Total Change to Net Appropriation		\$ 1,596,415	\$ 1,644,639	\$ 1,921,107	\$ -
Total Change to Full-Time Equivalent (FTE)		3.000	0.000	3.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)		\$	3,241,054	\$	1,921,107
Recommended Total FTE Changes			3.000		3.000

Commerce - General State Aid (14601)

Year 1 FY 2019-20	Recommended Base Budget			Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 16,155,810	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 18,655,810	15.5%	
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
Net Appropriation	\$ 16,155,810	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 18,655,810	15.5%	
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.000	0.0%	

Year 2 FY 2020-21	Recommended Base Budget			Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 16,155,810	\$ -	\$ -	\$ -	\$ -	\$ 16,155,810	0.0%	
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
Net Appropriation	\$ 16,155,810	\$ -	\$ -	\$ -	\$ -	\$ 16,155,810	0.0%	
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.000	0.0%	

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Carolina Small Business Development Fund				
Provides funds to support small business loans and financial training to start-ups and existing businesses and to lending services for community-based organizations.	Req \$ -	\$ 2,500,000	\$ -	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ -	\$ 2,500,000	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 2,500,000	\$ -	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ -	\$ 2,500,000	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ 2,500,000	\$ -	\$ -
Recommended Total FTE Changes		0.000		0.000

Commerce - Economic Development (14602)

Year 1 FY 2019-20	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 150,295,700	\$ 5,000,000	\$ 79,495,600	\$ 84,495,600	\$ 234,791,300	56.2%
Receipts	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	0.0%
Net Appropriation	\$ 150,175,700	\$ 5,000,000	\$ 79,495,600	\$ 84,495,600	\$ 234,671,300	56.3%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 150,295,700	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 160,295,700	6.7%
Receipts	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	0.0%
Net Appropriation	\$ 150,175,700	\$ 10,000,000	\$ -	\$ 10,000,000	\$ 160,175,700	6.7%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Rural Economic Development					
1 Rural Investments Strengthening Economies (RISE) Program					
RISE is a competitive grant program that funds economic revitalization in rural communities and assists businesses by offsetting the costs of locating or expanding companies in one of the state's 80 most distressed counties. This replaces the Main Street Solutions Fund with a new program that addresses economic development needs identified by the department.	Req	\$ 5,000,000	\$ -	\$ 10,000,000	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ 5,000,000	\$ -	\$ 10,000,000	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Local Government Capacity					
Provides funds to build local government capacity in the state's most distressed counties. Funds support local government staff training, educational resources, and planning efforts to add expertise and capacity, establish strategic approaches, and promote economic vitality. Funds appropriated for this program shall be available for the biennium.	Req	\$ -	\$ 2,000,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 2,000,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
3 Rural Neighborhood Revitalization Program					
Provides grants to local governments for rehabilitation, acquisition, clearance, relocation, replacement, or emergency repairs. This program prioritizes neighborhood sustainability, resiliency, equitable access to housing, and neighborhood revitalization. This program complements the existing Neighborhood Revitalization Program funded through Community Development Block Grants.	Req	\$ -	\$ 6,500,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 6,500,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
4 RAMP-East					
Provides support to the Regional Advanced Manufacturing Pipeline-East (RAMP-East) program, a regional partnership of workforce development boards, regional community colleges, and economic development partnerships, that enhances the recruitment of under-served populations in ten counties for the advanced manufacturing sector. Funds appropriated for this program shall be available for the biennium.	Req	\$ -	\$ 700,000	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 700,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
5 Locally Identified Projects					
Provides funds to 68 economic development projects as listed in the rural economic development summary at the beginning of this section. These projects will help spur economic development across rural NC through investing in rehabilitation of historic buildings, public infrastructure improvements, new construction, and streetscape and beautification projects. A non-state match of at least \$1 for every \$4 from the state is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the Department.	Req	\$ -	\$ 26,395,600	\$ -	\$ -
	Rec	\$ -	\$ -	\$ -	\$ -
	App	\$ -	\$ 26,395,600	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
6 Rural Prosperity Development Grant Programs					
Provides \$1 million to each prosperity zone for grants to support rural economic development projects such as infrastructure; building improvements and expansions; innovative projects between local governments and businesses that increase economic vitality; and other projects to support economic development needs.	Req \$	- \$	8,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	8,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
7 Rural Ready Site Development Program					
Provides nonrecurring funding for the NC Ready Sites program, which supports infrastructure development for publicly-owned rural industrial sites.	Req \$	- \$	5,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	5,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Transformational Projects					
8 Marine Industrial Park					
Provides funds for the development of a Marine Industrial Park in Perquimans County. Funds leverage past state and local investments in land acquisition, an access road, water and sewer infrastructure, and water access improvements. A non-state match of at least \$250,000 is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the department.	Req \$	- \$	14,750,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	14,750,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
9 Rockingham Motor Speedway					
Provides funds for infrastructure and repairs needed for "The Rock Speedway and Entertainment Complex" to become an outdoor festival and racing venue. A non-state match of at least \$1 for every \$3 from the state is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the department.	Req \$	- \$	8,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	8,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
10 Lenoir County/ Kinston Investments					
Provides funds for economic development projects in Lenoir County and the City of Kinston. A non-state match of at least \$1 for every \$4 from the state is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the department.	Req \$	- \$	5,150,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	5,150,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Science, Technology, and Innovation					
11 One North Carolina Small Business Program					
Provides nonrecurring funds to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or the Small Business Technology Transfer program.	Req \$	- \$	2,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	2,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
12 Community Innovation Fund					
Establishes a competitive grant program to assist rural, small, and medium sized communities in transitioning to a knowledge-and innovation-based economy.	Req \$	- \$	1,000,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	1,000,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	5,000,000	\$ 79,495,600	\$ 10,000,000	\$ -
Total Change to Receipts	\$	-	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$	5,000,000	\$ 79,495,600	\$ 10,000,000	\$ -
Total Change to Full-Time Equivalent (FTE)		0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$ 84,495,600	\$ 10,000,000	
Recommended Total FTE Changes			0.000	0.000	0.000

Mission

Our mission is to improve quality of life in North Carolina by creating opportunities to experience excellence in the arts, history, libraries and nature by stimulating learning, inspiring creativity, preserving the state’s history, conserving the state’s natural heritage, encouraging recreation and cultural heritage tourism, and promoting economic development.

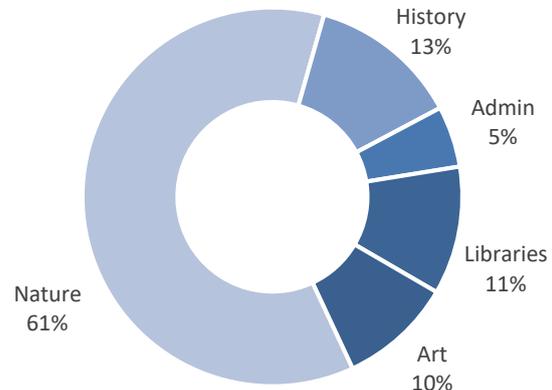
Goals

1. Expand educational opportunities for children and families by increasing access to the state’s innovative, interactive, and inspirational natural and cultural sites, programs, and services.
2. Boost economic growth through the “Hometown Strong” initiative to support rural communities, and other efforts.
3. Preserve, enhance, and expand North Carolina’s natural and cultural resources in an effective, efficient, collaborative, and customer-friendly manner.
4. Promote diversity and cultural inclusion in departmental programs, recruitment, administration, and community engagement.

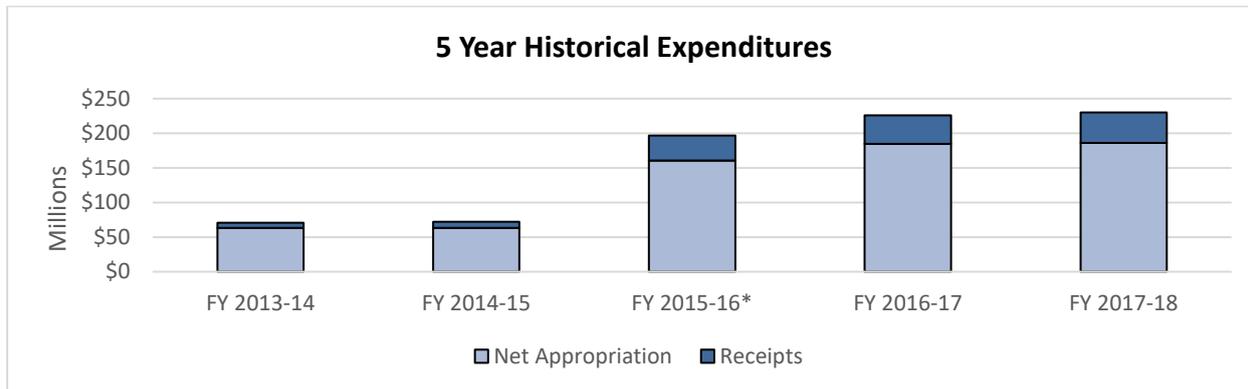
Agency Profile

- Operates North Carolina’s state parks, aquariums, science museums, and zoo and works to preserve the state’s natural resources to provide all North Carolinians the opportunity to discover them.
- Builds the capacity of all libraries in the state, runs the Library of North Carolina, and develops and supports access to traditional and online collections.
- Celebrates the history of North Carolina from pre-colonial times to the present and preserves the state’s historical treasures and artifacts.
- Supports North Carolina’s state art museums, symphony, and arts councils to give all people access to world-class art experiences and support the state’s creative economy.

