

# The North Carolina State Budget



**Michael F. Easley**  
**Governor**

**2001-2003**  
**Post Legislative Budget Summary**

# *The North Carolina State Budget 2001-2003 Post Legislative Budget Summary*

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*The North Carolina State Budget 2001-2003 Post Legislative Budget Summary* is available on line at [www.osbm.state.nc.us](http://www.osbm.state.nc.us). For any further information please contact the appropriate administrator from the Office of State Budget and Management, at 20320 Mail Service Center, Raleigh, North Carolina 27699-0320, (919) 733-7061.

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## Post-Legislative Budget Summary, 2001-2003

### I. Summary of State Budget

#### Total Budget

The 2001 General Assembly enacted a state budget for the 2001-03 biennium totaling \$54 billion, which includes \$26.6 billion for 2001-02 and \$27.4 billion for 2002-03. This includes funds to continue the current operations of state government (traditionally referred to as the “operating budget” for agencies) as well as monies for capital improvements and other nonrecurring items. The total budget is supported from four primary sources of revenue including:

<u>Fund Type</u>	<u>Amount</u>	<u>Source of Funds</u>
General Fund	\$30.7 billion	Tax collections, investment earnings, and other nontax revenues
Federal Funds	\$14.5 billion	Federal monies allocated to North Carolina
Highway Fund	\$4.2 billion	Funds from motor fuels tax, licenses/fees, investments, and sales/use of motor vehicles
Other Funds	\$4.5 billion	Receipts collected from tuition, fees, and other charges

Total support is distributed as 56.9% general fund tax and nontax; 26.9% federal funds; 7.8% highway fund tax and nontax; and 8.6% other receipts and charges.

The operating budget for state government totals \$52.3 billion for the 2001-03 biennium, including \$25.8 billion in 2001-02 and \$26.5 billion in 2002-03. This level of funding represents a \$5.6 billion or 12% increase over the 1999-2001 biennium. The operating budget includes funding to continue existing programs, implementation of new programs authorized by the General Assembly, and compensation increases for teachers and state employees.

For 2001-03, current operations comprise 96.9% of the total state budget while the remaining 3.1% are budgeted for capital improvements and other nonrecurring items.

**Post-Legislative Budget Summary, 2001-2003**  
**Summary of State Budget - Continued**

**General Fund Budget**

The General Fund supported operating budget for 2001-03 is \$29 billion, representing an increase of \$2.1 billion or 7.8% over the 1999-2001 biennium. The distribution of resources for the general fund operating budget is as follows:

<b>II. Program Area</b>	<b>Total Budget</b>	<b>% of Total</b>
Education – includes public schools, community colleges and universities	\$ 16.7 billion	57.0%
Health and Human Services	\$ 7.0 billion	24.0%
Justice and Public Safety – includes prisons, court system and other public safety agencies	\$ 3.1 billion	11.0%
General Government – includes environment and other regulatory agencies	\$ 1.4 billion	4.8%
Statewide Reserves – includes debt service, health plan and compensation increases	\$ .90 billion	3.0%

The majority of funding increases to continue existing services were in the education and human service areas. The largest budget increase, \$467.7 million in 2001-02 and \$714.2 million in 2002-03, was provided to the Medicaid program. Other major funding increases include: \$93.1 million in 2001-02 for the ABC Incentives Program; \$158.6 million in 2001-02 and \$255.9 million in 2002-03 for public school enrollment; \$28.4 million in 2001-02 and 2002-03 for university enrollment; \$10 million in 2001-02 and 2002-03 for community college enrollment; \$8 million in 2001-02 and \$12.5 million in 2002-03 for the NC Health Choice program; and \$15.0 million in 2001-02 for the Industrial Recruitment Competitive Fund.

Several new initiatives were also provided funding in the 2001 Session. They include: \$25.2 million in 2001-02 and \$40.8 million in 2002-03 for class size reductions; \$6.5 million in 2001-02 and 2002-03 for the More-at-Four program; and \$2 million in 2001-02 and \$2.8 million in 2002-03 for Project Collect Tax.

The General Assembly adopted a compensation package that included an average 2.86% increase for teachers; an average 2.93% increase for principals and assistant principals and a \$625 salary increase for all other state employees. In addition, funds were provided to support the employer's share of the increased cost of health insurance for teachers and state employees (\$150 million in 2001-02 and \$200 million in 2002-03).

While nonrecurring availability was limited due to measures to balance the 2000-01 fiscal year budget deficit, the General Assembly did authorize \$47.5 million for a mental health trust fund, \$15 million for HIPAA (federal Health Insurance Portability and Accountability Act) implementation, \$125 million for the Repair and Renovation Reserve, and \$32.9 million to match federal and local funds for water resources development projects.

**Post-Legislative Budget Summary, 2001-2003**  
**Summary of State Budget - Continued**

**Transportation Budget**

The 2001-03 budget for the Department of Transportation totals \$6.4 billion, including \$3.2 billion for 2001-02 and \$3.2 billion for 2002-03. This represents a 12.3% increase in funding over the 1999-01 biennium. The budget is supported from four primary sources of revenue including:

<u>Source of Funding</u>	<u>Total Amount</u>	<u>% of Total</u>
Motor Fuel Taxes	\$ 2.4 billion	37.0%
Vehicle & Driver Taxes and Fees	\$ 2.2 billion	34.0%
Federal Funds	\$ 1.6 billion	26.0%
General Fund and Other Sources	\$ 180 million	3.0%

These funds are distributed to the Highway Fund and the Highway Trust Fund on a formula basis. Appropriations to the Highway Fund total \$2.1 billion in 2001-02 and \$2.2 billion in 2002-03 and represent 67.2% of the total budget, while Highway Trust Fund appropriations of \$1.0 billion in 2001-02 and \$1.0 billion in 2002-03 comprise 31.3% of the total budget. The budgeted resources are allocated in the following manner:

<u>Budgeted Uses of Funding</u>	<u>Total Amount</u>	<u>% of Total</u>
Highway Construction	\$ 3.00 billion	52.0%
Highway Maintenance / Municipal Aid	\$ 1.40 billion	22.0%
General Fund Agencies	\$ .72 billion	13.0%
DOT Management and Support	\$ .32 billion	5.0%
Non-Highway Transportation	\$ .22 billion	4.0%
Division of Motor Vehicles	\$ .21 billion	4.0%

The following sections of this document provide further details on the programs outlined above.



**Post-Legislative Budget Summary, 2001-2003**  
**Total State Budget - Continued**

**Table 1A**  
**Total North Carolina State Budget by Function**  
**and Source of Funds**  
**FY 2001-2002**

<b>Function</b>	<b>General Fund</b>	<b>Highway Fund**</b>	<b>Other</b>	<b>Federal</b>	<b>Total</b>
General Assembly	\$ 39,383,848	\$ -	\$ 403,000	\$ -	\$ 39,786,848
Judicial	375,672,741	-	7,128,074	-	382,800,815
General Government	383,277,415	4,038,525	15,997,545	51,679,646	454,993,131
Public Safety & Regulation	152,920,240	131,697,852	71,496,470	213,468,923	569,583,485
Correction	923,995,281	-	9,280,008	-	933,275,289
Juvenile Justice	140,800,030	-	6,595,544	-	147,395,574
<b>Education:</b>					
Public Education*	5,996,982,529	29,101,069	2,886,501	606,524,524	6,635,494,623
Community Colleges	643,695,459	-	115,589,384	12,818,209	772,103,052
Universities	1,789,935,775	-	963,608,871	27,490,660	2,781,035,306
<b>Subtotal Education</b>	<b>8,430,613,763</b>	<b>29,101,069</b>	<b>1,082,084,756</b>	<b>646,833,393</b>	<b>10,188,632,981</b>
Transportation	10,030,000	1,923,273,710	38,917,668	809,950,673	2,782,172,051
Health and Human Svcs.	3,397,939,955	437,623	871,876,631	5,297,249,807	9,567,504,016
Environment and Natural Resources	159,072,700	846,102	69,945,279	40,802,151	270,666,232
Agriculture and Consumer Services	55,468,040	3,659,405	18,904,748	6,316,584	84,348,777
Debt Service	251,978,040	26,106,800	50,606,598	-	328,691,438
Reserves and Transfers#	11,257,790	1,895,680	-	-	13,153,470
<b>Total Current Operations</b>	<b>14,332,409,843</b>	<b>2,121,056,766</b>	<b>2,243,236,321</b>	<b>7,066,301,177</b>	<b>25,763,004,107</b>
Capital Improvement - App	32,936,000	-	-	-	32,936,000
Capital Improvement R&R	125,000,000	-	-	-	125,000,000
Savings Reserve	-	-	-	-	-
Clean Water Mgmt Trust	40,000,000	-	-	-	40,000,000
General Obligation Bonds	605,000,000	-	-	-	605,000,000
<b>Grand Total</b>	<b>\$ 15,135,345,843</b>	<b>\$ 2,121,056,766</b>	<b>\$ 2,243,236,321</b>	<b>\$ 7,066,301,177</b>	<b>\$ 26,565,940,107</b>

\* Appropriation for Public School LI included in Public Education.

\*\* Includes Highway Fund and Highway Trust Fund.

# Includes appropriation for the state employee's compensation increases and the state health plan.

Note: Highway Fund appropriation excludes \$14.5 million transferred to the General Fund  
and \$171.7 million transferred from the Highway Trust Fund to the General Fund.

**Post-Legislative Budget Summary, 2001-2003**  
**Total State Budget - Continued**

**Table 1B**  
**Total North Carolina State Budget by Function**  
**and Source of Funds**  
**FY 2002-2003**

<b>Function</b>	<b>General Fund</b>	<b>Highway Fund**</b>	<b>Other</b>	<b>Federal</b>	<b>Total</b>
General Assembly	\$ 39,553,848	\$ -	\$ 403,000	\$ -	\$ 39,956,848
Judicial	374,332,906	-	7,128,074	-	381,460,980
General Government	348,831,993	4,038,525	15,913,545	51,679,646	420,463,709
Public Safety & Regulation	135,666,824	133,098,294	72,142,673	212,437,706	553,345,497
Correction	930,964,916	-	9,300,008	-	940,264,924
Juvenile Justice	142,554,017	-	6,595,544	-	149,149,561
<b>Education:</b>					
Public Education*	6,039,530,711	30,353,964	2,886,501	606,524,524	6,679,295,700
Community Colleges	643,195,459	-	115,589,384	12,818,209	771,603,052
Universities	1,798,320,830	-	978,956,903	27,490,660	2,804,768,393
<b>Subtotal Education</b>	<b>8,481,047,000</b>	<b>30,353,964</b>	<b>1,097,432,788</b>	<b>646,833,393</b>	<b>10,255,667,145</b>
Transportation	13,393,341	1,931,969,036	38,617,668	825,448,590	2,809,428,635
Health and Human Svcs.	3,644,080,118	437,623	919,409,850	5,620,453,098	10,184,380,689
Environment and Natural Resources	158,722,700	846,102	69,945,279	40,802,151	270,316,232
Agriculture and Consumer Services	55,268,040	3,586,465	18,895,298	6,312,784	84,062,587
Debt Service	353,422,808	25,356,425	8,750,000	-	387,529,233
Reserves and Transfers#	34,732,115	3,895,680	-	-	38,627,795
<b>Total Current Operations</b>	<b>14,712,570,626</b>	<b>2,133,582,114</b>	<b>2,264,533,727</b>	<b>7,403,967,368</b>	<b>26,514,653,835</b>
Capital Improvement - App	-	-	-	-	-
Capital Improvement R&R	-	-	-	-	-
Savings Reserve	-	-	-	-	-
Clean Water Mgmt Trust	70,000,000	-	-	-	70,000,000
General Obligation Bonds	850,000,000	-	-	-	850,000,000
<b>Grand Total</b>	<b>\$ 15,632,570,626</b>	<b>\$ 2,133,582,114</b>	<b>\$ 2,264,533,727</b>	<b>\$ 7,403,967,368</b>	<b>\$ 27,434,653,835</b>

\* Appropriation for Public School LI included in Public Education.

\*\* Includes Highway Fund and Highway Trust Fund.

# Includes appropriation for the state employee's compensation increases and the state health plan.

Note: Highway Fund appropriation excludes \$15.3 million transferred to the General Fund  
and \$170.0 million transferred from the Highway Trust Fund to the General Fund.

## **Post-Legislative Budget Summary, 2001-03**

### **II. Economic Outlook for 2001-03**

**[The economic and revenue forecast as of August 2001]**

#### **A. For The Nation**

U.S. economic growth remained in positive territory in the second quarter of 2001, albeit only barely. Real Gross Domestic Product (GDP) grew at a modest 0.2% annual rate. Consumers, through their home-buying as well as regular spending, and government spending saved the day. Investment fell sharply, while exports were flat.

Looking forward, there is little to jump-start the economy. Consumers have been buying cars and houses right along, so there is little of the pent-up demand that once responded to lower interest rates. The economy may avoid a recession, but will also miss out on the post-recession bounce. Consumer spending has been supported by equity gains in homes and stock portfolios, but these are once-a-cycle boosts in spending. Unless the economy slips into recession, however, consumer spending should continue to rise in line with income.

Government spending will also rise, although budgets will be tighter in the fiscal year just starting than in the recent past. Federal government purchases will get a third-quarter boost from the supplemental fiscal 2001 spending bill, and all signs point to further increases in 2002. State and local governments, faced with rising school populations and heavy building needs, will also be spending more.

Aside from consumers and the government, there is little hope for any immediate contribution to growth. Businesses have cut back sharply on new facilities and equipment; most have more than ample capacity to satisfy demand for the foreseeable future. Exports have slowed less than imports, but the spreading global malaise and strong dollar will preclude the sort of export boom that supported growth in the 1980s.

Investment is the heart of the weakness in the economy. The nominal value of orders for capital equipment is still sliding. However, this may paint an overly pessimistic picture. Cutthroat pricing in the high-technology sector means that real spending is not falling as fast as current-dollar orders. Nonresidential construction spending, which had looked so strong and offset most of the drop in equipment spending in the second quarter of 2001, has now hit the skids. Residential construction is also slipping. New construction is holding up, but the renovation and rehab business has slowed.

Inflation is moderating as energy prices retreat. Producer prices are particularly weak. One area of concern is the acceleration in medical care costs. Health insurance costs are climbing rapidly, but employers are passing part of the increases on to workers in the form of higher premiums and co-payments. Overall, however, the Consumer Price Index (CPI) is expected to increase at about 2.5% annually during the 2001-03 biennium.

## **Post-Legislative Budget Summary, 2001-03 Economic Outlook for 2001-03 - Continued**

As the federal fiscal stimulus from the tax “rebates” combines with lower interest rates, economic growth is expected to gradually accelerate beginning in the fourth quarter of 2001. Following an anemic 1.7% in 2001-02, real GDP growth is forecast to rebound to 3.4% in 2002-03. This rate of growth compares very favorably with the 2.6% average rate of real GDP growth over the past 20 years.

### **B. For North Carolina**

The North Carolina manufacturing sector has been experiencing recessionary conditions for over a year. During 2000, the technology industries began to weaken, joining the already slumping traditional industry group of textiles, apparel, and furniture. Over the twelve months ending in August 2001, total manufacturing employment fell by 5.9%, representing a loss of 45,800 jobs. On a percentage basis, the hardest hit industries are textiles, apparel, industrial machinery (including computer equipment), primary metals, electrical equipment, and transportation equipment).

The deterioration of the industrial sector had a profound impact on the State’s unemployment rate. In early 2000, North Carolina continued to be the envy of the nation, enjoying an unemployment rate of 3.4%. As the layoff announcements accelerated, unemployment quickly moved along side of the national rate, hitting 4.2% in January 2001. At August, the rate of unemployment in North Carolina stood at 5.0%.

As the economic stimulus from lower interest rates and tax reductions begin to take hold, manufacturing activity in North Carolina will slowly improve during all of 2002. The resurgence in industrial output will gain momentum in 2003 when U.S. investment in computers, communications equipment, and heavy-duty trucks gears up. Although production activity recovers, manufacturing employment will not. It is expected that much of the increase in new orders will be matched by productivity gains, rather than adding employees.

Services will continue to be the growth engine of the North Carolina economy through 2003, particularly business services. The Finance Sector (banking, real estate, and insurance) will rebound, along with the stock market, but will not return to the 7.0%-plus growth of the late 1990s.

**Post-Legislative Budget Summary, 2001-03**  
**Economic Outlook for 2001-03 - Continued**

**Table 2**  
**Economic Conditions**  
**(Annual Rates of Change)**

	<b><u>2000-01</u></b> <b><u>Actual</u></b>	<b><u>2001-02</u></b> <b><u>Projected</u></b>	<b><u>2002-03</u></b> <b><u>Projected</u></b>
<u>National</u>			
Real Gross Domestic Product	2.7%	1.7%	3.4%
Real Personal Consumption	4.0%	2.8%	3.3%
Industrial Production	2.0%	-1.9%	5.7%
Personal Income	6.6%	4.6%	5.8%
Inflation (CPI)	3.4%	2.6%	2.5%
Federal Funds Rate (%)	5.8%	3.5%	4.1%
<u>North Carolina</u>			
Industrial Production	3.5%	-2.5%	5.0%
Nonfarm Employment	1.7%	0.5%	2.8%
Manufacturing Employment	-2.9%	-4.0%	-0.5%
Unemployment Rate (%)	4.3%	5.5%	5.9%
Total Personal Income	6.7%	4.3%	5.5%
Housing Starts (000)	74.9%	73.7%	71.8%

Note: Forecast dated August 2001

**Post-Legislative Budget Summary, 2001-03**  
**Economic Outlook for 2001-03 - Continued**

**[The economic and revenue forecast as of November 2001]**

It no longer seems possible for the U.S. economy to escape recession. The only question is how severe it will be. The economy was already teetering on the brink of recession when the September 11th attacks occurred. The heroic efforts required to clean up from the attacks and restore services will not compensate for the thousands of jobs lost as worried consumers and workers shun travel and recreation.

Through the end of 2001, the only positive contribution to economic growth is expected to come from the government – mostly federal – sector. Consumer spending, business purchases of equipment and software, construction outlays, and net exports are all expected to decline. Federal spending will drive a not-particularly-vigorous recovery through a combination of increased transfer payments (anti-recessionary), some tax relief, and direct purchases stemming from the struggle against terrorism. Bottom line: The current forecasts from DRI-WEFA (and others) show only a mild downturn, ending in the first quarter of 2002.

North Carolina will continue to bear the brunt of the current recession. Industrial activity, which was beginning to show some positive signs in July and August, is tanking once again. Layering on the difficulties in the travel sector and consumer sector, unemployment will continue to trend upward, reaching 6.7% by mid-2002.

## Post-Legislative Budget Summary, 2001-03

### III. General Fund

#### A. Revenue

##### Baseline General Fund Revenue

At the onset of 2001-02, the General Fund operated under a continuing resolution. This provided an opportunity to adjust the revenue forecast as the economic outlook for the nation and North Carolina deteriorated during the summer of 2001. Given the economic forecast described earlier, baseline General Fund revenue growth (i.e. under existing law, adjusted for refund anomalies in 2000) was authorized at 4.0% for 2001-02, and 4.9% for 2002-03. These increases are well below the 8.4% average baseline rate of growth experienced between fiscal years 1992-93 and 1999-00.

##### Enhancements to Baseline Revenue

Baseline revenue growth provided insufficient revenue to continue to support essential State services as well as undertake Governor Easley's initiatives for education. Consequently, supplemental revenue was enacted in the ratified Budget for the 2001-03 Biennium as shown below:

	<u>2001-02</u>	<u>2002-03</u>
Baseline GF Revenue	\$ 14,013.7	\$ 14,702.9
Revenue Enhancements:		
Education/Human Services		
Mental Health Revenue Initiatives (HB231)	435.3	620.0
Tax Loophole Closures (HB1157)	61.3	64.3
Tax Collection Accelerations (HB232)	112.1	6.0
Debt Collection – Dept. of Revenue (SB353)	50.0	50.0
Other Actions	<u>40.7</u>	<u>(3.7)</u>
Total Revenue	\$ 14,715.1	\$ 15,439.5

The comprehensive tax package (HB 231) is shown in detail on Table 3a. The package contains broad-based adjustments, including tax reductions affecting married couples and families with children. The major components of the tax package include an increase in the state sales tax rate from 4.0% to 4.5% effective October 16, 2001. This change converts to a local option rate increase in July 2003, after which local tax reimbursements are repealed. Another major item is the enactment of a 8.25% marginal income tax rate on incomes over \$200,000 (married filing jointly). This new bracket is in effect for the 2001 through 2003 tax years. The General Assembly addressed the so-called "Marriage Penalty" by increasing the standard deduction from \$5,000 to \$5,500 in 2002 and \$6,000 in 2003. In addition, the Child Tax Credit is increased from \$60 to \$75 in 2002, up to \$100 in 2003 and beyond.

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Continued**

In the Spring of 2001, Governor Easley established the Efficiency and Loophole Closing Commission. The mandate presented to the Commission was to review the array of North Carolina tax preferences to determine those which were no longer achieving their original intended purpose. Based on the Commission’s recommendations, the General Assembly eliminated the following tax preferences:

	<u>2001-02</u>	<u>2002-03</u>
	(Millions)	
Conform N.C.’s Subsidiary Dividend Deduction		
To Generally Accepted Accounting Practices	\$ 30.8	\$ 32.2
Follow the Ohio Law on Royalty Expenses	20.0	21.0
Tax Limited Liability Companies Under Franchise Tax	10.5	11.0

The General Assembly also reviewed opportunities to accelerate the collection of taxes due. Measures were enacted which quickened the receipt of withholding, sales, and franchise taxes, as well as increased the compliance with these accelerated payment schedules. These actions will result in a one-time windfall of \$112.1 million in 2001-02.

Finally, the Department of Revenue was given broader authority to collect unpaid tax liabilities. Within the authorized budget, it is estimated that Project Collect will yield \$50.0 million annually in debt collections.