FY 2018-19 Authorized Expenditures by Program



5 Year Historical Expenditures



Charts include General Fund budget code only

** Five divisions from the former Department of Environment and Natural Resources transferred to the Department of Cultural Resources in this year.*

Natural and Cultural Resources (14800)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 220,406,103	\$ 18,712,687	\$ 12,342,128	\$ 31,054,815	\$ 251,460,918	14.1%
Receipts	\$ 42,487,651	\$ -	\$ -	\$ -	\$ 42,487,651	0.0%
Net Appropriation	\$ 177,918,452	\$ 18,712,687	\$ 12,342,128	\$ 31,054,815	\$ 208,973,267	17.5%
Positions (FTE)	1854.230	40.000	0.000	40.000	1894.230	2.2%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 220,410,412	\$ 23,441,839	\$ -	\$ 23,441,839	\$ 243,852,251	10.6%
Receipts	\$ 42,487,651	\$ -	\$ -	\$ -	\$ 42,487,651	0.0%
Net Appropriation	\$ 177,922,761	\$ 23,441,839	\$ -	\$ 23,441,839	\$ 201,364,600	13.2%
Positions (FTE)	1854.230	48.000	0.000	48.000	1902.230	2.6%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Compensation and Benefits Reserve				
1 Cost of Living Adjustment Reserve - State Employees				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net General Fund appropriation for salaries of all state-funded positions, across all sections of the Committee Report, is expected to exceed \$12.5 billion in FY 2019-20 and \$12.9 billion in FY 2020-21, an increase of over \$418.1 million and \$736.5 million respectively.	Req \$ 1,467,267	\$ -	\$ 2,960,166	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 1,467,267	\$ -	\$ 2,960,166	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees				
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$ 140,384	\$ -	\$ 140,384	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 140,384	\$ -	\$ 140,384	\$ -
	FTE 0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution				
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the General Fund for 2019-2021 fiscal biennium to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees in FY 2019-20. Corresponding special provisions provide additional details on these adjustments. The revised net General Fund appropriation for TSERS statewide exceeds \$2.2 billion in FY 2019-20 and \$2.3 billion in FY 2020-21, an increase of over \$200 million and \$300 million respectively.	Req \$ 893,431	\$ 506,278	\$ 2,069,782	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 893,431	\$ 506,278	\$ 2,069,782	\$ -
	FTE 0.000	0.000	0.000	0.000
4 State Health Plan Contribution				
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2019-21 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is approximately \$1.57 billion in FY 2019-20 and \$1.64 billion in FY 2020-21, an increase of \$60.8 million and \$123.8 million respectively.	Req \$ 408,652	\$ -	\$ 832,315	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 408,652	\$ -	\$ 832,315	\$ -
	FTE 0.000	0.000	0.000	0.000
History				
5 Historic Sites Maintenance Funds				
Funds needed supplies, materials, travel, and contractual services required to maintain state historic sites. Continuing to delay maintenance of these sites increases the long-term costs of repair and negatively affects visitor experience.	Req \$ 600,000	\$ -	\$ 600,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 600,000	\$ -	\$ 600,000	\$ -
	FTE 0.000	0.000	0.000	0.000
6 African American History Curator Position				
Provides funds for a Curator of African American History within the Historic Sites Division. This position will work with the Division's central education staff to provide research, consultation, and programming expertise related to African American history across all state historic sites.	Req \$ 71,797	\$ -	\$ 71,797	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 71,797	\$ -	\$ 71,797	\$ -
	FTE 1.000	0.000	1.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
7 Online History Resource (ANCHOR)					
Provides funds for positions to support ANCHOR, A North Carolina Online History Resource. ANCHOR provides teachers vetted, reliable historical resources to aid in their instruction of NC history.	Req \$	226,543	\$ -	\$ 226,543	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	226,543	\$ -	\$ 226,543	\$ -
	FTE	3.000	0.000	3.000	0.000
8 Queen Anne's Revenge Conservation and Excavation Project					
Provides resources to excavate and conserve artifacts from the 1718 shipwreck of the Queen Anne's Revenge. These efforts have previously been funded on a non-recurring basis with time-limited positions.	Req \$	250,000	\$ -	\$ 250,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	250,000	\$ -	\$ 250,000	\$ -
	FTE	0.000	0.000	0.000	0.000
9 African American Heritage Commission Positions					
Funds two positions, an Education and Outreach Coordinator and a Marketing and Communications Director, to bolster the African American Heritage Commission's education, outreach, and communication efforts.	Req \$	138,758	\$ -	\$ 138,758	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	138,758	\$ -	\$ 138,758	\$ -
	FTE	2.000	0.000	2.000	0.000
10 Tryon Palace Maintenance Equipment					
Provides one-time funding for equipment, specialty tools, and grounds vehicles to support improved maintenance at Tryon Palace.	Req \$	-	\$ 100,000	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 100,000	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000
Nature					
11 Outdoor Experiential Science Education					
Provides funds for four multi-day workshops for teachers to increase their use of the outdoors in teaching required curricula. Outdoor science-focused field trips are proven to improve science test scores. These funds will support staffing needs, transportation, meals, educational resources, and a stipend for workshop attendees. The Division will contract with universities to offer best-practice teacher education, tools for teacher engagement, and continuing education credit to teachers who complete the training and bring students on an experiential field trip to a state park.	Req \$	661,502	\$ 70,000	\$ 963,227	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	661,502	\$ 70,000	\$ 963,227	\$ -
	FTE	6.000	0.000	10.000	0.000
12 Connect NC Park Facilities					
Funds the positions and operational needs of parks expanded and improved through Connect NC bonds, including Chimney Rock, Jordan Lake, New River, Raven Rock, Goose Creek, Gorges, Lake James, Pilot Mountain, and Lumber River. Staffing needs include additional park rangers, maintenance staff, administrative support, and interpretation and education specialists.	Req \$	1,025,850	\$ 750,000	\$ 2,201,261	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,025,850	\$ 750,000	\$ 2,201,261	\$ -
	FTE	20.000	0.000	23.000	0.000
13 Conservation Corps of North Carolina					
Supports expanding the use of Conservation Corps of North Carolina crews in state parks. This program introduces young adults to public service while enhancing participants' understanding and appreciation of North Carolina's natural and cultural resources and providing needed trail and maintenance work in state parks.	Req \$	200,000	\$ -	\$ 200,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	200,000	\$ -	\$ 200,000	\$ -
	FTE	0.000	0.000	0.000	0.000
14 Great Carolina Trails Master Plan					
Funds one position in the NC Trails Program to develop a strategic plan to enhance and accelerate trail and greenway development across the state. This position will provide statewide coordination to support local efforts and to maximize regional cooperation and trail connections.	Req \$	85,004	\$ -	\$ 85,004	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	85,004	\$ -	\$ 85,004	\$ -
	FTE	1.000	0.000	1.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
15 Locally Identified Recreational Trail Projects					
Invests in the following 10 recreational trail projects to help spur economic development through outdoor recreation. A match of at least \$1 for every \$4 from the state is required to receive these funds. Grants are subject to grant oversight requirements, including, but not limited to, providing a project description, signing a grant agreement, and reporting on the use of funds in a form prescribed by the Department.	Req \$	- \$	840,850 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	840,850 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
\$24,000 - US Forest Service for Point Lookout trail maintenance \$50,400 - NW NC Mountain Bike Alliance for Mortimer Area trails \$79,200 - Greensboro Fat Tire Society for watershed trails \$87,250 - Botanical Garden Foundation for garden trails \$100,000 each to: - Dept of Agriculture for the Stone Mountain Trail - Orange Co. for Hollow Rock Nature Park trail improvements - Town of Kitty Hawk for Sandy Run/Kitty Hawk Park trail connection - Town of White Lake for a multi-use path - US Forest Service for the Pinecliff Equestrian Trail - Watauga Co. for added access to the Watauga River Paddle Trail					
16 Parks and Recreation Trust Fund Grants					
Provides additional funds to support Parks and Recreation Trust Fund (PARTF) grants, which support projects within state parks, the development and renovation of local parks, and beach access. The additional recurring funds bring PARTF's recurring appropriation to \$20 million. Total funds available for PARTF grants from all revenue sources are approximately \$26.4 million in FY 2019-20.	Req \$	3,757,116 \$	5,000,000 \$	3,757,116 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	3,757,116 \$	5,000,000 \$	3,757,116 \$	-
	FTE	0.000	0.000	0.000	0.000
17 Clean Water Management Trust Fund Grants					
Provides additional funds to support Clean Water Management Trust Fund (CWMTF) grants, which help protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. The additional recurring funds bring CWMTF's recurring appropriation to \$20 million. Total funds available for CWMTF grants from all revenue sources are approximately \$29.5 million in FY 2019-20.	Req \$	6,842,470 \$	5,000,000 \$	6,842,470 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	6,842,470 \$	5,000,000 \$	6,842,470 \$	-
	FTE	0.000	0.000	0.000	0.000
18 Natural Heritage Program Environmental Specialist					
Funds one position to identify, evaluate, and survey natural areas in support of NC's Nature Preserves Act. This position will allow the Natural Heritage Program to update and maintain its inventory of NC's natural resources, helping ensure that NC's most vital natural areas are protected.	Req \$	76,217 \$	- \$	76,217 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	76,217 \$	- \$	76,217 \$	-
	FTE	1.000	0.000	1.000	0.000
19 Race Exhibition Operations					
Funds the market and operations of the award-winning "Race: Are We So Different?" exhibition. The exhibit, which was on display at the Museum of Natural Sciences from April to October 2017, uses science to talk about race and how all humans share 99+% DNA. The exhibition will be purchased with private donations, but state funds and one position are needed to install, operate, and maintain the exhibit.	Req \$	- \$	75,000 \$	100,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	75,000 \$	100,000 \$	-
	FTE	0.000	0.000	1.000	0.000
20 Sea Turtle Assistance and Rehabilitation Center Position					
Funds one position to provide enhanced conservation of and education about sea turtles for visitors to the NC Aquarium on Roanoke Island.	Req \$	58,592 \$	- \$	58,592 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	58,592 \$	- \$	58,592 \$	-
	FTE	1.000	0.000	1.000	0.000
The Arts					
21 A+ Schools					
Provides one position and operating funds to expand the A+ Schools program, a whole-school reform model that combines interdisciplinary teaching and daily arts instruction. Over 20 years of research shows that the A+ Schools philosophy increases overall school performance and student proficiency, narrows the achievement gap, improves attendance and discipline, enhances teacher satisfaction, and increases community and parental involvement.	Req \$	300,000 \$	- \$	300,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	300,000 \$	- \$	300,000 \$	-
	FTE	1.000	0.000	1.000	0.000
22 Arts Touring to Rural and Underserved Communities					
Provides funds to increase the number of touring exhibit grants to State Arts Organizations. Additional funds will allow these organizations to provide meaningful arts experiences in many of the state's rural and low-wealth counties.	Req \$	250,000 \$	- \$	250,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	250,000 \$	- \$	250,000 \$	-
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21					
	R Changes	NR Changes	R Changes	NR Changes				
23 SmART Initiative								
Provides two positions and operating funds for the SmART Initiative, which works with cities and towns across the state to create arts driven economic development projects. Four SmART communities – Burnsville, Durham, Wilson, and Kinston – illustrate the central role of the arts in downtown revitalization and sustainable economic development. These funds will allow the department to expand the program to the growing list of interested communities.	Req \$	300,000	\$ -	\$ 300,000	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	300,000	\$ -	\$ 300,000	\$ -			
	FTE	2.000	0.000	2.000	0.000			
24 NC Symphony Funding								
Provides recurring funding to support the NC Symphony. Up to \$50,000 may be used to provide access to NC Symphony concerts for public schools without transportation. At least \$300,000 shall be used to support the Symphony's statewide music education program.	Req \$	350,000	\$ -	\$ 350,000	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	350,000	\$ -	\$ 350,000	\$ -			
	FTE	0.000	0.000	0.000	0.000			
Libraries								
25 NC Cardinal Consortium								
Funds the NC Cardinal consortium, which administers the software used to circulate, catalog, and share library materials. These funds will support the technology and logistics needed to allow users to request materials from other libraries in the consortium.	Req \$	400,000	\$ -	\$ 400,000	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	400,000	\$ -	\$ 400,000	\$ -			
	FTE	0.000	0.000	0.000	0.000			
Department Operations								
26 Advanced Analytics and Data Interpretation								
Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs. Positions will be located within the agency's central office and will be expected to provide department-wide analytical support.	Req \$	59,104	\$ -	\$ 118,207	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	59,104	\$ -	\$ 118,207	\$ -			
	FTE	1.000	0.000	1.000	0.000			
27 HBCU Internship Program								
Provides funds to modernize recruitment materials and offer an internship program targeting historically black colleges and universities (HBCUs). This program supports the department's efforts to attract and retain a diverse workforce representative of all North Carolinians.	Req \$	150,000	\$ -	\$ 150,000	\$ -			
	Rec \$	-	\$ -	\$ -	\$ -			
	App \$	150,000	\$ -	\$ 150,000	\$ -			
	FTE	1.000	0.000	1.000	0.000			
Total Change to Requirements	\$	18,712,687	\$	12,342,128	\$	23,441,839	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	18,712,687	\$	12,342,128	\$	23,441,839	\$	-
Total Change to Full-Time Equivalent (FTE)		40.000		0.000		48.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	31,054,815	\$		\$	23,441,839
Recommended Total FTE Changes				40.000				48.000

Natural and Cultural Resources - Clean Water Management Trust Fund (24818)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 17,751,747	\$ 6,842,470	\$ 5,000,000	\$ 11,842,470	\$ 29,594,217	66.7%
Receipts	\$ 17,751,747	\$ 6,842,470	\$ 5,000,000	\$ 11,842,470	\$ 29,594,217	66.7%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 17,751,747	\$ 6,842,470	\$ -	\$ 6,842,470	\$ 24,593,217	38.5%
Receipts	\$ 17,751,747	\$ 6,842,470	\$ -	\$ 6,842,470	\$ 24,593,217	38.5%
Δ in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes

1 Additional Support for CWMTF

Budgets additional funds to support Clean Water Management Trust Fund (CWMTF) grants in the CWMTF Special Fund. These grants protect and restore the state's land and water resources, preserve military buffers, restore degraded streams, and develop and improve stormwater treatment. The additional recurring funds bring CWMTF's recurring appropriation to \$20 million. Total funds available for CWMTF grants from all revenue sources are expected to be approximately \$29.5 million in FY 2019-20.	Req	\$ 6,842,470	\$ 5,000,000	\$ 6,842,470	\$ -
	Rec	\$ 6,842,470	\$ 5,000,000	\$ 6,842,470	\$ -
	CFB	\$ -	\$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000	0.000

Total Change to Requirements	\$ 6,842,470	\$ 5,000,000	\$ 6,842,470	\$ -
Total Change to Receipts	\$ 6,842,470	\$ 5,000,000	\$ 6,842,470	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Recommended Total FTE Changes		0.000		0.000

Natural and Cultural Resources - DPR - PARTF (Parks and Recreation Trust Fund) (24820)

Year 1 FY 2019-20	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 16,112,884	\$ 3,757,116	\$ 5,000,000	\$ 8,757,116	\$ 24,870,000	54.3%
Receipts	\$ 17,668,033	\$ 3,757,116	\$ 5,000,000	\$ 8,757,116	\$ 26,425,149	49.6%
Δ in Fund Balance	\$ 1,555,149	\$ -	\$ -	\$ -	\$ 1,555,149	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended			Recommended Change	Recommended Budget	% Δ from Base Budget
	Base Budget	Net Recurring	Net Nonrecurring			
Requirements	\$ 16,112,884	\$ 3,757,116	\$ -	\$ 3,757,116	\$ 19,870,000	23.3%
Receipts	\$ 17,668,033	\$ 3,757,116	\$ -	\$ 3,757,116	\$ 21,425,149	21.3%
Δ in Fund Balance	\$ 1,555,149	\$ -	\$ -	\$ -	\$ 1,555,149	0.0%
Positions (FTE)	0.000	0.000	0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Additional Support for PARTF				
Budgets additional funds to support Parks and Recreation Trust Fund (PARTF) grants in the PARTF Special Fund. These grants support projects within state parks, the development and renovation of local parks, and beach access. The additional recurring funds bring PARTF's recurring appropriation to \$20 million. Total funds available for PARTF grants from all revenue sources are expected to be approximately \$26.4 million in FY 2019-20.	Req \$ 3,757,116	\$ 5,000,000	\$ 3,757,116	\$ -
	Rec \$ 3,757,116	\$ 5,000,000	\$ 3,757,116	\$ -
	CFB \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 3,757,116	\$ 5,000,000	\$ 3,757,116	\$ -
Total Change to Receipts	\$ 3,757,116	\$ 5,000,000	\$ 3,757,116	\$ -
Total Change to Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Fund Balance Changes (Recurring + Nonrecurring)	\$ -		\$ -	
Recommended Total FTE Changes	0.000		0.000	



Reliable roads, bridges, and transit infrastructure are critical to North Carolina's economic success.

Building New Roads for Tomorrow

Increases funding to the Highway Trust Fund's Strategic Investment Program by \$20.4 million in FY 2019-20 and \$108.5 million in FY 2020-21. The increase allows the NC Department of Transportation to enhance the state's transportation infrastructure, spurring economic growth and job creation across the state. The total investment in new construction will rise to \$1.43 billion in FY 2019-20 and another \$1.51 billion the year after.

Improving NC Roads and Infrastructure

Provides over \$305 million in additional state support during 2019-21 for greater resiliency including highway maintenance, pavement preservation, and contract resurfacing. The increased spending results in \$1.53 billion in FY 2019-20 and \$1.62 billion in FY 2020-21 of Highway Fund availability that will be directed to maintaining and enhancing the state's highway infrastructure.

Traveling the State by Sea and Rail

Invests an extra \$5 million for maintenance programs at the Ferry Division and \$1.7 million in matching funds for operations and rolling stock for the Rail Division.

Improving Local Infrastructure

Provides an increase of \$2.5 million to eligible municipalities to repair and maintain their local road infrastructure through the Powell Bill distribution.

Spurring Economic Development

Invests approximately \$658,000 in Global TransPark for facility repairs to spur economic growth. An investment of \$250,000 will extend logistics and freight expertise to other business units within NCDOT and external partners to assist with incorporating logistics and freight planning into the Strategic Transportation Initiative process.

Mission

Connecting people, products, and places safely and efficiently with customer focus, accountability, and environmental sensitivity to enhance the economy and vitality of North Carolina.

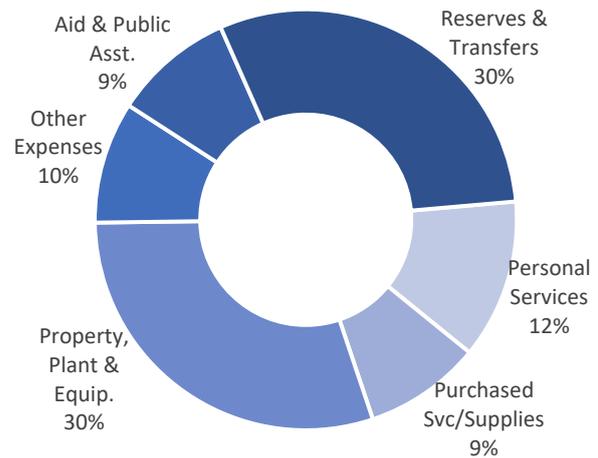
Goals

- Make transportation safer.
- Provide GREAT customer service.
- Deliver and maintain infrastructure effectively and efficiently.
- Improve the reliability and connectivity of the transportation system.
- Promote economic growth through better use of infrastructure.
- Make the organization a great place to work.

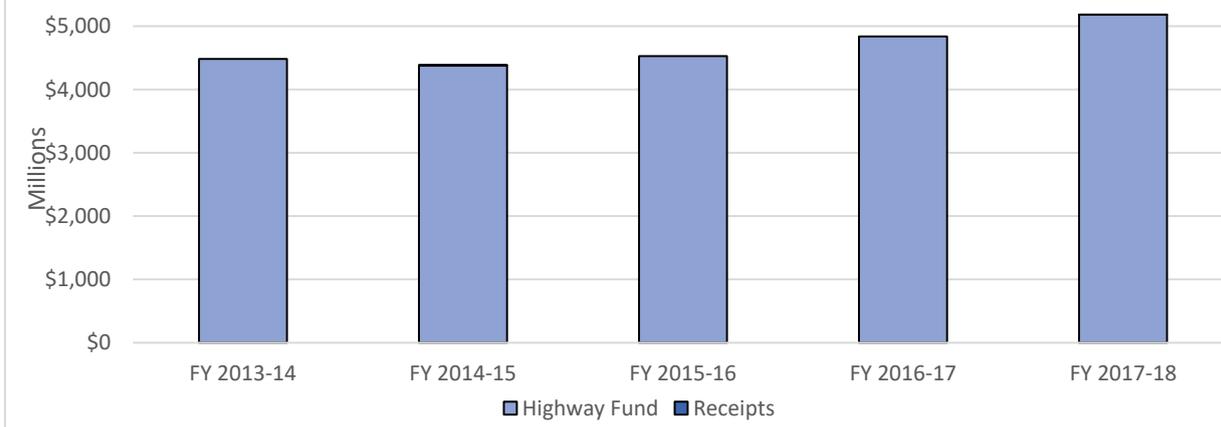
Agency Profile

- Responsible for all modes of transportation in North Carolina, including highways, rail, aviation, ferries, public transit and bicycle and pedestrian transportation.
- Maintain one of the largest state-maintained highway systems in the nation with nearly 80,000 miles of road and more than 13,500 bridges.
- Every year, more than 56 million passengers and 1.3 billion pounds of cargo pass through state airports.
- Serve 2 million passengers on the 2nd largest state-operated ferry system in the country.
- Provide more than 78 million passenger trips on 99 transit systems serving residents in all 100 counties.