**Post-Legislative Budget Summary, 2001-03  
General Fund – Continued**

**Table 3A  
Education/Human Services/Mental Health Revenue Initiatives  
(House Bill 231)**

	(\$Millions)			
	2001-02	2002-03	2003-04	2004-05
8.25% Income Tax Rate over \$200,000 married filing jointly effective tax years 2001 through 2003	\$ 125.5	\$ 102.9	\$ 61.6	\$ -
Marriage Penalty: Increase standard deduction for married filing jointly (currently \$5,000)	(9.7)	(32.0)	(45.0)	(45.8)
Increase Child Credit (currently \$60) \$75 in tax year 2002 \$100 in tax year 2003	-	(19.8)	(54.8)	(55.0)
Remove \$1,500 tax cap on non-commercial vehicles (Effective October 1, 2001)	1.7	2.4	2.6	2.7
Tax HMOs/Blue Cross at 1% effective 2002	-	33.8	30.6	33.2
Impose 6% Sales Tax on Liquor (Effective December 1, 2002)	11.9	24.7	25.6	26.6
Reduce excise tax on liquor from 28% to 25% (Effective February 1, 2002)	(3.5)	(10.9)	(11.4)	(12.0)
Sales Tax Holiday	-	(8.3)	(8.6)	(9.0)
Repeal Child Health Insurance Credit (Effective tax year 2001)	18.9	18.9	18.9	18.9
Tax Satellite TV at 5% (Effective January 1, 2002)	9.8	21.7	22.9	24.1
Tax Telecommunications at 6% (Effective January 1, 2002)	34.4	87.9	87.9	87.9
Impose state half-cent sales tax effective October 16, 2001 - converts to local option in July 2003 with 100% hold harmless and repeal of local reimbursements.	<u>246.3</u>	<u>398.7</u>	<u>337.4</u>	<u>314.3</u>
<b>Total</b>	<b>\$ 435.3</b>	<b>\$ 620.0</b>	<b>\$ 467.7</b>	<b>\$ 385.9</b>

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Continued**

**Table 3B**  
**General Fund Revenue**

	<u>2000-01 Actual</u>	<u>2001-02 Projected</u>	<u>2002-03 Projected</u>
<b>Tax Revenue :</b>			
Inheritance	\$ 123,165,443	\$ 130,200,000	\$ 116,700,000
Licenses	2,953,654	26,400,000	45,800,000
Cigarette	42,025,877	40,700,000	39,400,000
Soft Drink	51,202	-	-
Franchise	580,431,850	639,000,000	810,100,000
<b>Income Tax:</b>			
Individual	\$ 7,391,342,524	\$ 8,179,300,000	\$ 8,515,700,000
Corporate	460,315,086	586,400,000	583,200,000
Subtotal	\$ 7,851,657,610	\$ 8,765,700,000	\$ 9,098,900,000
<b>Sales and Use</b>			
Beverage	\$ 3,435,558,577	\$ 3,796,300,000	\$ 3,999,100,000
Gift	172,698,910	174,000,000	170,900,000
Freight Car Lines	20,254,465	23,200,000	24,400,000
Insurance	497,560	500,000	500,000
Piped Natural Gas	305,791,331	321,600,000	362,700,000
Miscellaneous	37,212,997	37,900,000	38,700,000
	756,029	600,000	600,000
<b>Total Tax Revenue</b>	<b>\$12,573,059,411</b>	<b>\$13,956,100,000</b>	<b>\$14,707,800,000</b>
<b>Nontax Revenue :</b>			
Investment Income	\$ 170,899,624	\$ 166,800,000	\$ 177,000,000
Judicial Fees	109,261,029	112,000,000	114,200,000
Disproportionate Share Receipts	109,142,641	107,000,000	107,000,000
Insurance	43,608,410	45,500,000	47,400,000
Miscellaneous*	262,289,859	139,500,000	98,400,000
<b>Total Nontax Revenue</b>	<b>\$ 695,201,563</b>	<b>\$ 570,800,000</b>	<b>\$ 544,000,000</b>
<b>Transfers:</b>			
Highway Fund	\$ 13,600,000	\$ 14,500,000	\$ 15,300,000
Highway Trust Fund	170,000,000	171,700,000	172,400,000
<b>Total General Fund Revenue*</b>	<b><u>\$13,451,860,974</u></b>	<b><u>\$14,713,100,000</u></b>	<b><u>\$15,439,500,000</u></b>

\* Includes funds generated by budgetary actions to balance the 2000-01 budget.

**Post-Legislative Budget Summary, 2001-2003  
General Fund-Continued**

**B. Condition of the Fund  
Table 4  
Fiscal Years 2000-01, 2001-02 and 2002-03**

<b>Description</b>	<b>2000-01 Actual</b>	<b>2001-02 Authorized</b>	<b>2002-03 Authorized</b>
<b>Unreserved Credit Balance</b>	\$ -	\$ -	\$ -
<b>Reserved Credit Balance</b>			
Budget Stabilization Reserve	\$ 157,522,049	\$ 339,272,049	\$ 339,272,049
Repair and Renovations Reserve	2,901,932	-	-
Clean Water Management Trust Fund Reserve	1,054,152	-	-
Disproportionate Share Receipts	1,170,396	1,170,396	-
Intangible Tax Reserve	240,000,000	-	-
Railroad Dividends	918,220	-	-
Easley Executive Order #3	-	178,472,174	-
Disaster Relief	-	448,608,263	-
<b>Total Reserved Credit Balance</b>	<b>\$ 403,566,749</b>	<b>\$ 967,522,882</b>	<b>\$ 339,272,049</b>
<b>Revenue</b>			
Tax Revenue	\$ 12,573,059,410	\$ 13,956,100,000	\$ 14,707,800,000
Nontax Revenue	525,541,951	421,300,000	436,500,000
Highway Fund Transfer	13,600,000	14,500,000	15,300,000
Highway Trust Fund Transfer	170,000,000	171,700,000	172,400,000
Disproportionate Share Receipts	109,142,641	107,000,000	107,000,000
<b>Total Revenue</b>	<b>\$ 13,391,344,002</b>	<b>\$ 14,670,600,000</b>	<b>\$ 15,439,000,000</b>
<b>Direct Authorized Transfer to Availability</b>	\$ 60,516,971	\$ 42,400,000	\$ 500,000
Easley Executive Order #3	308,401,820	-	-
Disaster Relief	312,328,030	-	-
<b>Direct Authorized Transfer from Availability</b>			
Savings Reserve	-	(181,750,000)	-
<b>Total Availability</b>	<b>\$ 14,476,157,572</b>	<b>\$ 15,498,772,882</b>	<b>\$ 15,778,772,049</b>
<b>Appropriations</b>			
<b>Continuation Budget</b>	\$ 13,220,036,214	\$ 14,325,840,827	\$ 14,682,410,940
Adjustments to Continuation Budget	-	(738,825,345)	(743,831,356)
Expansion Budget	-	745,394,361	773,991,042
<b>Total Operating Budget</b>	<b>\$ 13,220,036,214</b>	<b>\$ 14,332,409,843</b>	<b>\$ 14,712,570,626</b>
<b>Capital Improvement – Direct Appropriation</b>	14,974,172	32,936,000	-
<b>Other Direct Appropriations</b>			
Repair and Renovation	60,500,000	125,000,000	-
Clean Water Management Trust Fund	30,000,000	40,000,000	70,000,000
Budget Stabilization Reserve	120,000,000	-	-
<b>Total Appropriations</b>	<b>\$ 13,445,510,36</b>	<b>\$ 14,530,345,843</b>	<b>\$ 14,782,570,626</b>
<b>Direct Authorized Transfer from Reserves</b>	244,874,304	474,621,175	-
<b>Ending Balance</b>	785,772,881	493,805,864	996,201,423
<b>Ending Reserved Balance</b>			
Budget Stabilization Reserve	\$ 157,522,049	\$ 339,272,049	\$ 339,272,049
Clean water Management Trust Fund	-	-	-
Repair and Renovations	-	-	-
Disproportionate Share Receipts	1,170,396	1,170,396	-
Intangible Tax Reserve	-	-	-
Railroad Dividends	-	-	-
Easley Executive Order #3	178,472,173	-	-
Disaster Relief	448,608,263	152,459,262	-
<b>Total Reserved Balance</b>	<b>\$ 785,772,881</b>	<b>\$ 492,901,707</b>	<b>\$ 339,272,049</b>
<b>Ending Unreserved Balance</b>	\$ -	\$ 904,157	\$ 656,929,374

Post-Legislative Budget Summary, 2001-2003

Appendix-Continued

Table 5A  
FY 2001-02  
General Fund Appropriation

Line No.	Budget Code	Department	Recurring	Reductions		Expansion		Position Changes	Final Appropriation
			Baseline Budget	Recurring	N/R	Recurring	N/R		
1	11000	General Assembly	\$ 40,567,848	\$ (1,014,000)	\$ (170,000)	\$ -	\$ -	-	\$ 39,383,848
2	12000	Judicial - AOC	308,769,898	(5,714,051)	-	1,919,640	515,653	3.50	305,491,140
3	12001	AOC-Indigent	66,660,467	(1,580,000)	-	5,101,134	-	11.00	70,181,601
4	13000	Gov.Office	5,633,739	(190,834)	-	-	-	-	5,442,905
5	13005	OSBM	5,789,900	(560,245)	(40,000)	201,392	67,500	(8.00)	5,458,547
6	13006	Flood Mapping & Surveying	1,232,845	(1,232,845)	-	-	-	(31.00)	-
7	13010	NC Housing Finance	5,300,000	-	-	-	-	-	5,300,000
8	13085	OSBM-Res.for Special Approp.	3,080,000	-	-	36,000,000	555,000	-	39,635,000
9	13100	Lt. Governor	686,308	(16,763)	-	-	-	-	669,545
10	13200	Sec.of State	8,760,901	(556,267)	-	127,142	225,000	(16.00)	8,556,776
11	13300	Auditor	12,166,518	(301,845)	-	-	-	-	11,864,673
12	13410	St. Treasurer	7,837,007	(620,190)	-	-	-	-	7,216,817
13	13412	St. Treasurer-Transfer Ret.Sys.	12,294,780	-	(2,077,883)	85,000	-	-	10,301,897
14	13510	DPI	5,870,290,681	(161,590,416)	(30,415,892)	44,256,873	103,586,875	287.50	5,826,128,121
a	"	DPI - Department	53,512,243	-	-	-	-	-	53,512,243
15	13600	Justice	76,471,632	(2,897,263)	(922,018)	490,424	-	(24.00)	73,142,775
16	13700	DACS	56,695,276	(1,827,236)	-	400,000	200,000	(31.50)	55,468,040
17	13800	Labor	16,617,178	(1,124,272)	-	25,000	-	(9.00)	15,517,906
18	13900	Insurance	23,392,288	(263,000)	-	136,449	484,300	4.00	23,750,037
19	13901	Insurance-Direct	4,500,000	-	(3,450,000)	-	-	-	1,050,000
20	14060	Juvenile Justice & Delinq. Prevention	147,706,045	(7,352,280)	(406,280)	852,545	-	(92.50)	140,800,030
21	14100	DOA	61,078,651	(1,661,172)	-	1,640,780	798,054	(21.00)	61,856,313
22	14160	OSC	11,817,271	(293,403)	-	-	-	(2.00)	11,523,868
23	14222	DOT	17,753,426	(1,062,717)	(6,660,709)	-	-	-	10,030,000
24	14300	DENR	164,902,678	(7,687,823)	-	1,507,845	350,000	(32.54)	159,072,700
25	14301	DENR-Clean Water Mgmt.Trust	30,000,000	-	-	10,000,000	-	-	40,000,000
26	14410	DHHS-Central Mgmt.	45,649,860	(4,347,655)	-	6,706,500	100,000	(45.00)	48,108,705
27	14411	DHHS-Aging	29,825,449	(293,539)	-	-	-	(1.00)	29,531,910
28	14420	DHHS-Child Dev.	70,039,360	(1,655,285)	-	-	-	(16.00)	68,384,075
a		Smart Start	279,674,321	(59,000,000)	-	-	-	-	220,674,321
29	14424	DHHS-Education Services	77,290,419	(7,708,894)	-	-	-	(56.00)	69,581,525
30	14430	DHHS-Health Services	112,142,547	(6,534,225)	(1,500,000)	1,825,761	2,985,000	(12.59)	108,919,083
31	14440	DHHS-Social Services	192,948,114	(8,757,877)	-	3,500,000	1,000,000	(27.00)	188,690,237
32	14445	DHHS-Medical Assistance	1,987,547,863	(44,432,335)	-	38,368,762	-	(11.00)	1,981,484,290
33	14446	DHHS-NC Health Choice	24,987,142	-	-	8,000,000	-	-	32,987,142

Post-Legislative Budget Summary, 2001-2003

Appendix-Continued

Table 5A  
FY 2001-02  
General Fund Appropriation

Line No.	Budget Code	Department	Recurring	Reductions		Expansion		Position Changes	Final Appropriation
			Baseline Budget	Recurring	N/R	Recurring	N/R		
34	14450	DHHS-Blind & Deaf/HH	10,334,149	(166,034)	-	-	-	(2.00)	10,168,115
35	14460	DHHS-Mental/DD/SAS	582,879,191	(11,361,999)	-	9,551,435	326,000	(83.50)	581,394,627
36	14470	DHHS-Facility Services	16,584,502	(1,142,266)	(195,267)	-	-	(6.00)	15,246,969
37	14480	DHHS-Voc.Rehab.	41,827,726	(58,770)	-	320,000	680,000	(3.00)	42,768,956
38	14500	Correction	931,350,075	(18,476,013)	(5,272,295)	16,193,514	200,000	177.00	923,995,281
39	14600	Commerce	45,027,007	(1,467,935)	-	721,302	15,000,000	(6.75)	59,280,374
40	14601	Commerce-State Aid	16,196,251	(655,312)	(1,999,694)	1,020,278	1,925,000	-	16,486,523
41	14700	Revenue	76,967,284	(1,924,173)	-	1,598,156	459,200	40.00	77,100,467
42	14800	Cultural Resources	60,840,696	(1,413,277)	-	-	800,000	(9.00)	60,227,419
43	14802	Cultural Resources-Roanoke Isl.	1,907,245	(47,782)	-	-	-	-	1,859,463
44	14900	CC & PS	37,554,148	(5,734,270)	(504,688)	433,941	1,900,000	(226.00)	33,649,131
45	16010	UNC-GA	50,371,368	(10,090,779)	-	-	-	(20.85)	40,280,589
46	16011	UNC Institutional Prog.	11,884,496	-	(1,000,000)	29,963,258	150,000	(118.20)	40,997,754
47	16012	UNC Related Ed.Programs	100,411,702	-	-	3,226,210	-	-	103,637,912
48	16020	UNC-CH Academic	206,519,475	(6,909,457)	-	-	-	(3.00)	199,610,018
49	16021	UNC-CH Health Affairs	157,508,711	(2,818,824)	(250,000)	-	-	-	154,439,887
50	16022	UNC-CH Area Health Educa.	46,273,050	(200,714)	-	-	-	-	46,072,336
51	16030	NCSU-Academic	272,091,447	(6,715,218)	-	-	-	-	265,376,229
52	16031	NCSU-Agri.Research Svc.	48,229,380	(1,524,891)	-	-	-	-	46,704,489
53	16032	NCSU-Agri. Extension Svc.	38,694,580	(1,260,180)	-	-	-	-	37,434,400
54	16040	UNC-Greensboro	95,784,621	(2,539,417)	-	-	-	-	93,245,204
55	16050	UNC-Charlotte	97,770,214	(2,110,290)	-	-	-	-	95,659,924
56	16055	UNC-Asheville	26,002,376	(523,189)	-	-	-	-	25,479,187
57	16060	UNC-Wilmington	60,854,575	(1,269,598)	-	-	-	-	59,584,977
58	16065	ECU	123,194,097	(2,473,593)	-	-	-	-	120,720,504
59	16066	ECU-Health Services	47,050,741	(988,667)	-	-	-	-	46,062,074
60	16070	NCA&T	60,834,025	(1,321,257)	-	-	-	-	59,512,768
61	16075	Western Carolina	53,032,166	(1,144,118)	-	-	-	-	51,888,048
62	16080	Appalachian	86,959,766	(1,728,239)	-	-	-	-	85,231,527
63	16082	UNC-Pembroke	25,082,875	(491,319)	-	-	-	-	24,591,556
64	16084	Winston Salem State	28,703,631	(608,104)	-	-	-	-	28,095,527
65	16086	Elizabeth City State	22,075,248	(425,620)	-	-	-	-	21,649,628
66	16088	Fayetteville State	31,392,225	(595,654)	-	-	-	-	30,796,571
67	16090	NCCU	45,337,950	(956,598)	-	-	-	-	44,381,352
68	16092	NC School of Arts	16,790,603	(381,767)	-	-	-	-	16,408,836

Post-Legislative Budget Summary, 2001-2003

Appendix-Continued

**Table 5A**  
**FY 2001-02**  
**General Fund Appropriation**

Line No.	Budget Code	Department	Recurring	Reductions		Expansion		Position Changes	Final Appropriation
			Baseline Budget	Recurring	N/R	Recurring	N/R		
69	16094	NCSSM	11,487,156	-	-	-	-	-	11,487,156
70	16095	UNC-Hospitals	40,587,322	-	-	-	-	-	40,587,322
71		<b>Total UNC</b>	<b>1,804,923,800</b>	<b>(47,077,493)</b>	<b>(1,250,000)</b>	<b>33,189,468</b>	<b>150,000</b>	<b>(142.05)</b>	<b>1,789,935,775</b>
72	16800	Comm.Colleges	648,021,974	(16,684,736)	-	11,858,221	500,000	(7.00)	643,695,459
73	18025	St. Bd. Of Elections	3,271,453	(85,184)	-	-	-	-	3,186,269
74	18210	Office of Admin.Hearings	2,908,088	(112,933)	-	-	-	(2.00)	2,795,155
75	18300	Rules Review Comm.	334,085	(8,290)	-	-	-	-	325,795
76	19420	St.Treas.Gen.Debt Service	238,509,550	-	-	12,312,542	-	-	250,822,092
77	19425	St.Treas.Federal Debt Service	1,155,948	-	-	-	-	-	1,155,948
78		<b>Total Operating Budget</b>	<b>14,354,215,827</b>	<b>(436,692,899)</b>	<b>(54,864,726)</b>	<b>248,344,104</b>	<b>132,807,582</b>	<b>(400.43)</b>	<b>14,243,809,888</b>
79	19001	Contingency & Emergency	1,125,000.00	-	-	3,875,000	-	-	5,000,000
80	19003	Legislative Compensation Res.	-	-	-	193,842,000	-	-	193,842,000
81	19004	Salary Adjustment Reserve	500,000	-	-	-	-	-	500,000
82	19049	Trust Fund for MH/DD/SAS	-	-	-	-	47,525,675	-	47,525,675
83	19039	Reserve-HIPPA Implementation	-	-	-	-	15,000,000	-	15,000,000
84	19027	ITS Rate Reduction	-	(4,000,000)	-	-	-	-	(4,000,000)
85	19043	Health Plan Reserve	-	-	-	114,000,000	-	-	114,000,000
86	19047	Retirement Rate Adj. Reserve	-	(243,267,720)	-	-	-	-	(243,267,720)
87		<b>Total G/F Operating Budget</b>	<b>14,355,840,827</b>	<b>(683,960,619)</b>	<b>(54,864,726)</b>	<b>560,061,104</b>	<b>195,333,257</b>	<b>(400.43)</b>	<b>14,372,409,843</b>
88	19600	Capital Improvement	-	-	-	-	157,936,000	-	157,936,000
89		<b>Total General Fund Budget</b>	<b>\$ 14,355,840,827</b>	<b>\$ (683,960,619)</b>	<b>\$ (54,864,726)</b>	<b>\$ 560,061,104</b>	<b>\$ 353,269,257</b>	<b>(400.43)</b>	<b>\$ 14,530,345,843</b>

Post-Legislative Budget Summary, 2001-2003

Appendix-Continued

Table 5B  
FY 2002-03  
General Fund Appropriation

Line No.	Budget Code	Department	Recurring	Reductions		Expansion		Position Changes	Final Appropriation
			Baseline Budget	Recurring	N/R	Recurring	N/R		
1	11000	General Assembly	\$ 40,567,848	\$ (1,014,000)	\$ -	\$ -	\$ -	-	\$ 39,553,848
2	12000	Judicial - AOC	308,769,898	(5,739,654)	-	2,309,891	125,000	3.50	305,465,135
3	12001	AOC-Indigent	66,660,467	(2,410,000)	-	4,617,304	-	11.00	68,867,771
4	13000	Gov.Office	5,633,739	(190,834)	-	-	-	-	5,442,905
5	13005	OSBM	5,789,900	(950,775)	-	485,813	30,000	(7.00)	5,354,938
6	13006	Flood Mapping & Surveying	1,232,845	(1,232,845)	-	-	-	(31.00)	-
7	13010	NC Housing Finance	5,300,000	-	-	-	-	-	5,300,000
8	13085	OSBM-Res.for Special Approp.	3,080,000	-	-	-	-	-	3,080,000
9	13100	Lt. Governor	686,308	(16,763)	-	-	-	-	669,545
10	13200	Sec.of State	8,760,901	(601,193)	-	127,142	-	(16.00)	8,286,850
11	13300	Auditor	12,166,518	(301,845)	-	-	-	-	11,864,673
12	13410	St. Treasurer	7,837,007	(620,190)	-	-	-	-	7,216,817
13	13412	St. Treasurer-Transfer Ret.Sys.	12,294,780	-	-	85,000	-	-	12,379,780
14	13510	DPI	5,967,518,906	(158,677,459)	-	59,834,856	-	660.00	5,868,676,303
a	"	DPI - Department	53,512,243	-	-	-	-	-	53,512,243
15	13600	Justice	76,471,632	(3,241,263)	-	555,215	-	(24.00)	73,785,584
16	13700	DACS	56,695,276	(1,827,236)	-	400,000	-	(31.50)	55,268,040
17	13800	Labor	16,617,178	(1,524,272)	-	25,000	-	(9.00)	15,117,906
18	13900	Insurance	23,392,288	(263,000)	-	398,264	-	4.00	23,527,552
19	13901	Insurance-Direct	4,500,000	-	-	-	-	-	4,500,000
20	14060	Juvenile Justice & Delinq. Prevention	149,456,045	(7,754,573)	-	852,545	-	(92.50)	142,554,017
21	14100	DOA	61,078,651	(1,661,172)	-	1,946,018	200,000	(21.00)	61,563,497
22	14160	OSC	11,817,271	(293,403)	-	-	-	(2.00)	11,523,868
23	14222	DOT	14,486,443	(1,093,102)	-	-	-	-	13,393,341
24	14300	DENR	164,902,678	(7,687,823)	-	1,507,845	-	(32.54)	158,722,700
25	14301	DENR-Clean Water Mgmt.Trust	30,000,000	-	-	40,000,000	-	-	70,000,000
26	14410	DHHS-Central Mgmt.	45,649,860	(4,347,655)	-	6,706,500	-	(45.00)	48,008,705
27	14411	DHHS-Aging	29,825,449	(293,539)	-	-	-	(1.00)	29,531,910
28	14420	DHHS-Child Dev.	70,039,360	(1,655,285)	-	-	-	(16.00)	68,384,075
a		Smart Start	279,674,321	(59,000,000)	-	-	-	-	220,674,321
29	14424	DHHS-Education Services	77,290,419	(7,708,894)	-	-	-	(56.00)	69,581,525
30	14430	DHHS-Health Services	112,142,547	(6,534,225)	-	1,825,761	-	(12.59)	107,434,083
31	14440	DHHS-Social Services	200,021,408	(8,757,877)	-	3,500,000	-	(27.00)	194,763,531
32	14445	DHHS-Medical Assistance	2,234,048,385	(98,717,418)	-	84,115,925	-	(11.00)	2,219,446,892
33	14446	DHHS-NC Health Choice	24,987,142	-	-	12,500,000	-	-	37,487,142