FY 2018-19 Authorized Expenditures by Account



5 Year Historical Expenditures



Transportation - Highway Fund (84210)

Year 1 FY 2019-20	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,665,883,943	\$ 129,244,926	\$ 26,781,179	\$ 156,026,105	\$ 3,821,910,048	4.3%
Receipts	\$ 1,514,510,048	\$ -	\$ -	\$ -	\$ 1,514,510,048	0.0%
Net Appropriation	\$ 2,151,373,895	\$ 129,244,926	\$ 26,781,179	\$ 156,026,105	\$ 2,307,400,000	7.3%
Positions (FTE)	11389.000	25.000	0.000	25.000	11414.000	0.2%

Year 2 FY 2020-21	Recommended Base Budget	Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$ 3,658,455,609	\$ 240,370,795	\$ 20,939,960	\$ 261,310,755	\$ 3,919,766,364	7.1%
Receipts	\$ 1,507,066,364	\$ -	\$ -	\$ -	\$ 1,507,066,364	0.0%
Net Appropriation	\$ 2,151,389,245	\$ 240,370,795	\$ 20,939,960	\$ 261,310,755	\$ 2,412,700,000	12.1%
Positions (FTE)	11389.000	25.000	0.000	25.000	11414.000	0.2%

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Compensation and Benefits Reserve					
1 Cost of Living Adjustment Reserve					
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments. The net Highway Fund appropriation for salaries is expected to be \$348.6 million for FY 2019-20 and \$355.0 million for FY 2020-21.	Req \$	6,256,346	\$ -	\$ 12,616,503	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	6,256,346	\$ -	\$ 12,616,503	\$ -
	FTE	0.000	0.000	0.000	0.000
2 Compensation Reserve - Public Safety Employees					
Provides funds for an additional \$500 recurring salary increase for certified law enforcement officers.	Req \$	124,640	\$ -	\$ 124,640	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	124,640	\$ -	\$ 124,640	\$ -
	FTE	0.000	0.000	0.000	0.000
3 TSERS Retirement Contribution					
Increases the state's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) supported by the Highway Fund for FY 2018-19 to fund the actuarially determined contribution and provide a one-time 2.0% cost-of-living adjustment to retirees. Corresponding special provisions provide additional details on these adjustments. The revised net Highway Fund appropriation for TSERS exceeds \$69.9 million in FY 2019-20 and \$73.0 million in FY 2020-21, an increase of over \$6.4 million and \$9.5 million respectively.	Req \$	4,108,406	\$ 2,328,097	\$ 9,517,808	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	4,108,406	\$ 2,328,097	\$ 9,517,808	\$ -
	FTE	0.000	0.000	0.000	0.000
4 State Health Plan Contribution					
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the Highway Fund for the 2019-21 fiscal biennium. The revised net Highway Fund appropriation for enrolled active employees statewide is approximately \$39.7 million for FY 2019-20 and \$41.3 million for FY 2020-21.	Req \$	1,531,250	\$ -	\$ 3,118,750	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	1,531,250	\$ -	\$ 3,118,750	\$ -
	FTE	0.000	0.000	0.000	0.000
Multimodal					
5 Adjust Base Budget for the Aviation Program					
Adjusts the base budget for the Division of Aviation due to revised revenue estimate of aviation fuel tax collections per GS 105-164.44M.	Req \$	800,000	\$ -	\$ 6,700,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	800,000	\$ -	\$ 6,700,000	\$ -
	FTE	0.000	0.000	0.000	0.000
6 Adjust Base Budget for the Rail Program					
Adjusts the base budget for the Rail Division due to revised NCCR Company Dividends per GS 124-5.1.	Req \$	100,000	\$ -	\$ 200,000	\$ -
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	100,000	\$ -	\$ 200,000	\$ -
	FTE	0.000	0.000	0.000	0.000
7 Public Transportation - Statewide Grant Match					
Implements the primary initiative of the Statewide Public Transportation Strategic Plan and the Connected Statewide Network. Activities include consolidated and coordinated services, statewide brand and fare systems, statewide routes, rural employment, and commuter services.	Req \$	-	\$ 5,000,000	\$ -	\$ 5,000,000
	Rec \$	-	\$ -	\$ -	\$ -
	App \$	-	\$ 5,000,000	\$ -	\$ 5,000,000
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
8 Rail - Matching Funds for Operations and Rolling Stock					
Provides matching funds for additional cab control unit delays' fuel expense, the overhaul of additional existing DOT-owned units, and potential capital replacement funds if Amtrak prepares a business case for new Carolinian locomotives. This expansion would provide matching funds for federal CMAQ funds.	Req \$	- \$	- \$	- \$	1,725,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	- \$	- \$	1,725,000
	FTE	0.000	0.000	0.000	0.000
9 Equipment Budget for Unmanned Aircraft Systems (UAS) Program					
Provides a non-recurring equipment budget for UAS Programs. The 2015 Appropriations Act required the Division of Aviation to allocate \$2.5 million of its recurring funds for the development and administration of UAS programs. This request purchases program-specific equipment, such as unmanned aircraft systems, mobile command centers, and associated technology, to support UAS operations.	Req \$	- \$	2,000,000 \$	- \$	2,000,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	2,000,000 \$	- \$	2,000,000
	FTE	0.000	0.000	0.000	0.000
10 Ferry Division Operating Budget					
Provides funds to cover inflationary gaps in increased fuel costs, labor due to legislative increases, and maintenance costs.	Req \$	5,000,000 \$	- \$	5,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	5,000,000 \$	- \$	5,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000
Division of Motor Vehicles					
11 DMV - New Headquarters and Relocation					
Session Law 2018-5, Senate Bill 99 requires the current DMV location to be vacated by October 1, 2020. Non-recurring funds cover division moving expenses and converting a new location to the needs of the division. Recurring funds cover the lease of the new facility.	Req \$	1,200,000 \$	4,713,435 \$	2,500,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	1,200,000 \$	4,713,435 \$	2,500,000 \$	-
	FTE	0.000	0.000	0.000	0.000
12 DMV - License Plate Agency Compensation					
Replaces non-recurring funds and changes funding to recurring funds to fix a structural budget gap. In FY2017-19, non-recurring funding of \$4.2 million was appropriated for LPA compensation.	Req \$	5,100,000 \$	- \$	5,100,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	5,100,000 \$	- \$	5,100,000 \$	-
	FTE	0.000	0.000	0.000	0.000
13 DMV - Customer Compliance Services					
Provides an additional 24 FTE to Customer Compliance Services. The additional personnel will administer changes to record maintenance and integrity, assist with unit backlog, improve efficiencies, increase customer satisfaction, improve service quality, and ensure modifications by statute are implemented and enforced.	Req \$	1,597,390 \$	115,616 \$	1,597,390 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	1,597,390 \$	115,616 \$	1,597,390 \$	-
	FTE	24.000	0.000	24.000	0.000
Maintenance and Construction					
14 Adjust Base Budget for the Bridge Program					
Adjusts the base budget for the bridge program due to revised revenue estimates per GS 119-18.	Req \$	200,000 \$	- \$	300,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	200,000 \$	- \$	300,000 \$	-
	FTE	0.000	0.000	0.000	0.000
15 Powell Bill Distribution					
Provides an increase of funding to local municipalities to maintain the local road network.	Req \$	2,500,000 \$	- \$	2,500,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	2,500,000 \$	- \$	2,500,000 \$	-
	FTE	0.000	0.000	0.000	0.000
16 General Maintenance Reserve					
Increases funding for general maintenance activities to address critical maintenance needs.	Req \$	92,369,417 \$	- \$	182,738,227 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	92,369,417 \$	- \$	182,738,227 \$	-
	FTE	0.000	0.000	0.000	0.000
17 Contract Resurfacing					
Provides funding for contract resurfacing.	Req \$	15,000,000 \$	- \$	15,000,000 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	15,000,000 \$	- \$	15,000,000 \$	-
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Department Wide					
18 Logistics and Freight Program					
Provides freight and logistics expertise to business units within DOT and related external parties including MPOs, RPOs, AASHTO, SASHTO, companies, etc. The program will address: (1) Logistics Coordination to expand the Freight Advisory Committee as a part of the Statewide Freight Mobility Plan and provide better data for the STI amendment process; (2) Economic Development - studies and reports for planners and economic developers throughout NC; (3) Data Management and Modeling - comprehensive multi-modal freight data for use by modelers and planners; and (4) Education and Training - logistics training for DOT business units and external partners that will result in the submission of more projects for STI review and reflect freight transport needs.	Req \$	- \$	250,000 \$	- \$	250,000
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	250,000 \$	- \$	250,000
	FTE	0.000	0.000	0.000	0.000
19 Office of Civil Rights - Equal Employment Opportunity (EEO)					
Targeted recruitment, continuing education to maintain an up-to-date EEO program and investigative technical expertise, and travel expenses. One FTE to assist the unit in achieving increased recruitment of minorities to the DOT workforce.	Req \$	187,477 \$	- \$	187,477 \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	187,477 \$	- \$	187,477 \$	-
	FTE	1.000	0.000	1.000	0.000
20 Capital, Repairs, and Renovations					
Funds capital improvements, repairs, and renovation projects at the DOT. The individual projects are listed in the Capital Section of the budget document.	Req \$	- \$	11,716,031 \$	- \$	11,964,960
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	11,716,031 \$	- \$	11,964,960
	FTE	0.000	0.000	0.000	0.000
Transfers and Reserves					
21 Global TransPark Repairs					
Provides funds for facility repairs to spur economic development in Eastern North Carolina. Facility repairs include the terminal parking lot, airfield parking, north cargo building, T hangers, and loading docks.	Req \$	- \$	658,000 \$	- \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	- \$	658,000 \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
22 Workers' Compensation Adjustment Reserve					
Eliminates an appropriation reserve for workers' compensation. The department already has a workers' compensation reserve calculated through its payroll additive.	Req \$	(6,830,000) \$	- \$	(6,830,000) \$	-
	Rec \$	- \$	- \$	- \$	-
	App \$	(6,830,000) \$	- \$	(6,830,000) \$	-
	FTE	0.000	0.000	0.000	0.000
Total Change to Requirements	\$	129,244,926 \$	26,781,179 \$	240,370,795 \$	20,939,960
Total Change to Receipts	\$	- \$	- \$	- \$	-
Total Change to Net Appropriation	\$	129,244,926 \$	26,781,179 \$	240,370,795 \$	20,939,960
Total Change to Full-Time Equivalent (FTE)		25.000	0.000	25.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		156,026,105 \$		261,310,755
Recommended Total FTE Changes			25.000		25.000

Transportation - Highway Trust Fund (84290)

Year 1 FY 2019-20	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$	1,550,237,563	\$	49,462,437	\$	-	\$ 49,462,437	\$ 1,599,700,000	3.2%
Receipts	\$	-	\$	-	\$	-	\$ -	\$ -	0.0%
Net Appropriation	\$	1,550,237,563	\$	49,462,437	\$	-	\$ 49,462,437	\$ 1,599,700,000	3.2%
Positions (FTE)		0.000		0.000		0.000	0.000	0.000	0.0%

Year 2 FY 2020-21	Recommended Base Budget		Net Recurring		Net Nonrecurring		Recommended Change	Recommended Budget	% Δ from Base Budget
Requirements	\$	1,490,463,548	\$	166,336,452	\$	-	\$ 166,336,452	\$ 1,656,800,000	11.2%
Receipts	\$	-	\$	-	\$	-	\$ -	\$ -	0.0%
Net Appropriation	\$	1,490,463,548	\$	166,336,452	\$	-	\$ 166,336,452	\$ 1,656,800,000	11.2%
Positions (FTE)		0.000		0.000		0.000	0.000	0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
1 Program Admin Cost of Living Adjustment and Benefit Contributions				
Provides funds for the greater of a \$500 or 1.5% cost of living adjustment, TSERS retirement contribution, and state health plan contribution increases for state employees in both years of the biennium. Corresponding special provisions provide additional details on these compensation adjustments.	Req \$ 500,000	\$ -	\$ 1,000,000	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 500,000	\$ -	\$ 1,000,000	\$ -
	FTE 0.000	0.000	0.000	0.000
2 Adjust For Debt Service Payments				
Adjusts the amount budgeted for debt service payments to reflect the principal and interest due based on the current repayment schedule.	Req \$ 28,560,000	\$ -	\$ 56,824,500	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 28,560,000	\$ -	\$ 56,824,500	\$ -
	FTE 0.000	0.000	0.000	0.000
3 Strategic Transportation Investments				
Modifies funding to the Strategic Transportation Investments Program.	Req \$ 20,402,437	\$ -	\$ 108,511,952	\$ -
	Rec \$ -	\$ -	\$ -	\$ -
	App \$ 20,402,437	\$ -	\$ 108,511,952	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ 49,462,437	\$ -	\$ 166,336,452	\$ -
Total Change to Receipts	\$ -	\$ -	\$ -	\$ -
Total Change to Net Appropriation	\$ 49,462,437	\$ -	\$ 166,336,452	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ 49,462,437		\$ 166,336,452	
Recommended Total FTE Changes	0.000		0.000	



Investing in our Infrastructure

INVESTMENTS *for a*
Determined North Carolina

Investing \$4.5 billion in North Carolina's infrastructure through the strategic use of voter-approved bonds, state agency receipts, general funds, and limited obligation financing to meet the needs of a growing state. North Carolina's AAA credit rating affords the state the lowest interest rates. A blended approach to address capital means the state can maintain its level of debt service while providing for the ongoing need for modern, safe buildings and infrastructure to support economic development, education, and public health.

Invest NC Bond (General Obligation Bonds)

Places a \$3.9 billion General Obligation Bond on the November 2020 ballot to ask voters to address key infrastructure needs across the State.

Directs \$2 billion in a school construction bond to build and renovate K-12 public schools, a start on the more than \$8 billion in needs for school renovation and construction.

Directs \$800 million to address the nearly \$17 billion need to overhaul water and sewer infrastructure across the state. Reliable, resilient water and sewer systems are vital for public health and economic development. The bond will fund *System Viability Grants and Loans* to return distressed water and sewer systems to sustainable operations and *System Resiliency Grants and Loans* to mitigate damage from catastrophic natural disasters.

Invests \$500 million to improve facilities at campuses within the University of North Carolina system, helping to meet \$4 billion in identified needs.

Invests \$500 million for the North Carolina Community College system, including \$300 million for new capital and renovation projects at community college campuses throughout the state and \$200 million for collaborative regional projects to prepare workers for jobs in key industries.

Invests \$100 million in cultural infrastructure at the Department of Natural and Cultural Resources including: renovating the Museum of History to better educate visitors about the history and progress of North Carolina; completing the North Carolina Zoo's Australasia Continent.

Strategic State Agency Investments

Authorizes \$288 million in Limited Obligation Bonds to address immediate needs, including relocating of the Department of Health and Human Services from Dorothea Dix Park; and renovating and expanding the state's primary environmental testing location, Reedy Creek Lab, to better detect and identify pollutants and to protect water, soil, and air.

General Fund and Receipt Projects

Provides \$315 million in General Funds and receipts to match federal funds, improve building efficiency, ensure safety, and plan for future projects. Investments include \$125 million in the Capital Improvement Project Reserve and the Repairs and Renovations Reserve, both of which fund state agencies and the University of North Carolina System.

Capital Improvements (19600)

Year 1	Recommended						% Δ from Base	
FY 2019-20	Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	Recommended Budget	Budget
Requirements	\$ -	\$ -	\$ -	4,434,105,031	\$ 4,434,105,031	\$ 4,434,105,031	\$ 4,434,105,031	0.0%
Receipts	\$ -	\$ -	\$ -	4,434,105,031	\$ 4,434,105,031	\$ 4,434,105,031	\$ 4,434,105,031	0.0%
Net Appropriation	\$ -	\$ -	\$ -	-	\$ -	\$ -	-	0.0%
Positions (FTE)	0.000		0.000	0.000	0.000		0.000	0.0%

Year 2	Recommended						% Δ from Base	
FY 2020-21	Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	Recommended Budget	Budget
Requirements	\$ -	\$ -	\$ -	24,014,960	\$ 24,014,960	\$ 24,014,960	\$ 24,014,960	0.0%
Receipts	\$ -	\$ -	\$ -	24,014,960	\$ 24,014,960	\$ 24,014,960	\$ 24,014,960	0.0%
Net Appropriation	\$ -	\$ -	\$ -	-	\$ -	\$ -	-	0.0%
Positions (FTE)	0.000		0.000	0.000	0.000		0.000	0.0%