Post-Legislative Budget Summary, 2001-2003

Appendix-Continued

Table 5B  
FY 2002-03  
General Fund Appropriation

Line No.	Budget Code	Department	Recurring	Reductions		Expansion		Position Changes	Final Appropriation
			Baseline Budget	Recurring	N/R	Recurring	N/R		
34	14450	DHHS-Blind & Deaf/HH	10,334,149	(166,034)	-	-	-	(2.00)	10,168,115
35	14460	DHHS-Mental/DD/SAS	582,879,191	(11,361,999)	-	9,551,435	-	(83.50)	581,068,627
36	14470	DHHS-Facility Services	16,584,502	(1,142,266)	-	-	-	(6.00)	15,442,236
37	14480	DHHS-Voc.Rehab.	41,827,726	(58,770)	-	320,000	-	(3.00)	42,088,956
38	14500	Correction	931,350,075	(19,746,574)	(1,000,000)	20,361,415	-	177.00	930,964,916
39	14600	Commerce	45,027,007	(1,467,935)	-	721,302	-	(6.75)	44,280,374
40	14601	Commerce-State Aid	16,196,251	(655,312)	-	1,020,278	-	-	16,561,217
41	14700	Revenue	76,967,284	(1,924,173)	-	2,912,593	-	40.00	77,955,704
42	14800	Cultural Resources	60,840,696	(1,413,277)	-	-	-	(9.00)	59,427,419
43	14802	Cultural Resources-Roanoke Isl.	1,907,245	(47,782)	-	-	-	-	1,859,463
44	14900	CC & PS	37,554,148	(9,494,583)	-	433,941	-	(229.00)	28,493,506
45	16010	UNC-GA	51,366,792	(10,090,779)	-	-	-	(20.85)	41,276,013
46	16011	UNC Institutional Prog.	11,884,496	-	-	29,963,258	-	(118.20)	41,847,754
47	16012	UNC Related Ed.Programs	100,411,702	-	-	3,226,210	-	-	103,637,912
48	16020	UNC-CH Academic	207,028,989	(6,909,457)	-	-	-	(3.00)	200,119,532
49	16021	UNC-CH Health Affairs	158,988,927	(2,818,824)	-	-	-	-	156,170,103
50	16022	UNC-CH Area Health Educa.	46,273,050	(200,714)	-	-	-	-	46,072,336
51	16030	NCSU-Academic	272,576,399	(6,715,218)	-	-	-	-	265,861,181
52	16031	NCSU-Agri.Research Svc.	48,203,264	(1,524,891)	-	-	-	-	46,678,373
53	16032	NCSU-Agri. Extension Svc.	38,694,580	(1,260,180)	-	-	-	-	37,434,400
54	16040	UNC-Greensboro	95,861,945	(2,539,417)	-	-	-	-	93,322,528
55	16050	UNC-Charlotte	98,241,440	(2,110,290)	-	-	-	-	96,131,150
56	16055	UNC-Asheville	26,158,475	(523,189)	-	-	-	-	25,635,286
57	16060	UNC-Wilmington	61,205,957	(1,269,598)	-	-	-	-	59,936,359
58	16065	ECU	124,457,165	(2,473,593)	-	-	-	-	121,983,572
59	16066	ECU-Health Services	47,050,741	(988,667)	-	-	-	-	46,062,074
60	16070	NCA&T	60,834,025	(1,321,257)	-	-	-	-	59,512,768
61	16075	Western Carolina	53,300,425	(1,144,118)	-	-	-	-	52,156,307
62	16080	Appalachian	87,222,766	(1,728,239)	-	-	-	-	85,494,527
63	16082	UNC-Pembroke	25,024,188	(491,319)	-	-	-	-	24,532,869
64	16084	Winston Salem State	29,127,220	(608,104)	-	-	-	-	28,519,116
65	16086	Elizabeth City State	22,075,248	(425,620)	-	-	-	-	21,649,628
66	16088	Fayetteville State	31,392,225	(595,654)	-	-	-	-	30,796,571
67	16090	NCCU	45,337,950	(956,598)	-	-	-	-	44,381,352
68	16092	NC School of Arts	17,064,222	(381,767)	-	-	-	-	16,682,455



Post-Legislative Budget Summary, 2001-2003

Appendix-Continued

Table 5B  
 FY 2002-03  
 General Fund Appropriation

Line No.	Budget Code	Department	Recurring	Reductions		Expansion		Position Changes	Final Appropriation
			Baseline Budget	Recurring	N/R	Recurring	N/R		
69	16094	NCSSM	11,839,342	-	-	-	-	-	11,839,342
70	16095	UNC-Hospitals	40,587,322	-	-	-	-	-	40,587,322
71		Total UNC	1,812,208,855	(47,077,493)	-	33,189,468	-	(142.05)	1,798,320,830
72	16800	Comm.Colleges	648,021,974	(16,684,736)	-	11,858,221	-	(7.00)	643,195,459
73	18025	St. Bd. Of Elections	3,271,453	(85,184)	-	-	-	-	3,186,269
74	18210	Office of Admin.Hearings	2,908,088	(112,933)	-	-	-	(2.00)	2,795,155
75	18300	Rules Review Comm.	334,085	(8,290)	-	-	-	-	325,795
76	19420	St.Treas.Gen.Debt Service	238,509,550	-	-	113,757,310	-	-	352,266,860
77	19425	St.Treas.Federal Debt Service	1,155,948	-	-	-	-	-	1,155,948
78		Total Operating Budget	14,710,785,940	(495,563,636)	(1,000,000)	415,919,042	355,000	(29.93)	14,630,496,346
79	19001	Contingency & Emergency	1,125,000.00	-	-	3,875,000	-	-	5,000,000
80	19003	Legislative Compensation Res.	-	-	-	193,842,000	-	-	193,842,000
81	19004	Salary Adjustment Reserve	500,000	-	-	-	-	-	500,000
82	19049	Trust Fund for MH/DD/SAS	-	-	-	-	-	-	-
83	19039	Reserve-HIPPA Implementation	-	-	-	-	-	-	-
84	19027	ITS Rate Reduction	-	(4,000,000)	-	-	-	-	(4,000,000)
85	19043	Health Plan Reserve	-	-	-	200,000,000	-	-	200,000,000
86	19047	Retirement Rate Adj. Reserve	-	(243,267,720)	-	-	-	-	(243,267,720)
87		Total G/F Operating Budget	14,712,410,940	(742,831,356)	(1,000,000)	813,636,042	355,000	(29.93)	14,782,570,626
88	19600	Capital Improvement	-	-	-	-	-	-	-
89		Total General Fund Budget	\$ 14,712,410,940	\$ (742,831,356)	\$ (1,000,000)	\$ 813,636,042	\$ 355,000	(29.93)	\$ 14,782,570,626

**Post-Legislative Budget Summary, 2001-03**  
**General Fund - Public Education**

**C. Appropriations by Department**

General Fund Continuation and expansion appropriations are listed by department in the following pages. They are grouped in the categories of education, general government, health and human services, justice and public safety, natural and economic resources, and other appropriations.

**Public Education**

Public education receives the largest state appropriation. For 2001-02 and 2002-03 the totals are \$5,922,505,768 and \$6,005,415,512, respectively. These appropriations, which include the appropriation for the public education compensation increase, represent 41.4% and 40.6% of the total General Fund operating budget for 2001-02 and 2002-03. The largest single factor affecting the level of funds appropriated to the Public School System was the number of students enrolled. The budgeted average daily membership (ADM) in grades K through 12 is 1,301,048 for 2001-02 and 1,318,170 for 2002-03, compared to the ADM of 1,288,556 budgeted for 2000-01.

The State Board of Education establishes policy for the general administration of the state's Public School System. The Superintendent of Public Instruction, elected to office for a four-year term, is the administrative head of the Department of Public Instruction and a member of the Council of State.

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	<b>Total Appropriations</b>				
	<b>2000-01 Authorized</b>	<b>2001-02 Certified</b>	<b>% Over 2000-01</b>	<b>2002-03 Certified</b>	<b>% Over 2001-02</b>
Requirements	\$ 6,441,340,507	\$ 6,529,184,860	1.4%	\$ 6,572,985,937	0.7%
Receipts	649,066,387	649,544,496	0.1%	650,797,391	0.2%
Appropriation	<u>\$ 5,792,274,120</u>	<u>\$ 5,879,640,364</u>	1.5%	<u>\$ 5,922,188,546</u>	0.7%
No. of Positions	492.77	467.77	(5.1)%	467.77	0.0%

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**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. One-Time Appropriations Removed</b>		
The following nonrecurring appropriations were removed from the budget:		
Compensation Bonus	\$ (31,531,018)	\$ (31,531,018)
Top of Salary Range Bonus	(32,607)	(32,607)
School Buses	(20,337,457)	(20,337,457)
School Leadership Pilot	(240,000)	(240,000)
Transportation	(7,000,000)	(7,000,000)
School Technology	(5,000,000)	(5,000,000)
Reserve for ADM Contingency	(500,000)	(500,000)
Total Appropriation	<u>\$ (64,641,082)</u>	<u>\$ (64,641,082)</u>
<b>2. One-Time Reductions Restored</b>		
The following nonrecurring reductions were restored in the budget:		
Death Benefit Contribution Rate	\$ 6,234,911	\$ 6,234,911
Retiree Health Premium Reserve	28,057,043	28,057,043
Teaching Fellows Scholarship/Loan Program	2,500,000	2,500,000
Prospective Teacher Scholarship/Loan Program	750,000	750,000
Total Appropriation	<u>\$ 37,541,954</u>	<u>\$ 37,541,954</u>
<b>3. Average Daily Membership (ADM) Adjustment</b>		
Positions, textbooks, instructional equipment and supplies allocated to the public schools were budgeted on the basis of average daily membership (ADM) of students in the classroom. The budgeted ADM for 2000-01 was 1,288,556. The budgeted ADM for 2001-02 and 2002-03 is shown in item number 4 which follows.		
Requirements	\$ 104,287,164	\$ 203,249,940
Receipts (Highway Fund/Driver's Ed. Appropriation)	<u>2,313,828</u>	<u>3,566,723</u>
	<u>\$ 101,973,336</u>	<u>\$ 199,683,217</u>

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>4. Revised Projection of Average Daily Membership</b>		
A revision was made to the projected Average Daily Membership calculation to eliminate the possibility of duplicating some students in projecting a local school administrative unit's average daily membership. This revised ADM adjustment reduces the ADM increases funded in item number three and is a more realistic estimate of future student populations. The budgeted ADM for 2001-02 is 1,301,048 and 1,318,170 for 2002-03. This represents an ADM increase of 12,492 for 2001-02 over the 2000-01 ADM and a 17,122 increase for 2002-03 over 2001-02.		
Number of Positions	\$ (20,199,068) (235.0)	\$ (16,227,221) (175.0)
<b>5. Average Salary Adjustment</b>		
An adjustment in the continuation budget was made for the average for public school personnel salaries based on the 6 <sup>th</sup> pay period for 2000-01. An additional average salary adjustment was made in item number six below.		
	(36,445,404)	(36,927,060)
<b>6. Revised Average Salary Adjustment</b>		
In addition to the annual continuation budget adjustment for the average budgeted salary for certified personnel, a more recent projection of certified personnel salaries from updated salary data was done. This review identified an additional reduction in the projected salary needs for 2001-02 and 2002-03.		
	(8,497,668)	(8,497,668)
<b>7. School Bus Replacement Funding</b>		
The replacement schedule for school buses was revised for 2001-02. With this adjustment, the total budget for school bus purchases is \$4,917,800 for 2001-02 and \$30,015,377 for 2002-03. The remaining school bus budget provides for the purchase of approximately 95 buses in 2001-02 and 570 buses in 2002-03.		
Appropriation – Nonrecurring	(23,915,892) NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<p>8. <b>Extra Pay for Forfeited Vacation Days</b>            Funds were appropriated in the Excellent Schools Act in 1997 to allow local boards of education the option of paying teachers for working on, and thereby forfeiting, a maximum of four annual vacation leave days per teacher per year in accordance with G.S. 115C-302.1(c).</p> <p>Funds have reverted from this funding category each year. The funding category was reduced to more closely reflect actual expenditures. After this reduction, the budget is \$4,750,000 annually.</p>	\$ (4,000,000)	\$ (4,000,000)
<p>9. <b>Mentor Pay</b>            A reduction was made for mentor pay for teachers who serve as mentors to first and second year teachers in North Carolina. This adjustment more accurately reflects the expenditures for mentor pay.</p> <p>A pilot program will be established to allow three local school administrative units to use funds allocated for mentors for full-time mentors. The pilot local school administrative units are Charlotte-Mecklenburg, Forsyth County and Wake County. (2001 Session Laws, Chapter 424, Sec. 28.18(a))</p>	(3,000,000)	(3,000,000)
<p>10. <b>Bus Driver Physicals</b>            Due to a delay by the Division of Motor Vehicles in implementing the requirement that school bus drivers must have a physical examination every two years, these funds were not needed. However, \$25,000 will remain in the continuation budget for the designated pilot projects in Caldwell, Halifax and Robeson county schools.</p>	(535,000)	(535,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>11. Transportation Inventory Adjustment</b>			
A one-time reduction was made due to large transportation inventories on June 30, 2000. These inventories include oil, tires and parts.			
Appropriation - Nonrecurring	\$ (4,000,000)	NR	\$ -
<b>12. School Bus Fuel Cost Adjustment</b>			
Based on a projected decline in the cost of diesel fuel, funding was reduced to reflect the anticipated lower diesel fuel costs for school buses.			
	(2,990,000)		(3,048,890)
<b>13. Classroom Material, Instructional Supplies and Equipment Adjustment</b>			
The inflationary increase for classroom materials, instructional supplies, and equipment was reduced from the 5% allowed in the continuation budget to 3%. This change was reflective of the Consumer Price Index.			
	(1,140,499)		(1,140,499)
<b>14. School Building Administration Reduction</b>			
The estimated number of new public schools opening in 2001-02 included in the continuation budget was 70. Revised estimates indicate that only 35 new public schools will open in 2001-02, requiring a reduction in the amount budgeted for new school administrators.			
	(2,338,140)		(2,338,140)
<b>15. School Safety Officer Reduction</b>			
Operating funds for 20 new high schools were budgeted in the 2001-02 continuation budget. However, recent projections indicated that only ten high schools will open in 2001-02. Therefore, the funding for school safety officers was reduced to reflect the more recent projection.			
	(529,732)		(529,732)

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>16. Charter School Reserve Adjustment</b>		
The Charter School Reserve is used to distribute the applicable State funding to charter schools whose students were not previously enrolled in public schools. Since the number of charter schools has reached the legislated maximum of 100, a reduction was made in this funding. Two million dollars remained in the Charter School Reserve for 2001-02 and one million dollars for 2002-03.		
	\$ (2,404,513)	\$ (3,404,513)
<b>17. Driver Education</b>		
Funds were reduced for Driver Education based on the revised Average Daily Membership. These funds are transferred from the Highway Fund for Driver Education.		
Requirements	\$ (1,830,739)	\$ (1,830,739)
Receipts	<u>(1,830,739)</u>	<u>(1,830,739)</u>
Appropriation	\$ -	\$ -
<b>18. Safety Assistance Teams</b>		
The 1997 Session of the General Assembly provided \$500,000 for safety assistance teams. School safety assistance teams were created to assist local schools in establishing a safe and orderly learning environment. The 2001 Session of the General Assembly eliminated funding for the Statewide School Safety Assistance Teams.		
	(500,000)	(500,000)
<b>19. Regional Education Service Alliances</b>		
Appropriations distributed to local school administrative units to support the Regional Education Service Alliances were reduced. Funding was reduced by 55.4%, leaving a recurring budget of three million dollars.		
	(3,732,100)	(3,732,100)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>20. Central Office Administration</b>		
The Central Office Administration category was reduced by 1.97% for each local school administrative unit. The State Board of Education was directed to develop a revised formula for 2002-03 that eliminates any permanent hold harmless in the allotment formula.	\$ (3,300,000)	\$ (3,300,000)
<b>21. Uniform Education and Reporting System (UERS)</b>		
The implementation schedule for the Window of Information into Student Education (NC WISE) of the Uniform Education and Reporting System (UERS) has been extended. A nonrecurring reduction in funding was made based on the delayed UERS implementation. The 2001-02 budget remaining after this reduction is \$12,518,927.		
Appropriation - Nonrecurring	(2,500,000) NR	-
<b>22. Department of Public Instruction Reduction</b>		
A reduction made in the Department of Public Instruction (DPI) eliminated at least 25 positions and reduced other costs. One million dollars was transferred from the UERS budget to DPI to reduce contractual costs by internalizing work on the new Uniform Education and Reporting System (NC WISE).		
25 identified positions	(\$ 942,344)	
Contracted Services	(\$1,502,269)	
Cellular Phones	(\$ 11,505)	
Equipment	(\$ 194,251)	

NR – Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Department of Public Instruction Reduction - Continued</b>		
Elimination of Standards		
Board	(\$ 175,041)	
Contracted Personal Services	(\$ 41,775)	
Travel	(\$ 195,503)	
Other Aid	(\$ 73,000)	
Printing	(\$ 24,506)	
Postage	(\$ 23,876)	
Dues and Subscriptions	(\$ 15,930)	
	\$ (3,200,000)	\$ (3,200,000)
Number of Positions	(25.0)	(25.0)
 23. <b>Vocational Education-Tech Prep</b>		
State funding was eliminated for the Tech Prep program. Federal funds will continue to support the program.	(100,000)	(100,000)
 24. <b>Non-Public School Agencies</b>		
Recurring funding was eliminated for the Advancement Via Individual Determination (AVID) program pilots (\$150,000). Other recurring funding was eliminated as follows: A+ Schools (\$400,000), ExplorNet (\$2,500,000), Total Quality Education (TQE) (\$400,000), Geographic Alliance (\$50,000), Cued Speech Center (\$73,750) and Global Curriculum (\$150,000).		
The following programs were reduced by ten percent. The amounts of the reductions are as follows: Schools Attuned (\$64,310), Public School Forum (\$42,056), Communities/Cities in Schools (\$75,000), NC Network (\$35,000) and Teacher Cadet Program (\$15,000).		

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Non-Public School Agencies - Continued</b>		
Nonrecurring budgets were funded with 50% of the original continuation budget amounts. These programs and nonrecurring funds are listed as follows: A+ Schools (\$200,000), ExplorNet (\$1,250,000), Total Quality Education (TQE) (\$200,000), Geographic Alliance (\$25,000), Cued Speech Center (\$36,875), and Global Curriculum (\$75,000).		
Appropriation - Recurring	\$ (3,955,116)	\$ (3,955,116)
Appropriation - Nonrecurring	1,786,875 NR	-

**Expansion Budget:**

**25. Targeted Elementary Schools**

The General Assembly appropriated funds to improve student performance at 36 high priority elementary schools. These funds will be used to provide the State’s lowest-performing elementary schools with the tools needed to improve student achievement. These targeted schools are schools with 80% or more of their students eligible for free or reduced lunch and with 45% or more of students performing below grade level.

**A. Class Size Reduction-Targeted Schools**

Additional teaching positions were funded to reduce the class size in grades K-3 to 1:15. These additional teachers were required to be assigned to teach in these grades. (2001 Session Laws, Chapter 424, Sec. 29.1(1))

Number of Positions	8,062,603	8,062,603
	179.6	179.6

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Targeted Elementary Schools - Continued</b>		
<b>B. Staff Development-Targeted Schools</b>		
Contract extensions will be given to all teachers assigned to the targeted schools for five days in 2001-02 and ten days in 2002-03. These days will be used for staff development in methods of individualized instruction in smaller classes. (2001 Session Laws, Chapter 424, Sec. 29.1(2))	\$ 973,455	\$ 2,334,930
<b>C. Instructional Support-Targeted Schools</b>		
Funding was provided for each of the targeted schools to have one additional instructional support position. (2001 Session Laws, Chapter 424, Sec. 29.1(3))	1,840,380	1,840,380
Number of Positions	37.0	37.0
<b>D. Reduce Teacher Assistants-Targeted Schools</b>		
Since the class size was reduced to 1:15 in these targeted schools, the allotment for teacher assistants in grades K-3 was eliminated.	(8,068,580)	(8,068,580)
<b>E. Program Evaluation-Targeted Schools</b>		
Funding was provided for evaluation of the targeted class size reduction initiatives.	500,000	500,000
<b>26. Kindergarten Class Size Reduction</b>		
Funds were provided to reduce the kindergarten class size allotment ratio to 1:19 in 2001-02 and to 1:18 in 2002-03. The original 2000-01 allotment ratio for Kindergarten was 1:20. (2001 Session Laws, Chapter 424, Sec. 28.44)	12,045,179	26,082,252
Number of Positions	268.5	581.0

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>27. Continually Low-Performing Schools</b>		
Continually low-performing schools are schools that have received State-mandated assistance as prescribed by the ABCs program and have been designated by the State Board of Education (SBE) as low performing for at least two of three consecutive years. For schools that have received State-mandated assistance for two consecutive years or for two of three consecutive years, a series of progressive assistance and intervention strategies will be provided to that school. These strategies will be designed to improve student achievement and to maintain student achievement at appropriate levels and may include assistance such as reductions in class size, extension of teachers' and assistant principals' contracts, extension of instructional year and grant-based assistance.		
<b>A. Elementary Class Size Reduction- Continually Low-Performing Schools</b>		
Funds were provided to reduce the class size in grades K-2 from 1:20 to 1:15, grade 3 from 1:22.23 to 1:15 and grades 4-5 from 1:22 to 1:17. (2001 Session Laws, Chapter 424, Sec. 29.5(1))	\$ 471,366	\$ 471,366
Number of Positions	10.5	10.5
<b>B. Middle and High Schools Class Size Reduction- Continually Low-Performing Schools</b>		
The class size for middle schools (Grades 6-8) that are continually low performing was reduced to 1:17. The class size for high schools was reduced to 1:20. The 2000-01 allotment ratios were 1:22 for grade 6; 1:21 for grades 7-8; 1:24.5 for grade 9; and 1:26.64 for grades 10-12. (2001 Session Laws, Chapter 424, Sec. 29.5(2))		
Number of Positions	1,207,595 26.9	1,207,595 26.9

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Expansion Budget:**

**2001-02**

**2002-03**

**Continually Low-Performing Schools - Continued**

**C. Staff Development - Continually Low-Performing Schools**

Appropriations were provided for contract extensions for all elementary, middle and high school teachers assigned to the Continually Low-Performing Schools. The contract extensions are for five days in 2001-02 for staff development. Middle and high school teachers' contracts will be extended an additional five days in 2002-03. (2001 Session Laws, Chapter 424, Sec. 29.5(3))

\$ 128,295

\$ 307,730

**28. Teacher Recruitment Initiatives**

Appropriations were provided for teacher recruitment and retention in the State's public schools. The funds will be used to expand the pool of qualified teachers and to provide recruitment and retention incentives to attract and retain high-quality teachers to low-performing school and schools with shortages of teachers in certain areas of certification. These areas include mathematics, science, and special education.