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Administration - Capital Improvements Project Reserve				
1 Department of Health and Human Services New Office Complex				
Provides planning funds to construct a new Administrative Complex for the Department of Health and Human Services (DHHS). DHHS is required to move from the Dorothea Dix Campus per the sale of the property to the City of Raleigh.	Req \$	- \$	10,000,000 \$	- \$
	Rec \$	- \$	10,000,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
2 Downtown Raleigh Pedestrian Safety Improvements				
Funds pedestrian safety improvements in the downtown Raleigh area. Improvements will include items such as improved pedestrian crosswalks, lighting, and signage.	Req \$	- \$	1,000,000 \$	- \$
	Rec \$	- \$	1,000,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
Agriculture - Capital Improvements Projects Reserve				
3 Eddy Building Renovation and Expansion				
Renovates the existing Soil Division Testing Facility and adds 1,700 square feet of workspace to centralize the receiving of samples for the division.	Req \$	- \$	967,000 \$	- \$
	Rec \$	- \$	967,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
4 Tidewater Research Station Swine Unit Replacements				
Provides funds for the replacement of an aging swine unit at Tidewater Research Station. The facility conducts genetic, nutrition, and reproductive trials not possible elsewhere in private industry.	Req \$	- \$	1,429,000 \$	- \$
	Rec \$	- \$	1,429,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
Commerce - Capital Improvements Project Reserve				
5 Broughton District Redevelopment				
Funds the first phase of the Broughton District redevelopment plan. The first phase consists of building demolition, mothballing, and reconstruction of property on the old Broughton Hospital site in Morganton. The total project is projected to cost \$49 million.	Req \$	- \$	9,600,000 \$	- \$
	Rec \$	- \$	9,600,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
Environmental Quality - Capital Improvements Project Reserve				
6 Water Resources Development Projects				
Funds the state share of Water Resources Development Projects. The projects include navigation, water management, flood mitigation, and beach re-nourishment. State funds will match \$32 million in federal funds and \$4 million in local funds. The Capital Improvements Project Reserve will fund \$11 million of the state portion.	Req \$	- \$	16,024,000 \$	- \$
	Rec \$	- \$	16,024,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000
7 West Bay Vessel Replacement				
Funds the purchase of a new marine vessel for the Division of Marine Fisheries (DMF). DMF retired its previous vessel due to age. This vessel is primarily used for the Shellfish Rehabilitation, Oyster Sanctuary, and Artificial Reef programs.	Req \$	- \$	2,000,000 \$	- \$
	Rec \$	- \$	2,000,000 \$	- \$
	App \$	- \$	- \$	- \$
	FTE	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
Health and Human Services - Capital Improvements Project Reserve					
8 Longleaf Neuro Medical Treatment Center					
Replaces failing plumbing and renovates the heating, ventilation, and air conditioning system at the Longleaf Neuro Medical Treatment Center in Wilson.	Req \$	- \$	10,706,000 \$	- \$	-
	Rec \$	- \$	10,706,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
9 New Cherry Hospital Maintenance Facility					
Constructs a maintenance facility next to New Cherry Psychiatric Hospital in Goldsboro. The Department is currently using facilities from the old hospital, which have suffered flood damage and are not adequate for the current hospital.	Req \$	- \$	5,006,000 \$	- \$	-
	Rec \$	- \$	5,006,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Justice - Capital Improvements Project Reserve					
10 Eastern Justice Academy Supplement					
Provides a supplement to the Eastern Justice Academy Dorm renovation project in Salemburg, funded in FY 2018-19. The total project cost, inclusive of this supplement, is \$4.9 million.	Req \$	- \$	1,292,000 \$	- \$	-
	Rec \$	- \$	1,292,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Natural and Cultural Resources - Capital Improvements Project Reserve					
11 Supplement for Fort Fisher State Historic Site Completion					
Provides funds for the construction of a new museum and visitor center. This supplements \$5 million appropriated in 2017 and \$7.5 million appropriated in 2018. The expanded budget reflects updates from an advanced planning document.	Req \$	- \$	8,000,000 \$	- \$	-
	Rec \$	- \$	8,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
12 State Capitol African American Monument					
Provides funds for the design and construction of a new monument commemorating African American contributions to North Carolina on the State Capitol Grounds.	Req \$	- \$	2,500,000 \$	- \$	-
	Rec \$	- \$	2,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
13 Graveyard of the Atlantic Renovation					
Provides funds to the Graveyard of the Atlantic Historic Site in Hatteras to renovate heating, ventilation, and air conditioning systems and for exhibit upgrades.	Req \$	- \$	4,200,000 \$	- \$	-
	Rec \$	- \$	4,200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
14 Freedom Park					
Appropriates funds to match private donations to complete Freedom Park in Raleigh. The park will honor the African American experience and struggle for freedom in North Carolina.	Req \$	- \$	1,500,000 \$	- \$	-
	Rec \$	- \$	1,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Public Safety - Capital Improvements Project Reserve					
15 Perquimans Youth Development Center					
Renovates the Perquimans Youth Development Center to provide additional space for juveniles due to the "Raise the Age" law, which takes effect on December 1, 2019.	Req \$	- \$	1,731,000 \$	- \$	-
	Rec \$	- \$	1,731,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
16 Black Mountain Modular Classrooms					
Funds the construction of modular classroom space at the Black Mountain Correctional Center. The classrooms will be used for training regarding substance abuse disorder.	Req \$	- \$	1,013,000 \$	- \$	-
	Rec \$	- \$	1,013,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
17 Highway Patrol - Troop B Renovation					
Funds the renovation of the State Highway Patrol's Troop B Headquarters in Elizabethton.	Req \$	- \$	2,152,000 \$	- \$	-
	Rec \$	- \$	2,152,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
18 National Guard Armory and Facility Development Projects					
Funds the Armory Facility and Development Plan for the National Guard to maximize the federal matching funds. Funds will be used to renovate, expand, construct, and demolish facilities throughout the state. It is estimated that these funds will match up to \$3.8 million in federal funds.	Req \$	- \$	4,000,000 \$	- \$	-
	Rec \$	- \$	4,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
Office of State Budget and Management - Capital Improvements Project Reserve				
19 Reserve for Energy Efficiency				
Funds energy efficiency efforts across state agencies to reduce energy usage, operate efficiently, and reduce state government's greenhouse gas emissions.	Req \$	- \$ 16,897,000	\$ -	\$ -
	Rec \$	- \$ 16,897,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
20 TROSA Expansion				
Provides funds to expand TROSA into the Triad area to provide substance use disorder treatment, counseling and help participants learn work skills and find employment.	Req \$	- \$ 5,000,000	\$ -	\$ -
	Rec \$	- \$ 5,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
University of North Carolina - Capital Improvements Project Reserve				
21 ECU - Howell Science Complex Renovation				
Provides planning funds to renovate the Howell Science Complex at East Carolina University. The full construction will be part of a General Obligation Bond Referendum.	Req \$	- \$ 6,430,000	\$ -	\$ -
	Rec \$	- \$ 6,430,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
22 ECSU - Library Replacement				
Provides planning funds to construct a new library at Elizabeth City State University. The full construction will be part of a General Obligation Bond Referendum.	Req \$	- \$ 3,200,000	\$ -	\$ -
	Rec \$	- \$ 3,200,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
23 NCSU - Electrical Infrastructure				
Provides funds to improve the electrical infrastructure at NC State University. This project will complete two phases of a 10 phase project.	Req \$	- \$ 10,000,000	\$ -	\$ -
	Rec \$	- \$ 10,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
24 NCSU - Daniels Hall Renovation				
Provides planning funds to renovate Daniels Hall at NC State University. Portions of the building will be vacated upon completion of the Engineering Building Oval, which was funded by the Connect NC Bond. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$ 4,200,000	\$ -	\$ -
	Rec \$	- \$ 4,200,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
25 UNC-Asheville - Road and Sidewalk Repair				
Appropriates funds to pave roads, upgrade sidewalks, and replace lighting across the campus.	Req \$	- \$ 1,600,000	\$ -	\$ -
	Rec \$	- \$ 1,600,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
26 UNC Chapel Hill - Carrington Hall Renovation				
Provides planning funds to renovate Carrington Hall at UNC-Chapel Hill. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$ 4,500,000	\$ -	\$ -
	Rec \$	- \$ 4,500,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
27 UNC-Charlotte - Cameron and Burson Building Renovation				
Provides planning funds to renovate the Cameron and Burson Buildings at UNC-Charlotte. Portions of the facilities will be vacated upon completion of the Science Complex, which was funded in the Connect NC Bond. Full construction will be part of a General Obligation Bond Referendum.	Req \$	- \$ 4,500,000	\$ -	\$ -
	Rec \$	- \$ 4,500,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
28 UNC-Greensboro - Jackson Library Renovation and Addition				
Provides planning funds to renovate and expand the Jackson Library at UNC-Greensboro. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$ 8,400,000	\$ -	\$ -
	Rec \$	- \$ 8,400,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
29 UNC-Pembroke - Givens Performing Arts Center Renovation				
Provides funds to plan for the renovation of the Givens Performing Arts Center at UNC-Pembroke. Full construction will be part of a General Obligation Bond referendum.	Req \$	- \$ 3,120,000	\$ -	\$ -
	Rec \$	- \$ 3,120,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
30 UNC-School of the Arts - Stevens Center Renovation				
Provides planning funds to renovate the Stevens Center at UNC-School of the Arts. The Stevens Center is the downtown performing arts center for the campus. Full construction will be part of a General Obligation Bond referendum.	Req \$ -	\$ 4,220,000	\$ -	\$ -
	Rec \$ -	\$ 4,220,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
31 WCU - Steam Plant				
Completes the reconstruction of the steam plant at Western Carolina University. The project has been funded over two fiscal years. The total project cost is \$37.5 million.	Req \$ -	\$ 16,500,000	\$ -	\$ -
	Rec \$ -	\$ 16,500,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
32 UNCTV - Bryan Center Repair and Renovations				
Appropriates funds to renovate the Bryan Center at UNC-TV, which houses the main office and studios for the network.	Req \$ -	\$ 6,000,000	\$ -	\$ -
	Rec \$ -	\$ 6,000,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
33 UNC System - Reserve for Energy Efficiency				
Provides a reserve at the University of North Carolina Board of Governors for energy efficiency renovations across the system.	Req \$ -	\$ 16,830,000	\$ -	\$ -
	Rec \$ -	\$ 16,830,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
34 UNC System - Demolitions				
Provides a reserve at the University of North Carolina Board of Governors to demolish obsolete buildings across the system.	Req \$ -	\$ 10,500,000	\$ -	\$ -
	Rec \$ -	\$ 10,500,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Public Schools - General Obligation Bond				
35 Public School Facilities				
Supports the authorization, subject to a vote of the people, of up to \$2 billion in General Obligation Bonds for construction and renovation of public school facilities to begin to address the estimated \$8 billion in statewide public school facility need.	Req \$ -	\$ 2,000,000,000	\$ -	\$ -
	Rec \$ -	\$ 2,000,000,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Community Colleges - General Obligation Bond				
36 Regional Projects				
Supports the authorization, subject to a vote of the people, of a \$200 million General Obligation Bond to support regional projects in prosperity zones at the North Carolina Community College System. The State Board of Community Colleges will select large transformative projects in prosperity zone to coordinate training and education in the fields of advanced manufacturing, health sciences, information technology, construction, transportation, and public safety.	Req \$ -	\$ 200,000,000	\$ -	\$ -
	Rec \$ -	\$ 200,000,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
37 New Capital and Renovations				
Supports the authorization, subject to a vote of the people, of a \$300 million General Obligation Bond for the North Carolina Community College System for new capital and renovation projects across the system.	Req \$ -	\$ 300,000,000	\$ -	\$ -
	Rec \$ -	\$ 300,000,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
University of North Carolina - General Obligation Bond				
38 ASU - Wey Hall Renovations				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate Wey Hall at Appalachian State University.	Req \$ -	\$ 25,200,000	\$ -	\$ -
	Rec \$ -	\$ 25,200,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
39 ECU - Howell Science Complex Renovation				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate Howell Science Complex at East Carolina University. Portions of Howell Science Complex will be vacated by the construction of the new Connect NC Bond funded Life Sciences and Biotechnology Building.	Req \$ -	\$ 38,580,000	\$ -	\$ -
	Rec \$ -	\$ 38,580,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
40 ECSU - Library Replacement				
Authorizes General Obligation Bonds, subject to a vote of the people, to construct a new library at Elizabeth City State University.	Req \$ -	\$ 28,800,000	\$ -	\$ -
	Rec \$ -	\$ 28,800,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
41 FSU - Rosenthal and Chick Building Renovations				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate the Rosenthal and Chick Buildings at Fayetteville State University.	Req \$ -	\$ 13,700,000	\$ -	\$ -
	Rec \$ -	\$ 13,700,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
42 NC A&T - Carver Hall Renovations				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate Carver Hall at NC Agricultural and Technical State University.	Req \$ -	\$ 18,500,000	\$ -	\$ -
	Rec \$ -	\$ 18,500,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
43 NCCU - Lee Biology Building				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate the Lee Biology Building at NC Central University.	Req \$ -	\$ 8,100,000	\$ -	\$ -
	Rec \$ -	\$ 8,100,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
44 NCSU - Daniels Hall Renovation				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate Daniels Hall at NC State University. Portions of Daniels Hall will be vacated upon the completion of the Engineering Building Oval, which was funded by the Connect NC Bond.	Req \$ -	\$ 37,800,000	\$ -	\$ -
	Rec \$ -	\$ 37,800,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
45 UNC-Asheville - Justice Center Renovations				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate the Justice Center at UNC-Asheville.	Req \$ -	\$ 26,800,000	\$ -	\$ -
	Rec \$ -	\$ 26,800,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
46 UNC Chapel Hill - Carrington Hall Renovation				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate Carrington Hall at UNC-Chapel Hill.	Req \$ -	\$ 40,500,000	\$ -	\$ -
	Rec \$ -	\$ 40,500,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
47 UNC-Charlotte - Cameron and Burson Building Renovation				
Authorizes General Obligation Bonds, subject to the vote of the people, to renovate Cameron and Burson Halls at UNC-Charlotte. Portions of the two facilities will be vacated upon completion of the Science Complex, which was funded by the Connect NC Bond.	Req \$ -	\$ 27,000,000	\$ -	\$ -
	Rec \$ -	\$ 27,000,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
48 UNC-Greensboro - Jackson Library Renovation and Addition				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate and expand Jackson Library at UNC-Greensboro.	Req \$ -	\$ 75,600,000	\$ -	\$ -
	Rec \$ -	\$ 75,600,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
49 UNC-Pembroke - Givens Performing Arts Center Renovation				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate Givens Performing Arts Center at UNC-Pembroke.	Req \$ -	\$ 28,080,000	\$ -	\$ -
	Rec \$ -	\$ 28,080,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
50 UNC-School of the Arts - Stevens Center Renovation				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate the Stevens Center at the UNC-School of the Arts. The Stevens Center is the downtown performing arts center for the campus.	Req \$ -	\$ 37,980,000	\$ -	\$ -
	Rec \$ -	\$ 37,980,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
51 UNC-Wilmington - Randall Library Renovation and Expansion				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate and expand Randall Library at UNC-Wilmington. \$5.5 million in planning funds were appropriated in FY 2018-19.	Req \$ -	\$ 56,400,000	\$ -	\$ -
	Rec \$ -	\$ 56,400,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
52 WCU - Moore Building Renovation				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate the Moore Building at Western Carolina University.	Req \$	- \$ 10,900,000	\$ -	\$ -
	Rec \$	- \$ 10,900,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
53 WSSU - Hauser Building Renovation and Addition				
Authorizes General Obligation Bonds, subject to a vote of the people, to renovate and construct an addition to the Hauser Building at Winston Salem State University.	Req \$	- \$ 15,100,000	\$ -	\$ -
	Rec \$	- \$ 15,100,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
54 NCSSM -Durham Campus Renovations				
Authorizes General Obligation Bonds, subject to a vote of the people, to provide campus renovations to the NC School of Science and Mathematics Durham Campus.	Req \$	- \$ 10,960,000	\$ -	\$ -
	Rec \$	- \$ 10,960,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
Natural and Cultural Resources - General Obligation Bond				
55 Museum of History Expansion and Renovation				
Authorizes the issuance of General Obligation Bonds, subject to a favorable vote of the people, for the expansion and renovation of the Museum of History in Downtown Raleigh. The museum received \$6.5 million of planning funds for this project in FY 2018-19.	Req \$	- \$ 60,000,000	\$ -	\$ -
	Rec \$	- \$ 60,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
56 NC Zoo Australasia Content Completion				
Authorizes the issuance of General Obligation Bonds, subject to a favorable vote of the people, to complete the Australasia Complex at the NC Zoo. This project received \$25 million in Connect NC Bond funds in FY 2015-16 and \$2.5 million in General Funds in FY 2018-19.	Req \$	- \$ 40,000,000	\$ -	\$ -
	Rec \$	- \$ 40,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
Environmental Quality - General Obligation Bond				
57 Water and Sewer Infrastructure Projects				
Supports the authorization, subject to a vote of the people, of a \$800 million General Obligation Bond to the Department of Environmental Quality for water and sewer infrastructure projects across the state. The funds will be used to address the estimated \$17 billion in need for water and sewer infrastructure projects.	Req \$	- \$ 800,000,000	\$ -	\$ -
	Rec \$	- \$ 800,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
Administration - Limited Obligation Bonds				
58 Department of Health and Human Services New Office Complex				
Authorizes the issuance of Limited Obligation Bonds to construct a new DHHS Administrative Complex on Blue Ridge Road in Raleigh.	Req \$	- \$ 240,000,000	\$ -	\$ -
	Rec \$	- \$ 240,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
59 Motor Fleet and Mail Services Relocation				
Authorizes the issuance of Limited Obligation Bonds to relocate the Textbook Warehouse, Motor Fleet Management, and the Mail Services Center due to the relocation of DHHS to Blue Ridge Road.	Req \$	- \$ 10,000,000	\$ -	\$ -
	Rec \$	- \$ 10,000,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
60 Environmental Quality Laboratory Replacement				
Authorizes the issuance of Limited Obligation Bonds to renovate and expand the Department of Environmental Quality's Reedy Creek Road Laboratory. The lab performs analysis for water quality, water resources, and air quality. The facility was constructed in 1991 and has never been renovated.	Req \$	- \$ 30,010,000	\$ -	\$ -
	Rec \$	- \$ 30,010,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
Public Safety - Limited Obligation Bonds				
61 Highway Patrol - Troop C Relocation				
Authorizes the issuance of Limited Obligation Bonds to relocate the Highway Patrol's Troop C Headquarters to the Garner Road Campus due to the relocation of the Department of Health and Human Services to Blue Ridge Road.	Req \$	- \$ 7,735,000	\$ -	\$ -
	Rec \$	- \$ 7,735,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000
Agriculture - Receipts				
62 State Farmers Market				
Appropriates receipts at the Department of Agriculture and Consumer Services (DACs) to expand and renovate the State Farmers Market restaurant.	Req \$	- \$ 1,250,000	\$ -	\$ -
	Rec \$	- \$ 1,250,000	\$ -	\$ -
	App \$	- \$ -	\$ -	\$ -
	FTE	0.000	0.000	0.000

	FY 2019-20		FY 2020-21		
	R Changes	NR Changes	R Changes	NR Changes	
63 Piedmont Triad Farmers Market					
Appropriates receipts at DACS to expand and renovate the restaurant at the Piedmont Triad Farmers Market.	Req \$	- \$	200,000 \$	- \$	-
	Rec \$	- \$	200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
64 State Fairgrounds Improvements					
Appropriates receipts at DACS to improve the State Farmers Market. Improvements include renovations at the Hunt Horse Complex, Satellite Parking, and the Soil and Water Exhibit Building.	Req \$	- \$	1,000,000 \$	- \$	-
	Rec \$	- \$	1,000,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
65 Research Station Irrigation Improvements					
Appropriates receipts at DACS to renovate irrigation systems across state Research Stations.	Req \$	- \$	200,000 \$	- \$	-
	Rec \$	- \$	200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
66 Research Stations Pesticide Storage and Mixing Buildings					
Appropriates receipts at DACS to improve pesticide storage and mixing facilities at Research Stations across the state.	Req \$	- \$	200,000 \$	- \$	-
	Rec \$	- \$	200,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
67 Research Stations Animal Feed Systems and Feed and Grain Storage					
Appropriates receipts at DACS to improve animal feed and grain storage facilities at Research Stations across the state.	Req \$	- \$	250,000 \$	- \$	-
	Rec \$	- \$	250,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
68 Research Stations Poultry Research Facilities					
Appropriates receipts at DACS to improve poultry research facilities at Research Stations across the state.	Req \$	- \$	1,500,000 \$	- \$	-
	Rec \$	- \$	1,500,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Military and Veterans Affairs - Receipts					
69 Fayetteville Sprinkler System Replacement					
Appropriates funds from the Veterans Home Trust Fund to replace the Fayetteville Veterans Home sprinkler system. \$1.2 million in trust funds will match \$2.3 million in federal funds.	Req \$	- \$	3,553,000 \$	- \$	-
	Rec \$	- \$	3,553,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
70 New Wake County Veterans Home					
Appropriates funds from the Veterans Home Trust Fund to provide a maintenance building, generator, and various security projects for the Wake County Veterans Home. \$1.8 million in trust funds will match \$3.4 million in federal funds.	Req \$	- \$	5,208,500 \$	- \$	-
	Rec \$	- \$	5,208,500 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
71 New Forsyth County Veterans Home					
Appropriates funds from the Veterans Home Trust Fund to provide a maintenance building, generator, and various security projects for the Forsyth County Veterans Home. \$1.8 million in trust funds will match \$3.4 million in federal funds.	Req \$	- \$	5,208,500 \$	- \$	-
	Rec \$	- \$	5,208,500 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Public Safety - Receipts					
72 Stonewall Jackson YDC Facility Dog Kennel and Modular Classroom					
Constructs a dog kennel and modular classroom facility at the Stonewall Jackson Youth Development Center in Cabarrus County. The source of funds is a grant to the Department.	Req \$	- \$	677,000 \$	- \$	-
	Rec \$	- \$	677,000 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000
Transportation - Receipts					
73 Polk County Maintenance Shop Replacement					
Replaces three outdated buildings at the Polk County Maintenance Shop with a single, more efficient building.	Req \$	- \$	2,484,117 \$	- \$	-
	Rec \$	- \$	2,484,117 \$	- \$	-
	App \$	- \$	- \$	- \$	-
	FTE	0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
74 Ocracoke Ferry Quarters				
Replaces an outdated facility that is in poor condition at the Ocracoke Ferry South Dock.	Req \$ -	\$ 1,190,000	\$ -	\$ -
	Rec \$ -	\$ 1,190,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
75 Currituck Maintenance and Equipment Storage Facility				
Replaces an outdated building with one better able to handle modern equipment and staff.	Req \$ -	\$ 1,491,914	\$ -	\$ -
	Rec \$ -	\$ 1,491,914	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
76 Northampton County Jackson Sub-shop				
Replaces a 1952 building with a modern facility that will be able to better accommodate equipment and staff.	Req \$ -	\$ -	\$ -	\$ 5,239,960
	Rec \$ -	\$ -	\$ -	\$ 5,239,960
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
77 Repair and Renovations				
Provides funds to repair and renovation of Department of Transportation facilities across the state.	Req \$ -	\$ 6,550,000	\$ -	\$ 6,725,000
	Rec \$ -	\$ 6,550,000	\$ -	\$ 6,725,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Wildlife Resources Commission - Receipts				
78 Agency Land Acquisition				
Appropriates receipts at WRC to acquire land in support of agency programs to enhance the abundance and diversity of North Carolina's fish and wildlife resources.	Req \$ -	\$ 8,000,000	\$ -	\$ 8,000,000
	Rec \$ -	\$ 8,000,000	\$ -	\$ 8,000,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
79 McKinney Lake Residence				
Appropriates receipts at WRC to replace a residence at the WRC-owned McKinney Lake State Fish Hatchery. The existing residence is in poor condition, potentially unsafe, and out of compliance with state residential building codes.	Req \$ -	\$ 275,000	\$ -	\$ -
	Rec \$ -	\$ 275,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
80 McCoy Road Bridge				
Appropriates receipts at WRC to construct a bridge spanning Shaken Creek within Holly Shelter Game Land in Pender County. A bridge is required to gain access for timber harvest and future forest-management activities.	Req \$ -	\$ 325,000	\$ -	\$ -
	Rec \$ -	\$ 325,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
81 New Bern Depot Boat Storage Facility				
Appropriates receipts at WRC to construct a five-bay facility for boat storage. The current 50-year old structure has deteriorated due to age and wood destroying insects.	Req \$ -	\$ 250,000	\$ -	\$ -
	Rec \$ -	\$ 250,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
82 Sandhills Depot Pole Shed				
Appropriates receipts at WRC to construct a ten-bay pole shed at the Sandhills Depot facility for the storage of trucks, tractors, and other equipment.	Req \$ -	\$ 175,000	\$ -	\$ -
	Rec \$ -	\$ 175,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
83 District 7 Storage Building - Wilkesboro				
Appropriates receipts at WRC to construct a storage facility to house boats for WRC Inland Fish Division. Construction will include site work, building construction, electrical installation, and lighting.	Req \$ -	\$ 125,000	\$ -	\$ -
	Rec \$ -	\$ 125,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
84 Sykes Depot Greenhouse				
Appropriates receipts at WRC to construct a greenhouse at WRC's Sykes Depot facility. The greenhouse will be used to propagate native aquatic plants for restoration and enhancement efforts in waterways and reservoirs, statewide.	Req \$ -	\$ -	\$ -	\$ 150,000
	Rec \$ -	\$ -	\$ -	\$ 150,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000