**A. Teacher Assistant Scholarships**

Additional scholarship funds were appropriated for teacher assistants who take community college courses that are prerequisites for teacher certification programs. (2001 Session Laws, Chapter 424, Sec. 29.2. (a)(1))

1,000,000

1,000,000

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>B. Middle and High School Teacher Bonuses -At-Risk Schools</b>		
Middle and high school teachers who teach mathematics, science and special education in schools with large numbers of at-risk students receive a bonus of \$1,800 with matching fringe benefits. These payments shall be made monthly. At-risk middle and high schools have 80% or more of their students eligible for free or reduced lunch and 50% or more of students performing below grade level. (2001 Session Laws, Chapter 424, Sec. 29.2.(a)(2))	\$ 1,500,000	\$ 1,500,000

**29. School-Based Incentive Awards Under the ABCs Program**

The ABCs initiative directs that each year a school must assure that the students receive a year's worth of education for a year of instruction. According to G.S. 115C-105.36, incentive awards are given when a school either meets or exceeds the projected levels of improvement in student performance. In accordance with the State Board of Education policy, incentive awards in schools that achieve higher than expected improvement may be up to \$1,500 for each teacher and certified personnel and \$500 for each teacher assistant.

In accordance with State Board of Education policy, incentive awards in schools that meet the expected improvements may be up to \$750 for each teacher and certified personnel, and \$375 for each teacher assistant. One-time funds in the amount of \$98 million were appropriated in the 1998 Short Session for those awards earned in the 1998-99 school year and awarded in July 1999. The 1999 General Assembly provided \$140 million for 1999-00 awards.

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>School-Based Incentive Awards Under the ABCs Program - Continued</b>			
The 2001 General Assembly provided one-time funding for the ABC bonuses for schools meeting or exceeding expected growth during the 2000-01 school year. (2001 Session Laws, Chapter 424, Sec. 28.8)			
Appropriation - Nonrecurring	\$ 93,100,000	NR	\$ -
30. <b>ABC Bonuses-Pilot Districts</b>			
One-time appropriations were provided for additional bonuses to school personnel in five pilot school districts. The pilot districts are Bladen, Craven, Forsyth, Mecklenburg and Pasquotank Counties. Under the pilot program, schools that achieve the pilot program goals will receive bonuses. The pilot will provide that all certified personnel assigned to the school would receive up to \$750 and teacher assistants up to \$325 in addition to the standard ABC bonuses. School districts that do not receive low wealth or small county supplemental funding must contribute 25% of the total cost of the bonuses.			
Appropriation - Nonrecurring	4,600,000	NR	-
31. <b>Character Education</b>			
Funding was provided to expand the character education program. These funds shall be used to develop a model character education curriculum for public schools. (2001 Session Laws, Chapter 424, Sec. 28.36)			
	200,000		200,000
32. <b>Children With Special Needs</b>			
Funding was increased for the headcount of children with special needs by \$37.98 to \$2,650.28 per child. (2001 Session Laws, Chapter 424, Sec. 28.2)			
	3,000,000		3,000,000

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<p>33. <b>Improving Student Accountability</b>            Funds were provided for additional instruction for students performing below grade level. Assistance will be provided to help students perform at or above grade level in reading and mathematics in grades 3-8 as measured by the State’s end-of-grade tests. These funds shall not revert at the end of the fiscal year but shall remain available until August 31 of the subsequent year. (2001 Session Laws, Chapter 424, Sec. 28.33)</p>	\$ 5,000,000	\$ 5,000,000
<p>34. <b>Limited English Proficiency (LEP)</b>            Additional funding was appropriated to serve students with limited English proficiency. The total 2001-02 funding to serve these students is \$23,037,655. (2001 Session Laws, Chapter 424, Sec. 28.9)</p>	1,000,000	1,000,000
<p>35. <b>Low-Wealth Funding</b>            Funds were provided for school districts in counties with less ability to generate local resources for public schools. (2001 Session Laws, Chapter 424, Sec. 28.6)</p>	4,000,000	4,000,000
<p>36. <b>Small County Funding</b>            Funds were appropriated to increase the funding to counties with fewer than 3,239 students (or 4,080 if the property tax base per student is lower than the state average). This will increase the base allotment to each eligible local school administrative unit by \$74,074. (2001 Session Laws, Chapter 424, Sec. 28.7)</p>	2,000,000	2,000,000
<p>37. <b>Instructional Supplies for Teachers</b>            Funds were appropriated to enable each classroom teacher to purchase a minimum of \$100 for instructional supplies for their classrooms. (2001 Session Laws, Chapter 424, Sec. 28.39)</p>		
Appropriation - Nonrecurring	4,100,000 NR	-

NR - Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<p>38. <b>School Accountability Report Cards</b>            In order to assist in making North Carolina's schools First in America by 2010, funding was provided to the Education Cabinet of the University of North Carolina to develop, design, publish and distribute school accountability report cards. The school accountability report cards will provide parents information on school performance and characteristics.</p>	\$ 200,000	\$ 200,000
<p>39. <b>Average Daily Membership Contingency Reserve</b>            Funds were provided to the State Board of Education to address transitional year funding for local school administrative units with new charter schools and for first month allotment adjustments to local school administrative units with higher than expected enrollment growth.</p>	500,000	500,000
<p>40. <b>NC WISE OWL's On-Line Subscriptions</b>            NC WISE OWL, operated by the North Carolina Department of Public Instruction, offers on-line resources (periodicals, encyclopedia, etc.) for K-12 teachers and students. Federal resources that covered the subscription cost will not be available. The Department of Public Instruction will work collaboratively with the Department of Cultural Resources and report to the Joint Information Technology Appropriations Sub Committee by March 15, 2002 as to the feasibility of merging NC WISE OWL and NC LIVE (which also offers on-line subscription services). (2001 Session Laws, Chapter 424, Sec. 28.40)</p>	628,000	628,000

**Post-Legislative Budget Summary, 2001-03  
General Fund – Public Education – Continued**

**Expansion Budget:**

2001-02

2002-03

**41. Salary Increases- Teachers, Principals and Assistant Principals**

Funding for an average 2.86% salary increase for teachers and certified instructional support personnel and 2.93% for principals and assistant principals, effective July 1, 2001, was appropriated for these state funded positions. The increase for certified instructional support personnel applies to certified psychologist, social workers, counselors, librarians, media coordinators, and school nurses. (2001 Session Laws, Chapter 424, Sec. 28.11 and 28.13)

**42. Salary Increases – Other Public School Employees**

Funds were appropriated for a \$625 salary increase (effective July 1, 2001) for all other public school employees not paid from the teacher or principal salary schedules. This includes certified non-teaching positions in central office administration (superintendents and school administrators) and non-certified employees, such as finance officers, clerical workers, teacher assistants, custodians, bus drivers, bus mechanics, and maintenance supervisors. (2001 Session Laws, Chapter 424, Sec. 28.14 and 28.15)

**Other Provisions:**

**43. Litigation Reserve**

Effective June 30, 2001, funds in the State Board of Education's Litigation Reserve that were not expended or encumbered on June 30, 2001, shall not revert on July 1, 2001, but shall remain available for expenditure until June 30, 2002. (2001 Session Laws, Chapter 424, Sec. 28.1.(a))

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Other Provisions – Continued:**

2001-02

2002-03

**Litigation Reserve – Continued**

The State Board of Education may expend up to \$500,000 for 2001-02 from unexpended certified employee salary funds to pay expenses related to pending litigation. (2001 Session Laws, Chapter 424, Sec. 28.1(c))

44. **Alternative Schools/At-Risk Students**

The State Board of Education may use up to \$200,000 of funds in the Alternative Schools/At Risk Student allotment each year in 2001-02 and 2002-03. These funds may be used by the department to develop policies and guidelines for alternative learning programs, provide technical assistance on implementation of programs and evaluate programs. (2001 Session Laws, Chapter 424, Sec. 28.4)

45. **Low Wealth Transition Funds**

For 2001-02 only, the State Board of Education may allocate funds from the Average Daily Membership Contingency Reserve to local school administrative units in which low-wealth supplemental funding decreased by more than \$1,000,000 from the 2000-01 allotment. These allocations shall not exceed 60% of the decrease in funding of each such local school administrative unit. If the balance of funds in the Average Daily Membership Contingency Reserve is insufficient to cover these supplemental allocations, the State Board may allocate funds from State Aid to Local School Administrative Units for this purpose. (2001 Session Laws, Chapter 424, Sec. 28.46)

46. **Uniform Education Reporting System (UERS)**

Funds appropriated for the Uniform Education Reporting System, NC WISE, shall not revert at the end of 2001-02 and 2002-03, but shall remain available until expended. (2001 Session Laws, Chapter 424, Sec. 28.5)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Public Education – Continued**

**Other Provisions – Continued:**

	<u>2001-02</u>	<u>2002-03</u>
<p>47. <b>Expenditures for Driving Education Certificates</b> The State Board of Education may use funds appropriated for driver’s education for 2001-02 and 2002-03 for driving eligibility certificates. (2001 Session Laws, Chapter 424, Sec. 28.10)</p>		
<p>48. <b>High School Exit Exams</b> Of the funds appropriated for State Aid to Local School Administrative Units, the State Board of Education may use up to \$3,000,000 for 2001-02 to: (1) continue to develop a high school exit examination; (2) purchase equipment for scoring tests, including the new computer adaptive exam for eligible students with disabilities; and (3) revise the reading and writing assessments. (2001 Session Laws, Chapter 424, Sec. 28.16)</p>		
<p>49. <b>Funds for Testing and Implementation of the New Student Information System</b> The State Board of Education may transfer up to \$1,000,000 of funds appropriated for the Uniform Education Reporting System for 2001-02 to the Department of Public Instruction to lease or purchase equipment necessary for testing and implementation of NC WISE, the new student information system for public schools. (2001 Session Laws, Chapter 424, Sec. 28.32)</p>		
<p>50. <b>Teacher Recruitment Initiatives</b> The State Board of Education may use up to \$200,000 of the funds appropriated for State Aid to Local School Administrative Units for 2001-02 and 2002-03 to enable teachers who received National Board for Professional Teaching Standards certification or who have otherwise received special recognition to advise the State Board of Education on teacher recruitment and other strategic priorities of the Board. (2001 Session Laws, Chapter 424, Sec. 28.43)</p>		

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges**

**Community Colleges**

The mission of the North Carolina Community College System has been defined in the North Carolina General Statutes (G.S. 115D) as the establishment, organization, and administration of a system of educational institutions throughout the state offering courses of instruction in one or more of the general areas of two-year college parallel, technical, vocational, and adult education programs.

The law further states that the major purpose of each and every institution operating under the provisions of this chapter shall be and shall continue to be the offering of vocational and technical education and training, and of basic, high school level academic education needed in order to profit from vocational and technical education, for students who are high school graduates or who are beyond the compulsory age limit of the public school system and who have left the public schools.

The working mission statement of the North Carolina Community College System is to open the door to opportunity for adults seeking to improve their lives and well being by providing education and training for the workforce. This training includes basic skills and literacy education, occupational and pre-baccalaureate programs, and support for economic development through services to business and industry, and services to communities which improve the quality of life.

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	<b>Total Appropriations</b>				
	<b>2000-01</b>	<b>2001-02</b>	<b>% Over</b>	<b>2002-03</b>	<b>% Over</b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 777,109,719	\$ 785,329,611	1.1%	\$ 784,829,611	(0.1%)
Receipts	<u>133,077,347</u>	<u>141,634,152</u>	6.4%	<u>141,634,152</u>	0.0%
Appropriation	<u>\$ 644,032,372</u>	<u>\$ 643,695,459</u>	(0.1%)	<u>\$ 643,195,459</u>	(0.1%)
No. of Positions	<u>182.50</u>	<u>178.50</u>	(2.2%)	<u>178.50</u>	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. One-Time Appropriations Removed</b>		
The following nonrecurring appropriation was removed from the continuation budget:		
Compensation Bonus	\$ (7,114,433)	\$ (7,144,433)
<b>2. One-Time Reductions Restored</b>		
The following nonrecurring reductions were restored in the continuation budget:		
Death Benefit Contribution Rate	740,692	740,692
Retiree Health Premium Reserve	3,333,118	3,333,118
New and Expanding Industry Training	500,000	500,000
Educational Equipment	1,020,225	1,020,225
State Board Reserve	100,000	100,000
Need-Based Financial Aid Fund Balance	1,000,000	1,000,000
Management Information System	2,000,000	2,000,000
Hurricane Floyd Hold Harmless	<u>(1,800,000)</u>	<u>(1,800,000)</u>
Total Requirements	\$ 6,894,035	\$ 6,894,035
Hurricane Floyd Hold Harmless	(1,800,000)	(1,800,000)
Overrealized Tuition and Fee Receipts	(2,000,000)	(2,000,000)
Scholarship Reserve Fund Balance	<u>(410,000)</u>	<u>(410,000)</u>
Total Receipts	(4,210,000)	(4,210,000)
Total Appropriation	<u>\$ 11,104,035</u>	<u>\$ 11,104,035</u>
<b>3. System Office Operating Efficiencies</b>		
Two vacant library clerk positions and library ordering and receiving services were eliminated from the System Office for a reduction of \$59,543. The colleges will be responsible for ordering and receiving their library materials. Additional reductions were: one vacant educational consultant position and operating expenses totaling \$64,432; one vacant position in the Office of the President totaling \$23,396; and System Office operating expenses totaling \$50,552.		
Number of Positions	(197,923)	(197,923)
	(4.0)	(4.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Continuation Budget:**

	<u>2001-02</u>		<u>2002-03</u>
4. <b>Private Diploma Nursing Subsidy Eliminated</b> A recurring \$200,000 subsidy for hospital-based diploma nursing programs, which are fully accredited by the NC Board of Nursing and operate under the authority of a public or nonprofit hospital licensed by the NC Medical Care Commission, was eliminated. A nonrecurring appropriation of \$200,000 was provided for these programs in 2001-02. Appropriation - Nonrecurring	\$ (200,000)		\$ (200,000)
	200,000	NR	-
5. <b>Trustees' Association Educational Materials Eliminated</b> The appropriation for educational materials for the Trustees' Association was eliminated.	(25,000)		(25,000)
6. <b>State Board Reserve</b> The State Board Reserve is limited by statute to funding feasibility studies, pilot projects, start-up of new programs, and innovative ideas. The State Board Reserve budget was reduced from \$1,150,000 to \$800,000. The State Board of Community Colleges shall use \$100,000 of State Board Reserve funds to assist small, rural, low-wealth community colleges with operation and maintenance of plant costs. (2001 Session Laws, Chapter 424, Sec. 30.9)	(350,000)		(350,000)

**College Reductions**

7. <b>Compensatory Education</b> The Compensatory Education Program provides instruction for adults with mental retardation. The appropriation for Compensatory Education was reduced from \$1,150,537 to \$1,000,000.	(150,537)		(150,537)
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NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
8. <b>Worker’s Compensation</b> The appropriation for Worker’s Compensation was reduced from \$976,629 to \$703,702 to reflect actual expenditures.	\$ (272,927)	\$ (272,927)
9. <b>Unemployment Compensation</b> The appropriation for Unemployment Compensation was reduced from \$521,766 to \$440,751 to reflect actual expenditures.	(81,015)	(81,015)
10. <b>Liability Insurance</b> The appropriation for Liability Insurance was reduced from \$53,000 to \$33,000 to match actual expenditures.	(20,000)	(20,000)
11. <b>Priority Programs Eliminated</b> Since Priority Programs funds were intended to supplement federal funds that are no longer available, the Priority Programs appropriation was eliminated.	(43,812)	(43,812)
12. <b>Human Resource Development Reorganization</b> The Human Resources Development (HRD) program is an intensive program to recruit, train, or place in employment unemployed or underemployed adults. The appropriation for HRD was reduced from \$6,951,895 to \$4,000,000. The program will be reorganized and the classes will be offered as Occupational Continuing Education classes. Tuition and fees for these classes may be waived for individuals who: (1) are unemployed, (2) have received notification of a pending layoff, (3) are eligible for the Federal Earned Income Tax Credit, or (4) are earning wages below 200% of federal poverty guidelines. The State Board may adopt temporary rules to implement the reorganization and shall report the reorganization to the Joint Legislative Education Oversight Committee by January 1, 2003. (2001 Session Laws, Chapter 424, Sec. 30.3)	(2,951,895)	(2,951,895)



**Post-Legislative Budget Summary, 2001-03  
General Fund – Community Colleges - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>College Reductions – Continued</b>		
<b>13. Special Allotments – High Cost Programs</b>		
Since 1982, training programs in areas which require extensive in-house and on-the-job training, have been identified as high cost programs and have been eligible for special allotments. Special Allotment funds for high cost programs at Haywood (saw mill and robotics), Caldwell (truck driving), Johnston (truck driving), Wilson Technical (heavy equipment), and Cape Fear (marine technology) Community Colleges were reduced from \$2,244,332 to \$1,683,249.	\$ (561,083)	\$ (561,083)
<b>14. Community Service Block Grant</b>		
The Community Service Block Grant appropriation for hobby/leisure courses was reduced from \$1,817,738 to \$1,500,000. Colleges are directed to make every effort to ensure that this reduction does not result in a lessening of senior services.	(317,738)	(317,738)
<b>15. Criminal Justice Reorganization</b>		
The Criminal Justice Regional Planning and Training Program budget was reduced from \$689,896 to \$339,896 and was reduced from six regions to three regions. The Community Colleges System Office will determine the three regions to be eliminated.	(350,000)	(350,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>16. Overrealized Receipts</b>		
The budgeted amount for tuition and fees was increased to more accurately reflect anticipated receipts.		
Requirements	\$ -	\$ -
Receipts	<u>1,000,000</u>	<u>1,000,000</u>
Appropriation	\$ (1,000,000)	\$ (1,000,000)

**Expansion Budget:**

<b>17. Enrollment Changes</b>		
Funds were appropriated for the estimated 2,638 increase in full time equivalent (FTE) students above the 2000-01 budgeted enrollment of 151,348 FTE. The 2001-02 budgeted enrollment is 153,986 FTE, a 1.74% increase. It is estimated that there will be 2,788 additional FTE enrolled in Curriculum Programs, a 2.37% increase; 753 fewer FTE enrolled in Continuing Education Programs or a decrease of 4.03%; and an increase of 603 FTE enrolled in Basic Skills Programs, a 3.98% increase.		
Requirements	\$ 11,603,999	\$ 11,603,999
Receipts	<u>1,603,999</u>	<u>1,603,999</u>
Appropriation	\$ 10,000,000	\$ 10,000,000
<b>18. Other Cost Inflationary Adjustment</b>		
A 2% inflationary adjustment was provided to increase the funding formula for “Other Costs” from \$175 per FTE to \$178.50 per FTE. Colleges use “other cost” funds for operating expenses such as instructional supplies, advertising/recruitment materials, postage, travel, and printing and binding.		
	521,206	521,206

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>19. Maintenance of Plant</b>		
In accordance with G.S. 115D-31.2, any community college that has an out-of-county student head count served on the main campus of the college in excess of 50% of the total student head count shall be provided funds for the purpose of maintenance of plant. The appropriation for maintenance of plant was increased from \$513,668 to \$787,877. The purpose of this increase was to hold harmless the three colleges (College of the Albemarle, Southwestern, and Central Carolina Community Colleges) that had been receiving maintenance of plant funds when Mayland and Vance-Granville Community Colleges became eligible for funding. The 2001 Session of the General Assembly modified G.S. 115D-31.2 to allow each college that qualified for maintenance of plant funds to receive a pro rata amount of the funds appropriated for that purpose. (2001 Session Laws, Chapter 424, Sec. 30.13)	\$ 274,209	\$ 274,209
<b>20. Fayetteville Tech Botanical Laboratory Funds</b>		
A nonrecurring grant-in-aid was provided for Fayetteville Technical Community College to develop a regional botanical laboratory in partnership with the Cape Fear Botanical Garden.		
Appropriation – Nonrecurring	300,000 NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>21. Curriculum Tuition</b>		
The Curriculum tuition charge for resident students was increased 12.71% with an equivalent dollar increase for nonresidents. For 2001-02, resident tuition increased by \$3.50 from \$27.50 to \$31.00 per semester credit hour. Resident tuition was last increased by \$0.75 per semester credit hour in 2000-01. For 2001-02, nonresident tuition increased by \$3.50 from \$169.75 to \$173.25 per semester credit hour. Nonresident tuition was last increased by \$6.75 per semester credit hour in 1999-00. It is anticipated that for most students, federal and state financial assistance programs will offset this increase.		
Requirements	\$ -	\$ -
Receipts	<u>10,162,806</u>	<u>10,162,806</u>
Appropriation	\$ (10,162,806)	\$ (10,162,806)
<b>22. Need-Based Financial Aid</b>		
In 1999 the General Assembly appropriated \$5,000,000 on a recurring basis for a North Carolina Community College System need-based financial aid program. Grants are targeted to students with federal Pell grants less than the cost of attendance and with an estimated income tax liability too low for the student to be eligible for the federal tax credit. In addition, the 2001 Session of the General Assembly codified the financial aid program (G.S. 115D-40.1), which also allows up to 10% of the appropriation to be targeted to students who matriculate in low-enrollment programs that prepare students for high-demand occupations. The appropriation for need-based financial aid was increased from \$5,000,000 to \$6,062,806.		
	1,062,806	1,062,806

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Expansion Budget:**

2001-02

2002-03

**23. Faculty and Professional Staff Salary**

**Enhancements**

A December 2000 study by the North Carolina Community College System benchmarked the average community college faculty salary and average professional staff salary against national averages. The study concluded that North Carolina's community college faculty and professional staff salaries are not competitive with national comparison groups. In an effort to attract and retain highly qualified and experienced community college faculty and professional staff, \$6.9 million in recurring funds was provided in the Compensation Reserves for an approximate 1.25% salary increase for community college faculty and professional staff. This salary increase is in addition to the salary increase (\$625) received by all community college personnel.