	FY 2019-20		FY 2020-21	
	R Changes	NR Changes	R Changes	NR Changes
85 Shooting Ranges-New				
Appropriates receipts at WRC to construct a new shooting range facility. Ranges require site work, environmental assessments, stewardship plans, and construction. Limited availability of public shooting ranges can lead to unsafe shooting practices on public game lands.	Req \$ -	\$ -	\$ -	\$ 1,000,000
	Rec \$ -	\$ -	\$ -	\$ 1,000,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
86 Marion Aquaculture Building				
Appropriates receipts at WRC to replace the aquaculture building at WRC's Marion Fish Hatchery. The existing building is used for the agency's mussel program and no longer meets the needs of the program in size or mechanical support.	Req \$ -	\$ 330,000	\$ -	\$ -
	Rec \$ -	\$ 330,000	\$ -	\$ -
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
87 McKinney Lake Hatchery Building Replacement				
Appropriates receipts at WRC to replace a building at WRC's McKinney Lake Fish Hatchery. The existing building has a settling issue and no longer meets the needs of the program in size or mechanical support.	Req \$ -	\$ -	\$ -	\$ 650,000
	Rec \$ -	\$ -	\$ -	\$ 650,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
88 Caswell Depot Storage Building				
Appropriates receipts at WRC to construct a new facility at WRC's Caswell Depot. WRC needs a storage space inside for burn equipment and pumper trucks and a storage space outside for agricultural and construction equipment.	Req \$ -	\$ -	\$ -	\$ 400,000
	Rec \$ -	\$ -	\$ -	\$ 400,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
89 Rhems Depot Storage Building				
Appropriates receipts at WRC to construct of an eight-bay metal building to store equipment. The current structure needs significant maintenance and expansion.	Req \$ -	\$ -	\$ -	\$ 200,000
	Rec \$ -	\$ -	\$ -	\$ 200,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
90 Troy Depot Replacement				
Appropriates receipts to replace a building at WRC's Troy Depot facility. Current depot building is in disrepair and does not provide adequate office or shop space to meet staff needs.	Req \$ -	\$ -	\$ -	\$ 750,000
	Rec \$ -	\$ -	\$ -	\$ 750,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
91 Boating Access Repairs & Renovations				
Appropriates receipts at WRC for repairs and renovations to Boating Access Areas to meet current design standards and provide an exceptional experience to the public.	Req \$ -	\$ 900,000	\$ -	\$ 900,000
	Rec \$ -	\$ 900,000	\$ -	\$ 900,000
	App \$ -	\$ -	\$ -	\$ -
	FTE 0.000	0.000	0.000	0.000
Total Change to Requirements	\$ -	\$ 4,434,105,031	\$ -	\$ 24,014,960
Total Change to Receipts	\$ -	\$ 4,434,105,031	\$ -	\$ 24,014,960
Total Change to Net Appropriation	\$ -	\$ -	\$ -	\$ -
Total Change to Full-Time Equivalent (FTE)	0.000	0.000	0.000	0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$ -	\$ -	\$ -	\$ -
Recommended Total FTE Changes	0.000	0.000	0.000	0.000



CAPITAL, RESERVES AND OTHER ADJUSTMENTS

INVESTMENTS *for a*
Determined North Carolina

Investing in North Carolina's Future

Supports investing \$4.5 billion in North Carolina, including up to \$3.9 billion in General Obligation Bonds for construction and renovation of public schools, North Carolina Community College campuses, University of North Carolina campuses, Natural and Cultural Resources attractions, and local communities' water and sewer infrastructure.

Savings from Closing the Medicaid Coverage Gap

Reflects reduced state appropriations required to maintain the current level of service in the Division of Mental Health, the Division of Health Benefits, the Department of Public Safety, and the State Health Plan due to closing the coverage gap by expanding Medicaid.

Supporting State Employees

To attract and retain a strong state workforce, the budget includes \$20 million for the Salary Adjustment Fund. These funds will help implement the new market-based classification and compensation system by raising salaries for positions that are hard to staff, have high turnover rates, and/or are paid below market rates. It will also help address gender equity disparities in pay and other salary adjustments identified through analysis using human resources best practices.

Improving State Agency Public Safety

Enhances the security and safety of state facilities by providing \$7.5 million for communication system upgrades, equipment purchases, audio-visual security monitoring systems, panic alarms, improved doors, and other security features to prevent and respond to threats.

Using Data to Drive Decision Making

Builds capacity across state government to more effectively manage state resources and programs by hiring analysts with advanced quantitative and research skills. These skills are needed to inform evidence-based, data-driven decision making for agency budgets and programs.

2020 Census Preparation to Make NC Count

Provides \$1.5 million to get North Carolinians ready for the 2020 Census. The Census determines federal funding and programs across North Carolina and the next census will also determine if North Carolina gets an additional representative in Congress. Robust census data is also vital for planning, delivery of services, and economic development for every North Carolina county, municipality, and community.

Reserves, Debt Service, and Other Adjustments (19xxx)

Year 1	Recommended						% Δ from Base	
FY 2019-20	Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	Budget	
Requirements	\$ 738,785,734	\$	(2,305,362)	\$ 11,000,000	\$ 8,694,638	\$ 747,480,372		1.2%
Receipts	\$ 18,653,595	\$	-	\$ -	\$ -	\$ 18,653,595		0.0%
Net Appropriation	\$ 720,132,139	\$	(2,305,362)	\$ 11,000,000	\$ 8,694,638	\$ 728,826,777		1.2%
Positions (FTE)	0.000		0.000	0.000	0.000	0.000		0.0%

Year 2	Recommended						% Δ from Base	
FY 2020-21	Base Budget		Net Recurring	Net Nonrecurring	Recommended Change	Recommended Budget	Budget	
Requirements	\$ 738,785,734	\$	(22,525,690)	\$ -	\$ (22,525,690)	\$ 716,260,044		-3.0%
Receipts	\$ 18,653,595	\$	-	\$ -	\$ -	\$ 18,653,595		0.0%
Net Appropriation	\$ 720,132,139	\$	(22,525,690)	\$ -	\$ (22,525,690)	\$ 697,606,449		-3.1%
Positions (FTE)	0.000		0.000	0.000	0.000	0.000		0.0%

	FY 2019-20				FY 2020-21			
	R Changes	NR Changes	R Changes	NR Changes	R Changes	NR Changes	R Changes	NR Changes
1 Invest NC Bond								
Supports the authorization, subject to a favorable vote of the people, of up to \$3.9 billion in General Obligation Bonds for construction and renovation of public schools, community college campuses, University of North Carolina campuses, Natural and Cultural Resources educational attractions, and water and sewer infrastructure. It is anticipated that the first issuance of Invest NC would occur in FY 2020-21 with no debt service impacts in FY 2019-21 biennium. The issuance of public school bonds should not result in a situation where debt service exceeds four percent of General Fund revenues on an annual basis and will leave enough debt capacity for the state to address other capital needs.	Req \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000
2 Debt Service - Limited Obligation Bonds								
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest required to support the recommended \$288 million in limited obligation bonds.	Req \$	830,700	\$ -	\$ -	\$ 1,788,100	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	830,700	\$ -	\$ -	\$ 1,788,100	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000
3 Debt Service - Connect NC Bonds								
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule. Adjustments are due to the projected issuance of Connect NC Bonds during the biennium.	Req \$	3,563,938	\$ -	\$ -	\$ 20,986,210	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	3,563,938	\$ -	\$ -	\$ 20,986,210	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000
4 State Agencies - Public Safety Reserve								
Provides \$7.5 million dollars for State Agencies to be used for safety improvements to facilities, purchase of safety and security equipment, improvements in communication and data systems, training, and the development of security master plans. The funds will be administered by the Office of State Budget and Management.	Req \$	-	\$ 7,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	-	\$ 7,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000
5 Medicaid Coverage Gap Savings								
Reflects reduced state appropriations requirements needed to maintain current levels of service in the Division of Mental Health, the Division of Health Benefits, the Department of Public Safety, and the State Health Plan due to closing the coverage gap.	Req \$	(30,700,000)	\$ -	\$ -	\$ (69,300,000)	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	(30,700,000)	\$ -	\$ -	\$ (69,300,000)	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000
6 Contingency and Emergency Fund								
Provides funding to restore the Emergency and Contingency Fund based on a 10-year average of historical expenditures from fiscal years 2007 through 2017.	Req \$	2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000
7 State Agency Insurance Coverage								
Provides funding to state agencies for required coverage in the State's Property Insurance Fund.	Req \$	2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	Rec \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	App \$	2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	FTE	0.000		0.000		0.000		0.000

North Carolina State Budget
Governor's Recommended Budget, 2019-21

General Fund
Reserves, Debt Service, and Other Adjustments

8 Advanced Analytics and Data Interpretation

Builds capacity across state government to more effectively manage state resources and programs and utilize evidence-based, data-driven decision making by hiring analysts with advanced quantitative and research skills. Positions will be located within the agency's central office and will provide department-wide analytical support. State agency allocations are based on the size of the agency's appropriated budget. Agencies under a billion dollars in state appropriations receive one position and agencies over a billion dollars receive two positions. Three oversight agencies, State Controller, State Treasurer, and the Office of State Budget and Management, each receive two positions. The positions will provide statewide analysis which cross all state agencies or assist on specific issues that have a significant state impact. Funding can be found within each agency's individual budget.

Req	\$	-	\$	-	\$	-	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	-	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

9 2020 Census Preparation

Funds materials and outreach to promote participation in the 2020 Census across the state. High participation is crucial as decennial census counts are used to apportion seats in the US Congress and distribute over \$1,600 per person in federal funds in the state. The 2020 Census count will also be the foundation of certified state population estimates for the next decade. The certified estimates are used to distribute state resources to local governments. Census data is vital for planning, delivery of services, and economic development.

Req	\$	-	\$	1,500,000	\$	-	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	1,500,000	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

10 Salary Adjustment Fund

Provides \$20 million for the Salary Adjustment Fund. These funds will be used to further the implementation of the new market-based classification and compensation system through adjustments targeting hard-to-staff, high turnover positions, salaries below market rates, gender equity, and other salary adjustments identified through analysis using HR best practices.

Req	\$	20,000,000	\$	-	\$	20,000,000	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	20,000,000	\$	-	\$	20,000,000	\$	-
FTE		0.000		0.000		0.000		0.000

11 Workers' Compensation Settlement Reserve

Provides nonrecurring funding for the Office of State Human Resources to close pending workers' compensation claims.

Req	\$	-	\$	2,000,000	\$	-	\$	-
Rec	\$	-	\$	-	\$	-	\$	-
App	\$	-	\$	2,000,000	\$	-	\$	-
FTE		0.000		0.000		0.000		0.000

Total Change to Requirements	\$	(2,305,362)	\$	11,000,000	\$	(22,525,690)	\$	-
Total Change to Receipts	\$	-	\$	-	\$	-	\$	-
Total Change to Net Appropriation	\$	(2,305,362)	\$	11,000,000	\$	(22,525,690)	\$	-
Total Change to Full-Time Equivalent (FTE)		0.000		0.000		0.000		0.000
Recommended Net Appropriation Changes (Recurring + Nonrecurring)	\$		\$	8,694,638	\$		\$	(22,525,690)
Recommended Total FTE Changes				0.000				0.000