**24. Salary Increase**

Funding for an average \$625 salary increase effective July 1, 2001, was appropriated for all community college personnel supported from state funds. (2001 Session Laws, Chapter 424, Sec. 32.11)

**Other Provisions:**

**25. Community College Funding Flexibility**

The 1999 Session of the General Assembly expressed its intent that the formula salary line item be used to enhance salaries by requiring that no more than 2% systemwide may be transferred from faculty salaries without the approval of the State Board of Community Colleges. This restriction was continued for the 2001-03 biennium. (2001 Session Laws, Chapter 424, Sec. 30.1)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Community Colleges - Continued**

**Other Provisions:**

**2001-02**

**2002-03**

**26. Transfers to the New and Expanding Industry Training Program**

After consultation with the Joint Legislative Commission on Governmental Operations, the Director of the Budget may transfer funds from any agency or program funded from the General Fund to the New and Expanding Industry Training Program during the 2001-03 biennium. (2001 Session Laws, Chapter 424, Sec. 30.2)

**27. Management Information System Funds**

Management Information System funds shall not revert at the end of the 2001-02 and 2002-03 fiscal years and shall remain available until expended. (2001 Session Laws, Chapter 424, Sec. 30.4)

**28. Employment Security Commission Funds**

Funds were appropriated to the Community Colleges System Office from the Employment Security Commission Training and Employment Account established by G.S. 96-6.1. The appropriation provided \$19,154,298 for Equipment, \$400,000 for Regional and Cooperative Initiatives, \$7,000,000 for the New and Expanding Industry Training Program, and \$1,500,000 for the Focused Industrial Training Program. The 2001 General Assembly rewrote G.S. 96-6.1(a) to require that the training and reemployment contribution does not apply in a calendar year if: (1) as of August 1 of the preceding year, the amount in the Unemployment Insurance Fund equals or is less than \$900 million, or (2) if at any time during the 12 months preceding August 1, the State unemployment rate rises above 4.3%. Session Law 1999-321 was rewritten by the 2001 General Assembly to extend the repeal date of G.S. 96-6.1 from January 1, 2002 to January 2006. (2001 Session Laws, Chapter 424, Sec. 30.5)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Other Provisions :**

2001-02

2002-03

29. **Realignment of Accounts**

State Aid accounts 536938 through 536941 (administrative and institutional support line items for the base and enrollment formula allocations) shall be consolidated into a single State Aid account for Institutional and Academic Support. (2001 Session Laws, Chapter 424, Sec. 30.7)

30. **Consolidate Workforce Development Programs**

The Bureau of Training Initiatives and the Apprenticeship program are transferred from the North Carolina Department of Labor to the North Carolina Community College System by a Type I transfer as defined in G.S. 143A-6. (2001 Session Laws, Chapter 424, Sec. 30.10)

31. **Transfer of Cash Balances**

In 1999, the General Assembly eliminated an interest only scholarship reserve that was not generating enough financial aid resources for the North Carolina Community College System and replaced it with a need-based financial aid program with a direct \$5 million recurring appropriation. A balance remained in the interest only scholarship program due to accumulated interest earnings. The balance remaining in the interest only scholarship reserve Budget Code 66800, Fund 6101 (entitled DCC Scholarships) shall be transferred to the need-based financial aid program Budget Code 66800, Fund 6102 (entitled CCS Financial Assistance) to support the Need Based Financial Aid program. (2001 Session Laws, Chapter 424, Sec. 30.11)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Community Colleges - Continued**

**Other Provisions:**

	<u>2001-02</u>	<u>2002-03</u>
32. <b>Asheville-Buncombe Funds Do Not Revert</b> Funds appropriated to Asheville-Buncombe Technical Community College in S.L. 1999-237 for the Small Business Center shall not revert at the end of 2000-01, but shall remain available for expenditure in the 2001-02 fiscal year. (2001 Session Laws, Chapter 424, Sec. 30.12)		
33. <b>Focused Industrial Training</b> The State Board of Community Colleges may use up to \$100,000 of the Focused Industrial Training appropriation each year of the 2001-03 biennium to pay registration fees and material costs for Occupational Continuing Education or Focused Industrial Training safety courses. (2001 Session Laws, Chapter 424, Sec. 30.13)		



**Post-Legislative Budget Summary, 2001-03  
General Fund – University of North Carolina**

**University of North Carolina**

The University of North Carolina is a public, multi-campus university dedicated to the service of North Carolina and its people. It encompasses the 16 diverse constituent institutions and other educational, research, and public service organizations. Each shares in the overall mission of the university. That mission is to discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission is accomplished through instruction, which communicates the 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. In the fulfillment of this mission, the university seeks an efficient use of available resources to ensure the highest quality in its service to the citizens of the state. Teaching and learning constitute the primary service that the university renders to society. Teaching, or instruction, is the primary responsibility of each of the constituent institutions. The relative importance of research and public service, which enhance teaching and learning, varies among the constituent institutions, depending on their overall missions.

The Board of Governors is responsible for the 16 constituent institutions of The University of North Carolina system, the UNC Health Care System, UNC General Administration (including the Center for Public Television), agricultural research and extension programs, certain related educational programs (Aid to Students Attending Private Colleges, Aid to Private Medical Schools, Southern Regional Education Board contracts, etc.) and the North Carolina School of Science and Mathematics.

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<b>Total Appropriations</b>					
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 2,344,083,614	\$ 2,325,699,951	(0.8%)	\$ 2,334,085,006	0.4%
Receipts	<u>542,014,340</u>	<u>535,764,176</u>	(1.2%)	<u>535,764,176</u>	0.0%
Appropriation	<u>\$ 1,802,069,274</u>	<u>\$ 1,789,935,775</u>	(0.7%)	<u>\$ 1,798,320,830</u>	0.5%
No. of Positions	<u>27,918.69</u>	<u>28,210.68</u>	1.0%	<u>28,403.68</u>	0.7%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. One-Time Appropriations Removed</b>		
The following one time appropriations were removed from the continuation budget:		
Compensation Bonus	\$ (11,882,603)	\$ (11,882,603)
Top of the Salary Range Bonus	(934,318)	(934,318)
Model Teacher Consortium	(500,000)	(500,000)
Education Cabinet	(500,000)	(500,000)
Achievement Gap	(500,000)	(500,000)
Piedmont Triad Center for Applied Manufacturing	(250,000)	(250,000)
Chinqua-Penn Plantation	<u>(100,000)</u>	<u>(100,000)</u>
Total Appropriation	\$ (14,666,921)	\$ (14,666,921)
<b>2. One Time Reductions Restored</b>		
The following one time reductions were restored in the continuation budget:		
Death Benefit Contribution Rate	\$ 1,412,999	\$ 1,412,999
Retiree Health Premium Reserve	<u>8,816,994</u>	<u>8,816,994</u>
Total Appropriation	\$ 10,229,993	\$ 10,229,993
<b>3. Reserves for Operating New Facilities</b>		
Funds were appropriated for operation and maintenance costs of new facilities in the UNC system that will be completed during the 2001-03 biennium.	5,891,454	13,176,509
<b>4. Transfers Between Departments</b>		
<b>A. Transfer Center for Ergonomics</b>		
Section 10.10 of Session Laws 2000-67 directed that \$500,000 be transferred from the Department of Labor to the Board of Governors of the University of North Carolina in the continuation budget process. The funds for the Center for Ergonomics were reflected in the continuation budget for North Carolina State University in the 2001-03 biennium.	500,000	500,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Transfers Between Departments - Continued</b>		
<b>B. Transfer Biotechnology Funds</b>		
Since 1993-94, funds have been appropriated to the North Carolina Biotechnology Center to provide biotechnology grants for six constituent institutions (Elizabeth City State University, Fayetteville State University, North Carolina Central University, North Carolina A & T State University, UNC–Pembroke, and Winston-Salem State University).		
 The primary objective of the Biotechnology Initiative for Minority Universities is to help these institutions develop their biotechnology programs to ensure that North Carolina has a trained workforce for the new jobs being created in the biotechnology industry. Development of biotechnology programs includes efforts to design curricula and courses, train faculty, acquire lab equipment, develop instructional materials, and recruit students. The emphasis is on developing immediate educational capacity as well as long-term program needs. Appropriations for the biotechnology grants were transferred from the North Carolina Biotechnology Center budget to the continuation budget of each of the six campuses in the amount of \$150,000 per campus. The North Carolina Biotechnology Center budget was reduced accordingly.		
	\$ 900,000	\$ 900,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

**Campus Reductions**

	<u>2001-02</u>	<u>2002-03</u>
5. <b>Temporary Wages and Membership Dues</b> Funds were reduced by \$2,500,000 for temporary wages and membership dues at the 16 constituent institutions.	\$ (2,500,000)	\$ (2,500,000)
6. <b>Community Services/General Support</b> Funds were reduced by \$1,500,000 for Community Services/General Academic Support for the 16 constituent institutions.	(1,500,000)	(1,500,000)
7. <b>Reduction in SPA Positions</b> SPA positions were reduced by 2.8% at the 16 constituent institutions. Number of Positions	(10,694,131) (359.6)	(10,694,131) (359.6)
8. <b>Reduction in EPA Non-Teaching Positions</b> EPA non-teaching positions were reduced by 2.8% at the 16 constituent institutions. Number of Positions	(5,902,497) (95.2)	(5,902,497) (95.2)
9. <b>Reductions in Various Modified Zero Based Budget Items</b> The budgets of the 16 constituent institutions were reduced by an average of 5% for the following modified zero based budget items: miscellaneous contractual services, rental/lease of equipment, travel, cellular phones, furniture and equipment, and other aids and grants.	(5,726,311)	(5,726,311)
10. <b>Private Funding for Selected Summer School Research in Lieu of State Appropriation</b> A portion of state appropriation for summer research was reduced by \$500,000 each at NCSU and UNC-CH for a total reduction of \$1,000,000 and substituted with private funds. Each campus is responsible for the selection of which faculty and summer research will be funded with these private funds.	(1,000,000)	(1,000,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

**Campus Reductions - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>11. Continuing Education Receipts</b>		
The budgeted amount for receipts generated through continuing education programs at UNC-CH Health Affairs was increased by ten percent from \$3,787,759 to \$4,166,534 to more accurately reflect anticipated receipts.		
Requirements	\$ -	\$ -
Receipts	<u>378,775</u>	<u>378,775</u>
Appropriation	\$ (378,775)	\$ (378,775)
<b>12. Center for Alcohol Studies Endowment</b>		
A nonrecurring reduction was taken for the Center for Alcohol Studies Endowment at UNC-CH Health Affairs.		
Appropriation – Nonrecurring	(250,000) NR	-
<b>13. Institute of Southern Politics, Media, and Public Life</b>		
Funds appropriated for the Institute of Southern Politics, Media, and Public Life were eliminated, but UNC-CH can continue this program through the use of other state funds or through other sources of funds.		
Number of Positions	(225,000) (2.0)	(225,000) (2.0)
<b>14. Institute for Outdoor Drama</b>		
The funding for the Director of Communications position at the Institute for Outdoor Drama at UNC-CH was eliminated.		
Number of Positions	(60,000) (1.0)	(60,000) (1.0)
<b>15. Administrative Efficiencies Reduction</b>		
A reduction in appropriations was made to the University system. This reduction was achieved by directing the system to find additional administrative efficiencies.	(5,000,000)	(5,000,000)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

**Campus Reductions - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>16. Reduction in Travel</b>		
A reduction in appropriations for travel expenses was made to the UNC system.	\$ (1,000,000)	\$ (1,000,000)

**UNC-General Administration Reductions**

**17. Reduce Various Modified Zero Based Budget Items**

Funds appropriated for the following line items were reduced by ten percent:

Miscellaneous Contractual Service	\$ (535,732)	\$ (535,732)
Rental/Lease of Equipment	(13,363)	(13,363)
Travel	(91,957)	(91,957)
Cellular Phones	(3,347)	(3,347)
Furniture and Equipment Replacement	<u>(105,726)</u>	<u>(105,726)</u>
Total Appropriation	\$ (750,125)	\$ (750,125)

**18. Reduce EDP Equipment**

Funds appropriated for electronic data processing equipment infrastructure replacement efforts at UNC-General Administration were reduced.

(80,000)	(80,000)
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**19. Board of Governors Meetings**

In their meeting on April 12, 2001, the UNC Board of Governors voted to reduce the number of times it meets during the year from ten to eight. Funds appropriated for the Board of Governor's meetings were reduced to reflect the reduction in meeting costs.

(30,800)	(30,800)
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**20. MCNC Contract**

The appropriation for the use of the Microelectronics Center for North Carolina (MCNC), paid by UNC-General Administration, was reduced by \$5,000,000. The remaining General Fund appropriation to MCNC is \$8,359,429. MCNC may also charge a fee for service to UNC institutions for MCNC usage.

(5,000,000)	(5,000,000)
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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

**UNC-General Administration Reductions - Continued**

	<b>2001-02</b>	<b>2002-03</b>
<b>21. Litigation Contract</b>		
The funding for UNC–General Administration’s litigation contract with the Department of Justice was eliminated. UNC-General Administration is still required to maintain the contract and reimburse the Department of Justice for legal services.	\$ (200,000)	\$ (200,000)
<b>22. SPA Position Reductions</b>		
Funding for SPA positions in UNC-General Administration was reduced by 5%.	(422,345)	(422,345)
Number of Positions	(11.5)	(11.5)
<b>23. EPA Non-Teaching Position Reductions</b>		
Funding for EPA non-teaching staff positions in UNC-General Administration was reduced by 5%.	(541,925)	(541,925)
Number of Positions	(5.3)	(5.3)
<b>24. Center for School Leadership Development Administrative Overhead</b>		
The administrative overhead in the Center for School Leadership Development’s central office was eliminated.	(166,791)	(166,791)
Number of Positions	(1.6)	(1.6)
<b>25. Center for School Leadership Development Office Consolidation</b>		
Savings were achieved from the consolidation of offices for the programs under the Center for School Leadership Development. These programs include the North Carolina Center for the Advancement of Teaching, the North Carolina Teacher Academy, the North Carolina Model Teacher Education Consortium, the Math Science Education Network, the Principal Executive Program, and the Principal Fellows Program.	(100,000)	(100,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

**UNC-General Administration Reductions - Continued**

	<b>2001-02</b>	<b>2002-03</b>
<p>26. <b>Center for School Leadership Development Office Reduction in Programs</b>                      The appropriation for all programs under the Center for School Leadership Development was reduced. These programs include the North Carolina Center for the Advancement of Teaching, the North Carolina Teacher Academy, the North Carolina Model Teacher Education Consortium, the Math Science Education Network, the Principal’s Executive Program, and the Principal Fellows Program.</p>	\$ (833,315)	\$ (833,315)
<p>27. <b>Teacher Academy</b>                      Funding for the Teacher Academy was reduced.</p>	(533,396)	(533,396)
<p>28. <b>Reallocation of funds from the Model Teacher Education Consortium</b>                      A portion of the appropriation for the Model Teacher Education Consortium was reallocated to a more comprehensive method of delivering program goals.</p>	(822,082)	(822,082)
Number of Positions	(2.5)	(2.5)
<p>29. <b>Matching Incentive Funds</b>                      Matching Incentive funds for staff development in K-16 programs were reduced.</p>	(350,000)	(350,000)
<p>30. <b>Lighthouse Schools</b>                      The appropriation for the Lighthouse Schools program under the Center for School Leadership Development was eliminated.</p>	(260,000)	(260,000)



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Continuation Budget:**

**UNC-General Administration Reductions - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>31. Strategic Initiatives Reserve</b>		
The appropriation for the UNC system President’s Strategic Initiatives Reserve, used to fund special projects, was reduced for one year. In 2000-01, the Strategic Initiatives Reserve was funded at \$3,000,000. The 2001-02 nonrecurring reduction of \$1,000,000 leaves an appropriation of \$2,000,000. One million dollars of the remaining 2001-02 budget shall be used to provide transition funding to temporarily offset the effects of permanent position cuts at the historically black, minority, and smaller campuses. In addition, UNC – General Administration shall provide a detailed report to the Joint Legislative Commission on Education Oversight prior to March 1 annually on how Strategic Initiatives Reserve funds were expended.		
Appropriation – Nonrecurring	\$ (1,000,000) NR	\$ -

**Expansion Budget:**

**32. Schedule of Priorities**  
 General Statute 116-11(9) requires the Board of Governors (BOG) of The University of North Carolina to “develop, prepare, and present to the Governor, Advisory Budget Commission, and the General Assembly a single, unified recommended budget for all of public senior education.” Funds requested for expansion, new programs and activities, increases in enrollment, remedying deficiencies, etc. are to be itemized in priority order and any funds appropriated for the priority schedule are to be in a lump sum.

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
 General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

In response to the Board of Governors' 2001-03 "Schedule of Priorities," the following items were appropriated:

**Line 1a - Enrollment Changes**

**Regular Term Enrollment Increase**

Regular Term Enrollment projections from the Board of Governors indicated an increase in enrollment for 2001-02 over the 2000-01 budgeted 137,959 full-time equivalent (FTE) students. Based upon the Board's estimate, enrollment in the University was projected to increase by 2,435 FTE or 1.7% to 140,394 FTE in 2001-02. In addition, the UNC Board of Governors wishes to include FTE at the NCSU Veterinary School (375) and ECU Medical School (300) which have not previously been included in the total UNC budgeted enrollment figures. This would bring the total budgeted FTE to 141,069. This represents an increase in student credit hours (SCHs) from 3,700,454 in 2000-01 to 3,743,204 in 2001-02. The increase of \$28,358,828 supports enrollment growth after accounting for an expected increase in receipts of \$9,908,297. This enrollment increase also includes the "hold-harmless" for the campuses (ECU, FSU, and NCCU) losing enrollment.

	<u>2001-02</u>	<u>2002-03</u>
Requirements	\$ 38,267,125	\$ 38,267,125
Receipts	<u>9,908,297</u>	<u>9,908,297</u>
Appropriation	\$ 28,358,828	\$ 28,358,828
Number of Positions	238.3	238.3

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>Line 1a - Distance Education Enrollment Increase</b>		
Distance Education was funded by the General Assembly at \$12,890,335 in 1998-99, \$3,895,187 in 1999-00, and \$10,000,000 in 2000-01. Enrollment projections from the UNC Board of Governors indicated a projected increase in distance education enrollment for 2001-02 in the amount of 25,642 SCHs (an additional 1,085 FTE students) for a new total of 97,610 SCHs. Funds were appropriated to fully fund the UNC Board of Governors projected distance education enrollment increase request.		
Requirements	\$ 14,124,489	\$ 14,124,489
Receipts	<u>1,946,354</u>	<u>1,946,354</u>
Appropriation	\$ 12,178,135	\$ 12,178,135
Number of Positions	96.3	96.3

**Line 1b – Tuition Increase**

The General Assembly increased tuition 9% across-the-board for all students at the 16 University of North Carolina campuses and allowed the Board of Governors’ differentials for graduate and professional schools as well as campus-initiated tuition increases to remain in effect.

	(30,864,857)	(30,864,857)
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**Line 1b – Need - Based Student Financial Aid Plan**

A Task Force on Student Financial Aid estimated that the aggregate amount of unmet need for UNC resident students in 1997-98 was at least \$143 million and recommended funding for a new UNC grant program to help students with financial need. The program was partially funded with an appropriation of \$5 million in 2000-01, which when combined with \$1.3 million appropriated in 1999-00,

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<p><b>Line 1b – Need – Based Student Financial Aid Plan - Continued</b>                      was used to make grants only to qualifying in-state first-time freshmen during the 2000-01 year. The program requires that eligibility requirements for the new grants include a “self-help” expectation of at least \$4,000 per student and that federal Pell grants and tax credits be used first to meet students’ needs. Funds were appropriated to expand the Need-Based Student Financial Aid Plan.</p>	\$ 8,928,000	\$ 8,928,000
<p><b>Line 1c –North Carolina School of the Arts High School Access Initiative</b>                      Funds were appropriated to eliminate the tuition, fees, and room and board charges totaling \$6,406 per student for the 167 in-state high school students at the North Carolina School of the Arts.</p>	1,069,802	1,069,802
<p><b>Line 1e – Focused Growth Institutions - Special Needs</b>                      Funds were appropriated to fund special needs for the Focused Growth Institutions in the UNC System. In April 1998, the Board of Governors adopted a ten year enrollment plan that would enable the University to serve significant enrollment growth projected over the following decade. The Board of Governors’ plan targets enrollment growth in underutilized campuses in the system. As a result, seven campuses developed strategies that would enable them to grow by 20% by fall 2003 and by up to 50% over the coming decade. Funding was provided to assist in this</p>		

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

	2001-02	2002-03
<p><b>Line 1e – Focused Growth Institutions – Special Needs - Continued</b></p> <p>effort and will be used for assessment of needs, better operating efficiencies through economies of scale, physical facilities management, faculty improvement, and development capacity. The seven campuses are Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, the University of North Carolina at Pembroke, Western Carolina University, and Winston-Salem State University.</p>	\$ 2,247,850	\$ 2,247,850

**Line 2e – Transition of East Carolina University to Doctoral II Status**

In 1998, East Carolina University exceeded the requirements to be classified as a Doctoral II university and their movement into the doctoral category was recognized by the Board of Governors of The University of North Carolina. The 1998 Session of the General Assembly appropriated \$1,500,000 for phase one of East Carolina University’s change to a Doctoral II university. The 1999 Session of the General Assembly appropriated \$1,500,000 in recurring funds for the second phase of the classification change. The 2000 Session of the General Assembly appropriated \$1,500,000 in recurring funds to continue the classification change.

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

	<b>2001-02</b>	<b>2002-03</b>
<b>Line 2e – Transition of East Carolina University to Doctoral II Status</b>		
Funds were provided by the 2001 Session of the General Assembly to fund the final phase of change in classification of East Carolina University to a Doctoral II university. These funds may be used to hire additional faculty, increase faculty salaries, increase the number of graduate student tuition remissions, and provide other enhancements to meet the needs of a Doctoral II institution.	\$ 1,500,000	\$ 1,500,000
 <b>Line 3 – K-16 Initiatives</b>		
<b>Education Cabinet/Research Council</b>		
Recurring funds in the amount of \$250,000 were appropriated to the Education Cabinet/Research Council. These funds restored half of the \$500,000 nonrecurring appropriation made to the Education Cabinet/Research Council in 2000-01.	250,000	250,000
Number of Positions	2.0	2.0
 <b>Line 3 – UNC Teacher Preparation Programs through Distance Education</b>		
Additional funds were appropriated for all UNC teacher education programs across the state that are provided through distance education and do not have an on-campus residency requirement. These funds are to be allocated based on student credit hour enrollment. (2001 Session Laws, Chapter 424, Sec. 31.7)	2,000,000	2,000,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

	<b>2001-02</b>	<b>2002-03</b>
<b>Line 3 – TEACCH Program Funds</b>		
Additional funds were appropriated for the Treatment and Education of Autistic and related Communication handicapped Children (TEACCH) program, located at UNC-CH, to enable them to apply for a National Institute of Health grant and other grant funds.	\$ 290,500	\$ 290,500
<b>Line 4a – Genomics, Bioinformatics, Optoelectronics, and Photonics Research Initiatives</b>		
Recurring funds were appropriated to provide funding for the new genomics, bioinformatics, optoelectronics, and photonics research programs. The funds were placed in a reserve by the UNC Board of Governors to be allocated by the UNC System President.	1,375,000	1,375,000
<b>Line 4c – Institute of Government Center for Technology Support</b>		
Nonrecurring funds were appropriated to support the Center for Technology at UNC-CH’s Institute of Government to provide technical assistance to local governments.		
Appropriation – Nonrecurring	150,000 NR	-
<b>33. Aid to Students Attending North Carolina Private Colleges and Universities - Enrollment Changes</b>		
The program “Aid to Students Attending Private Colleges and Universities” is composed of the following: the Legislative Tuition Grant (LTG) and the State Contractual Scholarship Fund (SCSF). The LTG provides a payment of \$1,800 to private institutions for each North Carolina resident undergraduate student, which is credited directly to		

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<p><b>Aid to Students Attending North Carolina Private Colleges and Universities - Enrollment Changes - Continued</b>                      the student’s account. The SCSF makes available \$1,100 to each institution for each full-time equivalent (FTE) North Carolina undergraduate resident student, which is then provided as scholarships to needy North Carolina students attending private colleges. The 2001 Session of the General Assembly codified the Aid to Students Attending Private Colleges and Universities in General Statute 116-21.1.</p> <p>Recurring funds were appropriated to cover the projected enrollment increases for North Carolina students attending private colleges. The amount for the LTG was increased by \$2,346,210 to compensate for a projected increase of 1,192 full-time North Carolina undergraduate resident students.</p> <p>The amount for the SCSF was increased by \$880,000 to compensate for a projected increase of 800 FTE North Carolina undergraduate resident students. The budget for the LTG increased from \$43,911,790 to \$46,258,000, and the SCSF increased from \$31,763,002 to \$32,643,002. (2001 Session Laws, Chapter 424, Sec. 31.1)</p>	\$ 3,226,210	\$ 3,226,210

34. **Teacher Recruitment Initiatives**  
**Scholarships for Teacher Assistants Pursuing Teaching Degrees**  
 Recurring funds were appropriated to provide scholarships for North Carolina Teacher Assistants pursuing teaching degrees.



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Teacher Recruitment Initiatives - Continued</b>		
<b>Scholarships for Teacher Assistants Pursuing Teaching Degrees - Continued</b>		
The program will help these students become teachers by the establishment of the Teacher Assistant Scholarship Fund. The purpose of the Fund is to provide scholarships to teacher assistants who are (1) full-time teacher assistants in North Carolina, (2) enrolled in an accredited bachelors degree program in North Carolina, and (3) a resident of North Carolina. The Fund will be administered by the State Education Assistance Authority. (2001 Session Laws, Chapter 424, Sec. 31.5)		
	\$ 1,000,000	\$ 1,000,000
35.	<b>NC A&amp;T State University Matching Funds</b>	
	Recurring funds were appropriated to North Carolina A&T State University’s agricultural programs in order to match federal funds.	
	530,000	530,000
36.	<b>Progress Board</b>	
	The Progress Board is administratively located in the Board of Governors of The University of North Carolina and may be located at any constituent institution within The University of North Carolina, or at any institution to which it is invited formally. Recurring funds of \$250,000 were provided for the Progress Board, funded through the UNC system.	
	250,000	250,000
37.	<b>Closing the Achievement Gap</b>	
	Recurring funds were appropriated to support the Historically Minority College and University Consortium’s initiative to close the achievement gap. These funds were allocated to UNC-General Administration for distribution to the consortium.	
	250,000	250,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
38. <b>Faculty Productivity</b> Recurring funds were reduced in the “1310 EPA Teaching Faculty” line of NCSU, UNC-CH, and UNC-G. This reduction was offset by an increase in faculty productivity by using tenure-stream faculty who teach fewer than 15 credit hours a year to help with projected enrollment growth.	\$ (3,000,000)	\$ (3,000,000)
39. <b>Turfgrass Environmental Research and Education</b> Recurring funds were appropriated to the Board of Governors of The University of North Carolina to be allocated to North Carolina State University. North Carolina State University must use all of these funds to provide funds to the Center for Turfgrass Environmental Research and Education for research initiatives. The Center may receive proposals for research funding consideration from North Carolina State University (NCSU) and North Carolina Agricultural and Technical State University (NC A&T). The funds allocated to the Center may be used only for research and extension concerning ways to reduce any adverse environmental impacts resulting from the use of turfgrass fertilizer and to promote environmental benefits, turfgrass production and maintenance, and the impact of turfgrass fertilizer on the environment. (2001 Session Laws, Chapter 514, Sec. 2.(a)).	600,000	600,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>40. Salary Increase</b>		
Funds were provided for salary increases for employees of the University System and the North Carolina School of Science and Mathematics (NCSSM), including those supported by state funds and who are either exempt from the State Personnel Act (EPA) or subject to the act (SPA) effective July 1, 2001. Funds were provided for EPA teaching and non-teaching faculty, for an annual increase of \$625 in 2001-02 with excess funds allocated according to the rules adopted by the Board of Governors or the Board of Trustees of the North Carolina School of Science and Mathematics, as appropriate, and can be used for merit increases. Teaching faculty at the NCSSM received funds for an average salary increase of 2.86%, comparable to the public school teacher salary increase. For SPA employees, funds were provided for a salary increase of \$625 in 2001-02. (2001 Session Laws, Chapter 424, Sec. 32.12 and 32.13)		

**Other Provisions:**

- 41. Academic Common Market Pilot Program**  
The Southern Regional Education Board currently operates an Academic Common Market program. Under this program, qualified students from participating states may apply to attend programs at public universities in participating states that are not available in their home state's university system. The Board of Governors may establish a pilot program for participation in the Southern Regional Education Board's Academic Common Market at the graduate program level.

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – University of North Carolina - Continued**

**Other Provisions:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Academic Common Market Pilot Program - Continued</b>		
The Board shall examine the graduate programs offered in the UNC system and select for participation only those graduate programs that are likely to be unique or are not commonly available in other Southern Regional Education Board states. Out-of-state tuition shall be waived for students who are residents of other SREB states and who are participating in the Academic Common Market program. The pilot programs established under this section shall terminate July 1, 2005. (2001 Session Laws, Chapter 424, Sec. 31.2)		

42. **UNC Budget Flexibility/Must Honor Budget Reductions**

Notwithstanding General Statute 116-30.2 or General Statute 116-30.3, neither General Administration of The University of North Carolina nor any special responsibility constituent institution shall expend or use any of the following funds to modify the budget reductions imposed by this act:

- (1) General Fund monies appropriated by this act.
- (2) General Fund current operations appropriations credit balances remaining at the end of any fiscal year that are carried forward to the next fiscal year.

(2001 Session Laws, Chapter 424, Sec. 31.6)

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Department of Administration**

The purpose of the Department of Administration is to provide innovative leadership for the effective management and efficient operation of state government agencies. The department delivers administrative and auxiliary services to agencies, allowing them to efficiently render services to the public, and provides opportunities for citizen advocacy efforts both within and outside of state government.

<b>Total Appropriations</b>					
	<b>2000-01 Authorized</b>	<b>2001-02 Certified</b>	<b>% Over 2000-01</b>	<b>2002-03 Certified</b>	<b>% Over 2001-02</b>
Requirements	\$ 73,633,669	\$ 74,716,408	1.5%	\$ 74,423,592	(0.4%)
Receipts	<u>12,555,018</u>	<u>12,860,095</u>	2.5%	<u>12,860,095</u>	0.0%
Appropriation	<u>\$ 61,078,651</u>	<u>\$ 61,856,313</u>	1.3%	<u>\$ 61,563,497</u>	(0.5%)
No. of Positions	<u>828.39</u>	<u>815.37</u>	(1.6%)	<u>815.37</u>	0.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Office of the Secretary - Appalachian Regional Commission</b>		
Appropriated funds were replaced with Highway Funds for the Department of Transportation's portion of the Appalachian Regional Commission assessment dues.		
Requirements	\$ -	\$ -
Receipts	<u>190,080</u>	<u>190,080</u>
Appropriation	\$ (190,080)	\$ (190,080)
<b>2. Human Resources Management - State Employee Incentive Bonus Program</b>		
Funding for two positions responsible for administering the State Employee Incentive Bonus Program was changed from appropriation to receipts.		
Requirements	\$ -	\$ -
Receipts	<u>114,997</u>	<u>114,997</u>
Appropriation	\$ (114,997)	\$ (114,997)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Administration – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>3. Personnel Reductions</b>		
Personnel costs and related benefits were reduced in the following divisions:		
Office of the Secretary	(\$ 41,757)	
Office of Fiscal Management	(\$ 27,670)	
Office of State Personnel	(\$479,383)	
State Capitol Police	(\$ 30,210)	
Governor's Domestic Violence Commission	(\$110,349)	
The responsibilities of the Governor's Domestic Violence Program were consolidated with those of the N.C. Council for Women. The Pre-Retirement Employees' Planning Assisting Retired Employees Program was eliminated in the Office of State Personnel.	\$ (689,369)	\$ (689,369)
Number of Positions	(15.0)	(15.0)
<b>Board of Science and Technology</b>		
<b>4. Abolish Positions and Grant Funding</b>		
Three positions in the Board of Science and Technology were abolished and all research grant funding was eliminated.	(266,424)	(266,424)
Number of Positions	(3.0)	(3.0)
<b>5. Transfer Board of Science and Technology</b>		
The remaining three (3) positions (Executive Director, Administrative Secretary III, and Education Consultant) and the operating budget were transferred to the Department of Commerce.	(371,302)	(371,302)
Number of Positions	(3.0)	(3.0)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Administration – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>6. Operating Budget Adjustments</b>		
Operating budget reductions were made in various accounts for the following divisions:		
Office of State Personnel	(\$27,460)	
N.C. Council for Women	(\$ 7,000)	
Ethics Board	(\$12,000)	
	\$ (46,460)	\$ (46,460)
<b>7. Reduce Printing Budget Department Wide</b>		
The printing budget throughout the Department was reduced by implementing electronic forms and communications where possible.	(10,000)	(10,000)

**Expansion Budget:**

<b>8. Office of Historically Underutilized Businesses</b>		
Funding was provided for the operations of the Office of Historically Underutilized Businesses (HUB). Funding was also provided for outreach efforts on contracting opportunities available to HUB vendors resulting from the 2000 Higher Education Bond Program.		
Appropriation - Nonrecurring	270,000	NR -
<b>9. Office of State Personnel</b>		
Additional funding was provided to address increased data processing costs.	200,000	200,000

**North Carolina Council for Women**

<b>10. Domestic Violence Prevention Programs</b>		
The General Assembly provided funding for grants to domestic violence programs as recommended by the Governor.	1,000,000	1,000,000

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Administration – Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>	
<b>11. Sexual Assault Funds</b>				
Funding was provided by the General Assembly for continuation of grants to sexual assault programs as recommended by the Governor.	\$ 225,000		\$ 225,000	
<b>12. Public Construction Law</b>				
The General Assembly appropriated funds to allow the Department to conduct additional reviews of the good-faith efforts of lead contractors on public construction projects related to minority participation.				
Appropriation – Recurring	243,240		548,478	
Appropriation – Nonrecurring	528,054	NR	200,000	NR
Number of Positions	8.0		8.0	

NR – Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Continued**

**Office of Administrative Hearings**

The Office of Administrative Hearings (OAH) is an independent quasi-judicial agency that was established to provide a source for independent Administrative Law Judges (ALJ) to preside in administrative law contested cases. It was created to ensure that the functions of rulemaking, investigation, advocacy, and adjudication are not combined in the administrative process.

Besides administrative hearings, there are two other major functions of OAH. The first deals with procedures that govern rulemaking in North Carolina. Article 2A of the Administrative Procedure Act (Chapter 150B) provides for a uniform procedure for the adoption of rules, both permanent and temporary, and authorizes OAH to publish the North Carolina Register and the North Carolina Administrative Code. Except for minor exemptions found in G.S. 150B-1(d), all State agencies are required to follow this uniform procedure for conducting public rulemaking hearings, for adopting proposed rules, and for filing the adopted rules for codification. The other major function of OAH is found under the provision of Chapter 7A of the North Carolina General Statutes where OAH is designated as a 706 deferral agency of the Equal Employment Opportunity Commission. Pursuant to Chapter 7A, the Civil Rights Division of OAH is charged with the investigation of alleged acts of unlawful employment practice for all charges filed by state and local government employees covered under the State Personnel Act, Chapter 126 of the General Statutes. The director of this division is assigned the duty to confer, conciliate or resolve the civil rights charges filed with OAH. In the event that these informal procedures do not produce a settlement for meritorious charges, OAH's Administrative Law Judges are empowered to grant full relief through a contested case hearing process.

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	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 2,977,736	\$ 2,878,669	(3.3%)	\$ 2,878,669	0.0%
Receipts	<u>69,648</u>	<u>83,514</u>	19.9%	<u>83,514</u>	0.0%
Appropriation	<u>\$ 2,908,088</u>	<u>\$ 2,795,155</u>	(3.9%)	<u>\$ 2,795,155</u>	0.0%
No. of Positions	<u>44.0</u>	<u>42.0</u>	(4.6%)	<u>42.0</u>	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Administrative Hearings – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Elimination of Positions</b>		
Two vacant positions (a Clerk-Typist position in the Civil Rights Division and an Accounting Technician V in the Administrative Division) were eliminated.	\$ (70,067)	\$ (70,067)
Number of Positions	(2.0)	(2.0)
<b>2. Reduction in Operating Budget</b>		
The General Assembly reduced funding in the Department's operating budget in the following line items:		
532110 Legal Service (\$ 4,000)		
532140 System Implementation (\$ 11,506)		
532440 Maint. Agreement – DP Equip (\$ 640)		
532441 Maint. Agreement– Software (\$ 11,854)		
535830 Membership/Subscription (\$ 1,000)	(29,000)	(29,000)
<b>3. Increase Federal Receipts</b>		
The General Assembly increased the budget for anticipated federal receipts, which will reduce the need for state appropriated funds.		
Requirements	\$ -	\$ -
Receipts	<u>13,866</u>	<u>13,866</u>
Appropriation	\$ (13,866)	\$ (13,866)

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Office of State Auditor**

The goal of the Department of State Auditor is to provide professional, independent evaluations of the State’s fiscal accountability and public program performance. The Department strives to ensure that state government is executing its management responsibilities in compliance with applicable laws, rules, regulations, and policies. The Department also evaluates management controls and policies in an effort to assist state agencies in making more efficient and effective use of public resources.

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	<b>Total Appropriations</b>				
	<b><u>2000-01</u> <u>Authorized</u></b>	<b><u>2001-02</u> <u>Certified</u></b>	<b><u>% Over</u> <u>2000-01</u></b>	<b><u>2002-03</u> <u>Certified</u></b>	<b><u>% Over</u> <u>2001-02</u></b>
Requirements	\$ 14,121,559	\$ 14,121,559	(2.5%)	\$ 14,121,559	0.0%
Receipts	<u>1,955,041</u>	<u>2,256,886</u>	15.4%	<u>2,256,886</u>	0.0%
Appropriation	<b><u>\$ 12,166,518</u></b>	<b><u>\$11,864,673</u></b>	(2.5%)	<b><u>\$ 11,864,673</u></b>	0.0%
No. of Positions	194.0	194.0	0.0%	194.0	0.0%

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>1. Increase in Budgeted Receipts</b>		
Due to the projected revenue shortfalls for the biennium, the General Assembly reduced state appropriations by increasing expected receipts for the State Auditor’s Office.		
Requirements	\$ -	\$ -
Receipts	<u>301,845</u>	<u>301,845</u>
Appropriations	\$ (301,845)	\$ (301,845)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Continued**

**Office of the State Controller**

The State Controller’s Office ensures proper financial reporting and accounting of all state agencies and institutions by providing leadership, guidance, and consulting in all accounting matters. The Office of State Controller prescribes policies and procedures based on proven accounting practices and standards, along with a very effective automated accounting system to support agency and central management requirements. The Office of State Controller is also responsible for a comprehensive cash management program, operation of a centralized payroll system serving a majority of state agencies, and administration of a statewide appropriation and allotment process.

	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b> <b><u>Authorized</u></b>	<b><u>2001-02</u></b> <b><u>Certified</u></b>	<b><u>% Over</u></b> <b><u>2000-01</u></b>	<b><u>2002-03</u></b> <b><u>Certified</u></b>	<b><u>% Over</u></b> <b><u>2001-02</u></b>
Requirements	\$ 12,016,883	\$ 11,723,480	(2.4%)	\$ 11,723,480	0.0%
Receipts	199,612	199,612	0.0%	199,612	0.0%
Appropriation	<u>\$ 11,817,271</u>	<u>\$ 11,523,868</u>	(2.5%)	<u>\$ 11,523,868</u>	0.0%
No. of Positions	95.75	93.75	2.1%	93.75	0.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
<b>1. Elimination of Positions</b>		
The General Assembly abolished the salary and fringe benefits of two vacant positions (Accounting Clerk III and Data Base Analyst).	\$ (97,437)	\$ (97,437)
Number of Positions	(2.0)	(2.0)
<b>2. Reduction of Operating Budget</b>		
The General Assembly reduced the following operating line items:		
5327XX Travel	(\$ 6,000)	
532821 Data Processing Services	(\$179,966)	
532850 Printing, Binding, Duplicating	(\$ 5,000)	
534521 Office Equipment	(\$ 5,000)	
	(195,966)	(195,966)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Continued**

**Department of Cultural Resources  
(Includes the Roanoke Island Commission)**

The mission of the Department of Cultural Resources is to enrich the cultural, educational, and economic well-being of citizens and visitors to North Carolina. This mission is accomplished through the preservation, development, presentation, promotion, and dissemination of artistic and historical information.

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	<b>Total Appropriations</b>				
	<b>2000-01</b>	<b>2001-02</b>	<b>% Over</b>	<b>2002-03</b>	<b>% Over</b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 70,103,015	\$ 69,441,956	(.9)%	\$ 68,641,956	(1.2)%
Receipts	<u>7,355,074</u>	<u>7,355,074</u>	0.0%	<u>7,355,074</u>	0.0 %
Appropriation	<u>\$ 62,747,941</u>	<u>\$ 62,086,882</u>	(1.5)%	<u>\$ 61,286,882</u>	(1.3)%
No. of Positions	<u>768.80</u>	<u>759.80</u>	(1.2)%	<u>759.80</u>	0.0 %

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
<b>1. Operating Budget Adjustments</b>		
Operating budgets were reduced in various accounts for the following Divisions:		
Office of the Secretary	(\$ 10,860)	
Administrative Services	(\$ 9,842)	
Archives and History, Director's Office	(\$ 14,942)	
Historical Publications	(\$ 6,461)	
Archives and Records	(\$ 28,077)	
State Historic Sites	(\$360,315)	
Tryon Palace	(\$ 15,273)	
State Capitol	(\$ 4,161)	
NC Maritime Museum	(\$ 32,155)	
Historic Preservation	(\$ 12,893)	

**Post-Legislative Budget Summary, 2001-03  
General Fund – Cultural Resources – Continued**

**Continuation Budget:**

		<u>2001-02</u>	<u>2002-03</u>
<b>Operating Budget Adjustments - Continued</b>			
Western Office	(\$ 2,956)		
Museum of Art	(\$ 49,923)		
NC Arts Council	(\$156,487)		
NC Symphony	(\$ 2,962)		
Grants in Aid to Arts	(\$ 35,946)		
State Library Services	(\$ 13,792)		
State Library Statewide Prog.	(\$170,091)		
Museum of History	(\$361,559)		
Roanoke Island Commission	(\$ 47,782)	\$ (1,336,477)	\$ (1,336,477)
2.	<b>Museum of History – Personnel Reductions</b>		
	The General Assembly eliminated nine vacant positions in the Museum of History.	(124,582)	(124,582)
	Number of Positions	(9.0)	(9.0)

**Expansion Budget:**

3.	<b>Queen Anne’s Revenge</b>		
	Funding was provided for continued work on the recovery and conservation of artifacts from the shipwreck believed to be Blackbeard’s flagship, the Queen Anne’s Revenge.		
	Appropriation - Nonrecurring	250,000	NR -
4.	<b>Digitization of Public Records</b>		
	The General Assembly provided funds to complete the Information Technology Project which computerizes certain archival records in the State Archives for Internet use.		
	Appropriation - Nonrecurring	50,000	NR -

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Cultural Resources – Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>5. Art Exhibit</b>			
Funds were appropriated to support the art exhibit, Empire of the Sultans: Ottoman Art from the Khalili Collection, May 18 through July 28, 2002.			
Appropriation - Nonrecurring	\$ 250,000	NR	\$ -
<b>6. Grassroots Arts Program</b>			
Funds were provided for grants to local arts councils.			
Appropriation - Nonrecurring	250,000	NR	-

**General Assembly**

The General Assembly is one of the three branches of state government. The State's Constitution grants the General Assembly the legislative (lawmaking) powers and authority for the state. This bicameral organization composed of the Senate and the House of Representatives, makes or enacts laws; establishes rules and regulations governing the conduct of the people, their rights, duties, and procedures; and prescribes the consequences of certain activities.

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	<b>Total Appropriations</b>				
	<u>2000-01</u>	<u>2001-02</u>	<u>% Over</u>	<u>2002-03</u>	<u>% Over</u>
	<u>Authorized</u>	<u>Certified</u>	<u>2000-01</u>	<u>Certified</u>	<u>2001-02</u>
Requirements	\$ 40,970,848	\$ 39,786,848	(2.9%)	\$ 39,956,848	.43%
Receipts	403,000	403,000	0.0%	403,000	0.0%
Appropriation	<u>\$ 40,567,848</u>	<u>\$ 39,383,848</u>	(2.9%)	<u>\$ 39,553,848</u>	.43%
No. of Positions	249.0	249.0	0.0%	249.0	0.0%

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NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund – General Assembly – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Reserves and Transfers</b>		
The General Assembly reduced funding from its internal contingency reserve fund in the following accounts:		
531521 Retirement	(\$613,857)	
531561 Medical Insurance	(\$ 65,125)	
537195 Agency Reserves	(\$334,875)	
Requirements - Recurring	\$ (1,014,000)	\$ (1,014,000)
Requirements - Nonrecurring	(170,000) NR	-

**Office of the Governor**

The purpose of this office is to provide support to enable the Governor to fulfill his duties and responsibilities as required by the Constitution and General Statutes.

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	<b>Total Appropriations</b>				
	<u>2000-01 Authorized</u>	<u>2001-02 Certified</u>	<u>% Over 2000-01</u>	<u>2002-03 Certified</u>	<u>% Over 2001-02</u>
Requirements	\$ 5,868,609	\$ 5,728,609	(2.4%)	\$ 5,728,609	0.0%
Receipts	234,870	285,704	21.6%	285,704	0.0%
Appropriation	<u>\$ 5,633,739</u>	<u>\$ 5,442,905</u>	(3.4%)	<u>\$ 5,442,905</u>	0.0%
No. of Positions	<u>71.80</u>	<u>71.80</u>	0.0%	<u>71.80</u>	0.0%

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NR - Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Office of the Governor – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Operating Budget Reductions</b>		
The operating budget for various accounts was reduced for the following Divisions:		
Administration	(\$ 60,649)	
Dues to National Associations	(\$ 9,741)	
Intergovernmental Relations	(\$ 11,902)	
Citizens Affairs	(\$ 9,550)	
Education	(\$ 1,000)	
Raleigh Executive Residence	(\$ 36,904)	
Western Executive Residence	(\$ 10,254)	
	\$ (140,000)	\$ (140,000)
<b>2. Clean NC</b>		
Funding for the Executive Director’s position will be changed from appropriation support to receipt support.		
Requirements	\$ -	\$ -
Receipts	(50,834)	(50,834)
Appropriation	\$ (50,834)	\$ (50,834)

**Office of State Budget and Management**

This office serves the Governor as Director of the Budget by providing fiscal advice, formulating in detail the recommended state budget, executing the legislatively authorized budget in accordance with the Executive Budget Act (G.S. 143), and special provisions of Session Laws; estimating revenue and monitoring revenue during the course of the fiscal year to insure availability of funds for expenditure by agencies; providing economic analysis for budget preparation and execution, and controlling the allotment of funds for compliance with state law.

	<b>Total Appropriations</b>				
	<u>2000-01</u>	<u>2001-02</u>	<u>% Over</u>	<u>2002-03</u>	<u>% Over</u>
	<u>Authorized</u>	<u>Certified</u>	<u>2000-01</u>	<u>Certified</u>	<u>2001-02</u>
Requirements	\$ 5,870,298	\$ 5,538,945	(5.6)%	\$ 5,435,336	(1.9)%
Receipts	<u>80,398</u>	<u>80,398</u>	0.0%	<u>80,398</u>	0.0%
Appropriation	<u>\$ 5,789,900</u>	<u>\$ 5,458,547</u>	(5.7)%	<u>\$ 5,354,938</u>	(1.9)%
No. of Positions	72.0	64.0	(11.1)%	65.0	1.6%

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Office of State Budget and Management – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Eliminate State Planning</b>		
The General Assembly eliminated all ten state planning positions effective September 1, 2001. The statutory requirements for performing strategic planning were repealed.	\$ (352,719)	\$ (690,418)
Number of Positions	(10.0)	(10.0)
<b>2. Reduce Operating Budget</b>		
The operating budget was reduced in various accounts.		
Appropriation – Recurring	(93,567)	(93,567)
Appropriation - Nonrecurring	(40,000) NR	-
<b>3. Personnel Adjustments</b>		
Of the two positions in the State Data Center responsible for analyzing the employment activity data captured in the common follow-up information system, the receipt-supported position was transferred to the Employment Security Commission and the appropriation-supported position was eliminated effective September 1, 2001.		
Number of Positions	(20,018) (2.0)	(72,849) (2.0)
<b>4. Transfer Personnel</b>		
The General Assembly transferred the Administrator for Surveying and Mapping to the Division of Emergency Management within the Department of Crime Control and Public Safety (DCCPS). Flood Plain Mapping was transferred to DCCPS as a Type I transfer as defined by G.S. 143A-6. Geodetic Survey, County Boundaries, and the Center for Geographic Information and Analysis were transferred to the Division of Land Resources within the Department of Environment and Natural Resources as a Type I transfer as defined by G.S. 143A-6.		
Number of Positions	(93,941) (1.0)	(93,941) (1.0)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Office of State Budget and Management – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>5. Managed Care Patients' Assistance Program</b>		
Funding was appropriated to implement the Patients' Assistance Program as defined in Senate Bill 199, to be transferred to the state agency designated by the Governor to administer the program. The Insurance Regulatory Fund will reimburse any amounts appropriated from the General Fund. The Patients' Assistance Program became effective January 1, 2002.		
Appropriation – Recurring	\$ 201,392	\$ 485,813
Appropriation – Nonrecurring	67,500 NR	30,000 NR
Number of Positions	4.0	5.0

**Flood Mapping and Surveying**

The purpose of this office was to administer the state's flood mapping and geographic information programs.

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	<b>Total Appropriations</b>				
	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Certified</u>	<u>% Over</u> <u>2000-01</u>	<u>2002-03</u> <u>Certified</u>	<u>% Over</u> <u>2001-02</u>
Requirements	\$ 19,962,865	\$ -	(100.0)%	\$ -	0.0%
Receipts	<u>18,730,020</u>	<u>-</u>	<u>(100.0)%</u>	<u>-</u>	<u>0.0%</u>
Appropriation	<u>\$ 1,232,845</u>	<u>\$ -</u>	<u>(100.0)%</u>	<u>\$ -</u>	<u>0.0%</u>
No. of Positions	<u>31.0</u>	<u>0.0</u>	<u>(100.0)%</u>	<u>0.0</u>	<u>0.0%</u>

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NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Flood Mapping and Surveying – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Transfer Geodetic Survey</b>		
The General Assembly transferred the responsibilities and staff of the Geodetic Survey Section to the Division of Land Resources within the Department of Environment and Natural Resources (DENR). The transfer had all the elements of a Type I transfer as defined in G.S. 143A-6.	\$ (1,035,096)	\$ (1,035,096)
Number of Positions	(22.0)	(22.0)
<b>2. Operating Budget Adjustments</b>		
The budget for the miscellaneous contractual services account in Geodetic Survey was reduced.	(45,000)	(45,000)
<b>3. Transfer County Boundaries</b>		
The responsibilities and staff of the County Boundaries unit were transferred to the Department of Environment and Natural Resources. This transfer had all the elements of a Type I transfer as defined by G.S. 143A-6.	(152,749)	(152,749)
Number of Positions	(1.0)	(1.0)
<b>4. Transfer Flood Plain Mapping</b>		
The responsibilities and staff of the Flood Plain Mapping unit were transferred to the Division of Emergency Management within the Department of Crime Control and Public Safety. This transfer had all the elements of a Type I transfer as defined by G.S. 143A-6.	-	-
Number of Positions	(8.0)	(8.0)
<b>5. Transfer Center for Geographic Information and Analysis</b>		
The Center for Geographic Information and Analysis was transferred to the Division of Land Resources within the Department of Environment and Natural Resources (DENR). The transfer had all the elements of a Type I transfer as defined in G.S. 1543A-6.	-	-

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Office of State Budget and Management – Reserve for Special Appropriation**

This fund is used to account for special appropriations made by the North Carolina General Assembly.

<b>Total Appropriations</b>					
	<b>2000-01 <u>Authorized</u></b>	<b>2001-02 <u>Certified</u></b>	<b>% Over <u>2000-01</u></b>	<b>2002-03 <u>Certified</u></b>	<b>% Over <u>2001-02</u></b>
Requirements	\$ 4,200,000	\$ 40,755,000	870.4%	\$ 4,200,000	(89.7%)
Receipts	<u>1,120,000</u>	<u>1,120,000</u>	0.0%	<u>1,120,000</u>	0.0%
Appropriation	<u>\$ 3,080,000</u>	<u>\$ 39,635,000</u>	1,186.9%	<u>\$ 3,080,000</u>	(92.3%)
No. of Positions	0.0	0.0	0.0%	0.0	0.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>1. Funds for the State Employee Health Benefit Plan</b>			
The General Assembly appropriated funds in Session Law 2001-322, Part II, Section 2 for the State Employee Health Benefit Plan.			
Appropriation - Nonrecurring	\$ 36,000,000	NR	\$ -
<b>2. Federal Matching Funds</b>			
Matching funds were provided for the Save America's Treasures initiative to preserve significant historic properties.			
Appropriation - Nonrecurring	200,000	NR	-
<b>3. Advisory Commission on Military Affairs</b>			
Funds were appropriated to support the Advisory Commission on Military Affairs as established by Senate Bill 1005, Section 12.1.			
Appropriation - Nonrecurring	100,000	NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – OSBM – Reserve for Special Appropriations – Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>4. Kids Voting NC Funds</b>			
Funding was provided to Kids Voting of North Carolina, Inc., a non-profit corporation. The sum of \$50,000 will be used to implement new Kids Voting programs in nonparticipating counties across the State. The remaining \$105,000 will be divided equally among the nine participating counties of Buncombe, Cabarrus, Cumberland, Durham, Guilford, Haywood, Mecklenburg, and Wake to assist those counties with Kids Voting programs.			
Appropriation - Nonrecurring	\$ 155,000	NR	\$ -
<b>5. North Carolina Humanities Council</b>			
The General Assembly appropriated funds to the North Carolina Humanities Council, a non-profit corporation, for the programs of the Council.			
	\$ 100,000	NR	-

**Department of Insurance**  
**(Includes Direct Appropriations)**

The purpose of the Department of Insurance is to educate consumers and regulate the insurance industry. The Department ensures that informed consumers have readily available insurance products from sound companies at reasonable costs. Further, it is the responsibility of the Department of Insurance to insure state-owned property, enforce the state’s building code, serve as the central support office for the state’s fire and rescue service communities, and to regulate other specified activities and industries.

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Insurance - Continued**

<b>Total Appropriations</b>					
	<b>2000-01</b>	<b>2001-02</b>	<b>% Over</b>	<b>2001-02</b>	<b>% Over</b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 33,174,958	\$ 30,082,707	(9.3%)	\$ 33,310,222	10.7%
Receipts	<u>5,282,670</u>	<u>5,282,670</u>	0.0%	<u>5,282,670</u>	0.0%
Appropriation	<u>\$ 27,892,288</u>	<u>\$ 24,800,037</u>	(11.1%)	<u>\$ 28,027,552</u>	13.0%
No. of Positions	<u>382.69</u>	<u>386.69</u>	1.5%	<u>386.69</u>	0.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

		<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
<b>1. Operating Budget Reductions</b>			
The operating budget in various accounts was reduced for the following Divisions:			
Administration	(\$ 4,000)		
Company Services	(\$ 96,414)		
Technical Services Group	(\$ 62,533)		
Public Services Group	(\$ 48,708)		
Office of St. Fire Marshall	(\$ 51,345)	\$ (263,000)	\$ (263,000)
<b>2. Funding to Implement External Review</b>			
The General Assembly provided funding to implement the external review provisions in Senate Bill 199, Managed Care Bill of Rights.			
Appropriation – Recurring		136,449	-
Appropriation – Nonrecurring		34,300 NR	398,264 NR
Number of Positions		4.0	4.0
<b>3. Reserves and Transfers – Transfer to the Consumer Protection Fund</b>			
Funding was provided to increase the transfer to the Consumer Protection Fund (23900-2001) to cover the increase in the cost of hiring external consultants and experts to testify in rate hearings when the insurance industry requests rate increases. The increase in cost is attributable to the increase in the number of filings which are expected to result in hearings in 2001-2002.			
Appropriation - Nonrecurring		450,000 NR	-

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund - Continued**

**Department of Lieutenant Governor**

The purpose of this office is to provide support enabling the Lieutenant Governor to fulfill her duties as set forth by law, including serving as President of the State Senate, serving on the Council of State, and serving as a member of various other boards and commissions.

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<b>Total Appropriations</b>					
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 686,308	\$ 669,545	(2.4)%	\$ 669,545	0.0%
Receipts	-	-	0.0%	-	0.0%
Appropriation	<u>\$ 686,308</u>	<u>\$ 669,545</u>	(2.4)%	<u>\$ 669,545</u>	0.0%
No. of Positions	<u>9.0</u>	<u>9.0</u>	0.0%	<u>9.0</u>	0.0%

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
1. <b>Salaries and Wages</b>		
The budget for salaries and related benefits was reduced.	\$ (16,763)	\$ (16,763)

**Department of Revenue**

The goal of the Department of Revenue is to fairly and equitably administer the revenue laws as enacted by the General Assembly and to collect and account for all of the taxes due under the provisions of those laws. The department also provides research on revenue matters and exercises general and specific supervision over the valuation of real and personal property located throughout the state.

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<b>Total Appropriations</b>					
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 83,465,436	\$ 83,597,101	.16%	\$ 84,452,338	1.0%
Receipts	<u>6,498,152</u>	<u>6,496,634</u>	(.02)%	<u>6,496,634</u>	0.0%
Appropriation	<u>\$ 76,967,284</u>	<u>\$ 77,100,467</u>	.17%	<u>\$ 77,955,704</u>	1.1%
No. of Positions	<u>1,287.50</u>	<u>1,327.50</u>	3.1%	<u>1,327.50</u>	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Revenue - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Reduction of Operating Budget and Elimination of Positions</b>		
The General Assembly reduced the operating budget for the department and eliminated 13 positions. The following divisions in the department experienced reductions: Administration, Security, Planning, Development and Technology, Tax Research, Corporate/Excise/Insurance Tax, Sales and Use, Office of Examination, Office Services, Field Operations, Unauthorized Substance Abuse, Administrative Services, Financial Services, and Documents/ Payments Processing.		
Number of Positions	\$ 1,924,173 (13.0)	\$ 1,924,173 (13.0)

**Expansion Budget:**

<b>2. Property Tax Division</b>		
The Property Tax Division received funding for one new position effective November 1, 2001. The cost of the position will be reimbursed through the allowance of administrative cost available per G.S. 105-501 in the subsequent year. Under G.S. 105-501, the department is allowed to cover expenses for administering the supplemental local government, sales and use tax of one-half percent. Revenue collected by this tax is sent back to the proper local government entity by the department.		
Appropriation - Recurring	\$ 42,624	\$ 63,936
Appropriation - Nonrecurring	9,600 NR	-
Number of Positions	1.0	1.0

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Revenue - Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>3. Project Collect</b>			
The General Assembly appropriated funds to carry out Project Collect. The aim of this project is to collect delinquent taxes owed by taxpayers. In order to carry out Project Collect (Senate Bill 353), the General Assembly appropriated funding to hire 52 additional positions within the Department along with support cost.			
Appropriation - Recurring	\$ 1,499,572		\$ 2,848,657
Appropriation - Nonrecurring	505,560	NR	-
Number of Positions	52.0		52.00

**Rules Review Commission**

The Rules Review Commission was established in general statute (G.S. 143B-30.1) by the General Assembly and granted authority to review all proposed state agency administrative rules to ensure that proposed rules are supported by statutory authority. In addition, the Commission and its staff review rules to ensure clarity and necessity of the rules. Finally, the Commission can approve repeals of rules that are superseded or no longer necessary. The Commission is authorized to prescribe procedures and forms to be used by the agencies for submitting proposed rules. Commissioners are appointed by the General Assembly.

	<b>Total Appropriations</b>				
	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Certified</u>	<u>% Over</u> <u>2000-01</u>	<u>2002-03</u> <u>Certified</u>	<u>% Over</u> <u>2001-02</u>
Requirements	\$ 334,085	\$ 325,795	(2.5%)	\$ 325,795	0.0%
Receipts	-	-	0.0%	-	0.0%
Appropriation	<u>\$ 334,085</u>	<u>\$ 325,795</u>	(2.5%)	<u>\$ 325,795</u>	0.0%
No. of Positions	<u>4.0</u>	<u>4.0</u>	0.0%	<u>4.0</u>	0.0%

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Rules Review Commission- Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

		<u>2001-02</u>	<u>2002-03</u>
<b>1. Reduction of Operating Budget</b>			
Due to the projected revenue shortfall for the biennium, the General Assembly reduced the administrative operating budget for both years of the biennium in the following accounts:			
531651 Board Member			
Compensation	(\$2,000)		
532512 Rent/Lease	(\$ 250)		
532712 Transportation/Out of State	(\$ 500)		
532722 Lodging/Out of State	(\$ 500)		
532725 Meal/ Out of State	(\$ 200)		
532811 Telephone Service	(\$1,600)		
532850 Printing, Binding, Duplicate	(\$ 500)		
532930 Registration Fees	(\$ 250)		
534511 Office Furniture	(\$ 700)		
534521 Office Equipment	(\$ 200)		
534522 Computer Equipment	(\$1,000)		
534630 Library and Learning	(\$ 500)		
534710 Computer Software	(\$ 90)	\$ (8,290)	\$ (8,290)

**Secretary of State**

The goal of the Department of Secretary of State is to serve and protect citizens, the business community, and government agencies by facilitating business activities. This accomplishment is achieved by providing accurate and timely information to the entities listed above. The Secretary of State's office is responsible for organizing and maintaining public documents and records, licensing and maintaining records on corporations, administering the Uniform Commercial Code, registering securities, licensing and regulating securities dealers, firms and commodity dealers, assisting business in identifying and securing needed licenses and permits, and issuing commissions to public notaries.

	<b>Total Appropriations</b>				
	<u>2000-01</u>	<u>2001-02</u>	<u>% Over</u>	<u>2002-03</u>	<u>% Over</u>
	<u>Authorized</u>	<u>Certified</u>	<u>2000-01</u>	<u>Certified</u>	<u>2001-02</u>
Requirements	\$ 9,145,478	\$ 8,941,353	(2.2%)	\$ 8,671,427	(3.0%)
Receipts	<u>384,577</u>	<u>384,577</u>	0.0%	<u>384,577</u>	0.0%
Appropriation	<u>\$ 8,760,901</u>	<u>\$ 8,556,716</u>	(2.2%)	<u>\$ 8,286,850</u>	(3.0%)
No. of Positions	195.75	179.75	(8.2%)	179.75	0.0%

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Secretary of State – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>1. Reduce Operating Budget</b>		
The General Assembly reduced the department's operating budget for the Divisions of Administration, Publications, Corporations, Uniform Commercial Code, Securities, Business License Information, Notary Public, and Land Records. The following line items were reduced:		
Travel	(\$31,370)	
System Implementation	(\$18,309)	
Miscellaneous Contracted Services	(\$17,309)	
Maintenance Agreements	(\$15,000)	
Employee Educational Expense	(\$11,780)	
Over-Time Pay	(\$ 8,000)	
Office Furniture	(\$ 5,250)	
Other Administrative Expenses	(\$ 3,200)	
Data Processing Supplies	(\$ 1,900)	
Office Equipment	(\$ 1,800)	
Time-Limited Salaries	(\$ 1,241)	
Postage	(\$ 1,200)	
Data Processing Services	(\$ 1,000)	
Photographic Supplies	(\$ 150)	\$ (117,609)
Cellular Phone	(\$ 100)	\$ (117,609)
<b>2. North Carolina Manual</b>		
Funding was provided for the biennial printing of the North Carolina Manual.		
Appropriation - Nonrecurring	50,000 NR	-
<b>3. Rent for Uniform Commercial Code Division</b>		
Additional funding was provided to cover the lease agreement for the Uniform Commercial Code Division office space in a downtown Raleigh office building.	127,142	127,142

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Secretary of State – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>4. Reduce Uniform Commercial Code (UCC) Positions</b>		
This action eliminates ten Processing Assistant positions in the UCC Division effective September 1, 2001. These positions were among 41 positions added during the 2000 Session of the General Assembly, specifically for UCC.		
Number of Positions	\$ (222,731) (10.0)	\$ (267,657) (10.0)
<b>5. Reduce Staffing in Business License Consulting</b>		
This action eliminates five Business License Consulting positions (including two vacant positions) and one Processing Assistant III position, effective July 1, 2001.		
Number of Positions	(215,927) (6.0)	(215,927) (6.0)

**Expansion Budget:**

<b>6. Advanced Health Care Directive Registry</b>		
The Department received start-up funding for the Advanced Care Directive Registry, which was established by Article 21 of Chapter 130A of the General Statutes. The following types of documents will be included in the register: a health care power of attorney, a declaration of desire for natural death, advanced instruction for mental health treatment, and a declaration of an anatomical gift. The Department will be allowed to charge a fee which will support the administrative cost of the registry after the 2002 fiscal year.		
Appropriation - Nonrecurring	75,000	NR

NR- Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**State Board of Elections**

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

	<b>Total Appropriations</b>				
	<b><u>2000-01 Authorized</u></b>	<b><u>2001-02 Certified</u></b>	<b><u>% Over 2000-01</u></b>	<b><u>2002-03 Certified</u></b>	<b><u>% Over 2001-02</u></b>
Requirements	\$ 3,273,953	\$ 3,188,769	(2.6)%	\$ 3,188,769	0.0%
Receipts	<u>2,500</u>	<u>2,500</u>	0.0%	<u>2,500</u>	0.0%
Appropriation	<u>\$ 3,271,453</u>	<u>\$ 3,186,269</u>	(2.6)%	<u>\$ 3,186,269</u>	0.0%
No. of Positions	20.0	20.0	0.0%	20.0	0.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
1. <b>Administration- Reduce Operating Budget</b>		
The operating budget for the printing account was reduced.	\$ (85,184)	\$ (85,184)

**Department of State Treasurer**

The goal of the Department of State Treasurer is to ensure that the following duties and obligations assigned by statute to the State Treasurer and the department are fulfilled: (1) ensure that public funds are lawfully expended; (2) invest surplus funds prudently; (3) make debt service payments on state general obligation debt; (4) assist local governments in maintaining sound fiscal policies and positions; and (5) administer the pension and employee programs assigned to the department.

	<b>Total Appropriations</b>				
	<b><u>2000-01 Authorized</u></b>	<b><u>2001-02 Certified</u></b>	<b><u>% Over 2000-01</u></b>	<b><u>2002-03 Certified</u></b>	<b><u>% Over 2001-02</u></b>
Requirements	\$ 21,771,400	\$ 23,649,296	8.6%	\$ 21,320,296	(9.8)%
Receipts	<u>13,952,385</u>	<u>16,432,479</u>	17.8%	<u>14,103,479</u>	(14.2)%
Appropriation	<u>\$ 7,819,015</u>	<u>\$ 7,216,817</u>	7.7%	<u>\$ 7,216,817</u>	0.0%
No. of Positions	257.50	257.50	0.0%	257.50	0.0%

**Post-Legislative Budget Summary, 2001-03  
General Fund - State Treasurer - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
1. <b>Investment and Banking</b>		
The General Assembly reduced the financial and audit services line item within the Investment and Banking Division.	\$ (620,190)	\$ (620,190)

**Expansion Budget:**

2. <b>Retirement Imaging System</b>		
This action provides funding to convert the existing imaging system to a new imaging platform. The vendor for the existing system will not provide for the maintenance beyond the end of the calendar year. Conversion of the system will require a nonrecurring expenditure of \$2,465,000 and a recurring expenditure of \$136,000 for maintenance cost. All expenditures will be funded with receipts.		
Requirements - Recurring	\$ -	\$ 136,000
Requirements - Nonrecurring	2,465,000 NR	-
Receipts - Recurring	-	136,000
Receipts - Nonrecurring	<u>2,465,000 NR</u>	<u>-</u>
Appropriation	\$ -	\$ -

**Department of Treasurer-Retirement for Fire and Rescue Squad Workers**

This fund represents the State of North Carolina's contribution into the Fire and Rescue Squad Workers' retirement fund. This fund also provides Line of Duty death benefits for eligible individuals.

	<b>Total Appropriations</b>				
	<u>2000-01 Authorized</u>	<u>2001-02 Certified</u>	<u>% Over 2000-01</u>	<u>2002-03 Certified</u>	<u>% Over 2001-02</u>
Requirements	\$ 12,294,780	\$ 10,301,897	(16.2%)	\$ 12,379,780	20.2%
Receipts	-	-	0.0%	-	0.0%
Appropriation	<u>\$ 12,294,780</u>	<u>\$ 10,301,897</u>	(16.2%)	<u>\$ 12,379,780</u>	20.2%

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund - State Treasurer - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>		<u>2002-03</u>
1. <b>General Fund Contribution to Fire Pension Fund</b>			
For 2002, the General Assembly reduced the General Fund contribution to the Fireman's Pension Fund.			
Appropriation - Nonrecurring	\$ (2,077,883)	NR	\$ -

**Expansion Budget:**

2. <b>Line of Duty Death Benefit</b>			
This action increases funding for Line of Duty Death Benefits paid, pursuant to G.S. 143-12A, to survivors of eligible persons killed in the line of duty. The increased funding is due to the overall increase in the number of deaths in the line of duty.			
	85,000		85,000

NR - Nonrecurring



**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Department of Health and Human Services**

Part XIA of Chapter 443 of the 1997 Session of the General Assembly established the Department of Health and Human Services. The Department is the largest agency in state government with over 18,000 employees. The mission of the Department is to serve the people of North Carolina by enabling individuals, families and communities to be healthy and secure, and to achieve social and economic well-being. The Department's 2001-02 total certified budget increased by 11.6% over the 2000-01 authorized budget; while the number of positions in the Department increased by 1.5%. There is a 6.3% funding increase in the second year of the biennium over the 2001-02 certified budget; while the number of positions remained the same.

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	<b>Total Appropriations</b>				
	<b><u>2000-01 Authorized</u></b>	<b><u>2001-02 Certified</u></b>	<b><u>% Over 2000-01</u></b>	<b><u>2002-03 Certified</u></b>	<b><u>% Over 2001-02</u></b>
Requirements	\$8,983,112.037	\$10,026,288,608	11.6%	\$10,656,895,698	6.3%
Receipts	<u>5,982,173,597</u>	<u>6,628,348,653</u>	10.8%	<u>7,012,815,580</u>	5.8%
Appropriation	<u>\$3,000,938,440</u>	<u>\$ 3,397,939,955</u>	13.2%	<u>\$ 3,644,080,118</u>	7.2%
No. of Positions	18,490.42	18,204.29	-1.5%	18,204.29	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Medical Assistance</b>		
<b>1. Drug Utilization Management</b>		
The General Assembly directed the Department of Health and Human Services (DHHS) to implement various drug utilization management measures to contain the cost of prescription drugs as recommended by the “North Carolina Medicaid Benefit Study.” These measures may include establishing a prior authorization program, limiting prescription drugs to a 34-day supply, developing physician prescribing practice profiles, establishing therapeutic limits, encouraging the use of generic drugs, using maximum allowable pricing, contracting with a pharmacy benefits manager, studying the impact of eliminating the six prescription drug monthly limit and implementing a more rigorous prior authorization program, expanding disease management initiatives, working with ACCESS physicians to develop and implement drug utilization management initiatives, or expanding Medicaid drug coverage to include select over the counter medications (Session Laws 2001-424, Section 21.26(b)(c)).	\$ (16,700,000)	\$ (33,600,000)
<b>2. New Inflationary Increases</b>		
The General Assembly eliminated new inflationary increases to healthcare providers for 2002-03.	-	(20,000,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

<b>Division of Medical Assistance - Continued</b>	<u><b>2001-02</b></u>	<u><b>2002-03</b></u>
<b>3. Co-payments for Prescription Drugs</b>		
The General Assembly increased co-payments for brand name prescription drugs from \$1 to \$3 per prescription. The co-payment for generic prescriptions was not adjusted and remains at \$1 per prescription.	\$ (3,160,000)	\$ (3,550,000)
<b>4. Position Eliminations</b>		
The General Assembly reduced the Division of Medical Assistance workforce by 12 positions.	(256,693)	(256,693)
Number of Positions	(12.0)	(12.0)
<b>5. ACCESS Medical Director Contract</b>		
The General Assembly eliminated appropriations for a contract for the Medical Director for the Carolina ACCESS program. Carolina ACCESS is a primary care case management model characterized by a primary care physician gatekeeper.	(87,500)	(87,500)
<b>6. Asset Policy Changes</b>		
The General Assembly applied a federal transfer of asset policy to real property which was excluded as “income producing” under Title XIX. This requires Medicaid applicants seeking coverage for nursing home care to spend assets from income-producing property before coverage is authorized. The transfer of assets policy shall apply only to an institutionalized individual or the individual’s spouse (Session Laws 2001-424, Section 21.19(y)).	(2,000,000)	(3,800,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Medical Assistance – Continued</b>		
<b>Optional Services</b>		
<b>7. ICF\MR Rate Adjustment</b>		
The Governor recommended and the General Assembly enacted the adjustment of rates for private Intermediate Care Facilities for the Mentally Retarded to reflect actual costs and to eliminate profit.	\$ (2,631,380)	\$ (2,723,225)
<b>8. Dispensing Fee for Drugs</b>		
The Governor recommended and the General Assembly approved reducing the pharmacy dispensing fee for brand name prescription drugs from \$5.60 to \$4.00 per prescription. The professional services fee remains at \$5.60 per prescription for generic drugs (Session Laws 2001-424, Section 21.19(a)(5)).	(3,450,000)	(4,500,000)
<b>9. Daily Personal Care Services Limit</b>		
The General Assembly approved a provision to limit personal care services to 3.5 hours per day per person while maintaining the 80-hour per month limit.	(2,500,000)	(5,900,000)
<b>10. Physician Rates to 95% of Medicare Rates</b>		
The General Assembly reduced rates paid to physicians to 95% of the physician rates paid by Medicare as recommended by the “North Carolina Medicaid Benefit Study” prepared by The Lewin Group.	(5,900,000)	(11,500,000)
<b>11. Medicare Crossover Claims Payments</b>		
The General Assembly limited Medicare Crossover claims paid for persons who are dually eligible for Medicaid and Medicare. Payment is limited to 95% of Medicare rates. This is consistent with a reduction made in Medicaid reimbursed physician fees to 95% of Medicare rates.	(6,500,000)	(11,400,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Medical Assistance – Continued</b>		
<b>12. Generic Drugs</b>		
The General Assembly reduced appropriations in lieu of increased incentives from the utilization of generic drugs in the Medicaid program (Session Laws 2001-424, Section 21.19(h)).	\$ (1,000,000)	\$ (1,000,000)
<b>Office of the Secretary</b>		
<b>13. Elimination of Contract</b>		
The General Assembly directed the Department to eliminate a contract for personal services in support of a Medicaid waiver proposal.	(21,344)	(21,344)
<b>14. Position Eliminations</b>		
The General Assembly eliminated 45 positions from the Office of the Secretary. The General Assembly directed the Department to ensure that savings in non-state funds realized from the elimination of positions is reallocated for direct services where applicable (Session Laws 2001-424, Section 21.18).	(2,526,311)	(2,526,311)
Number of Positions	(45.0)	(45.0)
<b>15. Welfare Automation Fund</b>		
The General Assembly reduced state appropriations to the fund that supports automation enhancement in the Work First Program.	(1,500,000)	(1,500,000)
<b>16. Community Action Agency Funds</b>		
The General Assembly eliminated state appropriations to Community Action Agencies in lieu of increased federal grant receipts.	(300,000)	(300,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

<b>Division of Child Development</b>	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
<b>17. Smart Start Evaluation</b>		
The General Assembly reduced state funds for evaluation activities for Smart Start. The General Assembly directed the department to contract for a more focused review of Smart Start activities directly related to kindergarten readiness. The contractor administrative overhead fee cannot exceed 5% of the allocation. (Session Laws 2001-424, Section 21.76)	\$ (500,000)	\$ (500,000)
<b>18. Various Contracts</b>		
The General Assembly directed the North Carolina Partnership for Children to eliminate contracts for the following:		
<ul style="list-style-type: none"> <li>• Personal Services Contract for child abuse curriculum development (\$15,000);</li> <li>• Child Care Services Association, Inc. (\$25,000).</li> </ul>	(40,000)	(40,000)
<b>19. Position Eliminations</b>		
The General Assembly directed the Division of Child Development to eliminate the Workforce Support and Consumer Outreach Section (transferring Criminal Record Checks and Workforce Unit Quality Improvement to the Administration Section); eliminate the Program Integrity and Quality Assurance Section; and eliminate the Research and Policy unit. These actions reduced the Division workforce by 16 positions (Session Laws 2001-424, Section 21.74).	(565,807)	(565,807)
Number of Positions	(16.0)	(16.0)
<b>20. Early Head Start</b>		
The General Assembly eliminated state appropriations in lieu of increased federal Early Head Start receipts.	(549,478)	(549,478)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Child Development – Continued</b>		
21. <b>Smart Start – Baseline Adjustment</b>		
The General Assembly reduced the Smart Start baseline budget by \$48.5 million by continuing a 2000-01 nonrecurring reduction in funds. The Governor recommended that the Smart Start baseline budget be reduced by \$23.5 million to maintain the current service level.	\$ (48,500,000)	\$ (48,500,000)
22. <b>Smart Start</b>		
The General Assembly reduced state appropriations to the North Carolina Partnership for Children state administration and local partnerships operations. These reductions will be minimized by policy changes prohibiting the use of funds for capital/equipment projects for 2001-02 (Session Laws 2001-424, Section 21.75(d)(4)).	(10,500,000)	(10,500,000)
<b>Division of Early Intervention and Education</b>		
23. <b>Various Contracts</b>		
The General Assembly reduced the appropriation for the contract to Beginnings by \$200,000, and personal services for audio logical management by \$87,240. Beginnings is a nonprofit agency which serves as the first contact for all families with children newly identified as deaf or hard of hearing.	(287,240)	(287,240)
24. <b>Developmental Evaluation Centers</b>		
The Governor recommended and the General Assembly approved an increase in Medicaid receipts for evaluation and treatment services delivered by the Developmental Evaluation Centers to Medicaid eligible children and reduced appropriations accordingly.		
Requirements	\$ -	\$ -
Receipts	457,271	457,271
Appropriation	<u>\$ (457,271)</u>	<u>\$ (457,271)</u>

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Early Intervention and Education</b>		
<b>25. Positions Eliminated</b>		
The General Assembly eliminated 33 positions in the Division	\$ (1,616,891)	\$ (1,616,891)
Number of Positions	(33.0)	(33.0)
<b>26. Reorganization/Changes</b>		
The General Assembly reduced appropriations in administration and other areas in the budget of the Central North Carolina School for the Deaf.	(2,000,000)	(2,000,000)
<b>27. Position Eliminations</b>		
The General Assembly eliminated 23 teacher and teacher assistant positions in the state-operated preschools for the deaf, as a result of closing these centers.	(778,495)	(778,495)
Number of Positions	(23.0)	(23.0)
<b>28. State-Operated Preschools for the Deaf</b>		
The General Assembly reduced appropriations to the State-operated preschool centers as a result of the transition of the children to other preschool sites and services.	(384,997)	(384,997)
<b>29. Contracts to Local Education Agencies</b>		
The General Assembly eliminated the contracts with Local Education Agencies that were established to supplement educating hearing-impaired children transitioning out of the Central North Carolina School for the Deaf.	(984,000)	(984,000)
<b>30. Central School for the Deaf</b>		
The General Assembly eliminated appropriations saved by the Department of Health and Human Services' closure of the Central School for the Deaf in Greensboro.	(1,200,000)	(1,200,000)



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Public Health</b>		
<b>31. Sickle Cell Program Educational Counselors</b>		
The Governor recommended and the General Assembly approved the use of federal Medicaid receipts to support the cost of educational counselors in the Sickle Cell Program and that appropriations be reduced accordingly.		
Requirements	\$ -	\$ -
Receipts	<u>54,633</u>	<u>54,633</u>
Appropriation	\$ (54,633)	\$ (54,633)
<b>32. Newborn Screening Program</b>		
The Governor recommended and the General Assembly approved the use of federal Medicaid receipts to support the cost of providing Newborn Screenings and that appropriations to the program be reduced accordingly.		
Requirements	\$ -	\$ -
Receipts	<u>2,050,000</u>	<u>2,050,000</u>
Appropriation	\$ (2,050,000)	\$ (2,050,000)
<b>33. Position Reductions</b>		
The Governor recommended and the General Assembly approved the reduction of 7.59 administrative positions in the Division.	(237,995)	(237,995)
Number of Positions	(7.6)	(7.6)
<b>34. Position Eliminations</b>		
The General Assembly eliminated 8 positions in the Division.	(551,043)	(551,043)
Number of Positions	(8.0)	(8.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Public Health – Continued</b>		
<b>35. Vital Record Receipts</b>		
The Governor recommended and the General Assembly approved that Vital Records customer fee receipts for birth and death certificates be increased to a more realistic level and that appropriations for operating costs be adjusted accordingly.		
Requirements	\$ -	\$ -
Receipts	<u>60,000</u>	<u>60,000</u>
Appropriations	\$ (60,000)	\$ (60,000)
<b>36. Nurse Midwifery Program</b>		
The General Assembly eliminated the funding for the Nurse Midwifery Program which supports start-up midwifery practices.	(340,000)	(340,000)
<b>37. Position Transfers</b>		
The General Assembly transferred 7 positions from the Division of Early Intervention and Education to the Division of Public Health. (2001 Session Laws, Chapter 424, Sec 21.80(c) and Sec 21.80(d)).	-	-
<b>38. Various Contracts</b>		
The General Assembly reduced the Healthy Start Foundation contract by \$150,000 and eliminated the following contracts: Association of NC Boards of Health (\$100,000); Mecklenburg County Mental Health Authority (\$86,144); NC Fair Share (\$10,000); Pennsylvania State University (\$53,355); UNC (Hypertension Data Analysis) (\$10,000); UNC Family Services Network (\$223,561); UNC School of Public Health (\$225,000); and UNC School of Public Health (\$127,494).	(985,554)	(985,554)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<b>2001-02</b>		<b>2002-03</b>
<b>Division of Public Health – Continued</b>			
<b>39. AIDS Drug Assistance Program</b>			
The General Assembly reduced the AIDS Drug Assistance Program on a nonrecurring basis due to excess funds.			
Appropriation - Nonrecurring	\$ (1,500,000)	NR	\$ -
<b>40. Rural Obstetrics Incentive Program</b>			
The General Assembly eliminated the Rural Obstetrics Incentive Program which pays a portion of the mal-practice insurance for doctors in rural areas to encourage them to treat Medicaid patients.			
	(1,255,000)		(1,255,000)
<b>41. Health Promotion Activities</b>			
The General Assembly reduced appropriations supporting Health Promotion activities in the Division.			
	(1,000,000)		(1,000,000)
<b>Division of Blind and Deaf/HH Services</b>			
<b>42. Medical Eye Care Program</b>			
The General Assembly approved the reduction of funding in the Medical Eye Care Program, due to decreased utilization. This program pays for eye examinations, treatments, and surgery for low-income persons.			
	(100,000)		(100,000)
<b>43. Position Eliminations</b>			
The General Assembly reduced the workforce in the Division by two positions.			
Number of Positions	(66,034) (2.0)		(66,034) (2.0)

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Mental Health, Developmental Disabilities and Substance Abuse Services</b>		
<b>44. Collect Medicaid Receipts on Child/Adolescent Beds</b>		
The General Assembly approved the Governor’s recommendation that state psychiatric hospitals claim Medicaid reimbursement as a Private Residential Treatment Facility (PRTF). As a result, expenditures for children in need of extended psychiatric treatment will be partially supported by Medicaid receipts.		
Requirements	\$ 627,998	\$ 627,998
Receipts	<u>1,971,778</u>	<u>1,971,778</u>
Appropriation	\$ (1,343,780)	\$ (1,343,780)
<b>45. Medicaid Receipts for Eastern Adolescent Treatment Program (EATP)</b>		
The General Assembly authorized the EATP to undertake facility improvements to qualify for Medicaid reimbursement and to expand from a current eight-bed capacity to a more cost effective twelve-bed capacity. State appropriation are reduced in anticipation of Medicaid receipts as recommended by the Governor.		
Requirements	\$ 264,821	\$ 264,821
Receipts	<u>730,159</u>	<u>730,159</u>
Appropriation	\$ (465,338)	\$ (465,338)
<b>46. Operating Funds for the Neurobehavioral Treatment Unit</b>		
The General Assembly eliminated operating funds for the Black Mountain Center’s neurobehavioral treatment unit, as recommended by the Governor. Renovation funds appropriated in the 1999 Session were redirected to assist victims of Hurricane Floyd. Operating funds were eliminated in the 1999 Short Session. The reduction in operating funds is continued.		
Number of Positions	(571,526) (51.0)	(571,526) (51.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued</b>		
<b>47. Medical/Surgical Unit at Dorothea Dix</b>		
In October 2000, the Secretary of the Department of Health and Human Services closed Dorothea Dix Hospital's medical/surgical unit to affect a more cost effective means of delivering services. Services will now be provided through contracts with private physicians and hospitals. Operational savings realized have been eliminated from the budget.		
Requirements	\$ 1,094,952)	\$ (1,094,952)
Receipts	<u>(673,970)</u>	<u>(673,970)</u>
Appropriation	\$ (420,982)	\$ (420,982)
<b>48. Reduced Administration in the Area Programs</b>		
The General Assembly reduced the administrative budgets of the area mental health programs. (2001 Session Laws, Chapter 424, Sec. 21.65(a))	(1,500,000)	(1,500,000)
<b>49. Reduced Appropriation to State Mental Retardation Centers</b>		
In accordance with the State's 4% Downsizing Plan for mental retardation centers, the General Assembly reduced the appropriation to the State's five mental retardation centers. (2001 Session Laws, Chapter 424, sec. 21.67(a))	(2,900,000)	(2,900,000)
<b>50. Closed Oakview Program</b>		
The General Assembly eliminated appropriations, as recommended by the Governor, for a residential program for adolescents, which closed due to poor living conditions.	(600,055)	(600,055)
Number of Positions	(16.5)	(16.5)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued</b>		
<b>51. Eliminated Positions</b>		
The General Assembly eliminated the hospital services and mental retardation/mental illness sections, and reduced the workforce accordingly. (2001 Session Laws, Chapter 424, sec. 21.64(a))	\$ (1,326,036)	\$ (1,326,036)
Number of Positions	(22.0)	(22.0)
<b>52. Eliminated or Reduced Various Contracts</b>		
The General Assembly eliminated funding for the following contracts: N.C. High School Athletic Association, (\$534,000); UNC CH Center for the Study of Development and Learning, (\$250,000); Life Plan Trust, Inc., (\$45,930); and Duke University, (\$12,006).		
The General Assembly reduced funding for the following contracts: UNC-CH Developmental Disabilities Training Institute, (\$100,000); NC State Center for Urban Affairs, (\$265,227); Governor’s Institute on Alcohol and Substance Abuse Inc., (\$100,000); and Council on Accreditation of Services for Families and Children, (\$247,182).	(1,020,345)	(1,020,345)
<b>53. Eliminated Medical Services Director Contract</b>		
The division contracts with the University of North Carolina at Chapel Hill for a medical director. The General Assembly eliminated the medical director’s contract.		
Requirements	\$ (212,614)	\$ (212,614)
Receipts	<u>(77,919)</u>	<u>(77,919)</u>
Appropriation	\$ (134,965)	\$ (134,965)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued</b>		
<b>54. Improved Efficiencies at State Hospitals</b>		
The General Assembly transferred the Cherry Hospital laundry operation to the Department of Correction’s Enterprise Industries.	\$ (1,079,242)	\$ (1,079,242)
<b>Division of Aging</b>		
<b>55. UNC CARES (Center for Aging Research and Educational Services) Contract</b>		
The General Assembly eliminated State appropriations for a contract with UNC-Chapel Hill for planning and evaluation services. The Division will assume the duties of the contract.	(50,000)	(50,000)
<b>56. Position Eliminations</b>		
The General Assembly eliminated one position in the Division of Aging.	(43,539)	(43,539)
Number of Positions	(1.0)	(1.0)
<b>57. Area agency on Aging Administrative Funds</b>		
The General Assembly reduced appropriations for administrative support to 17 Area Agencies on Aging by \$200,000 from \$900,000. The Department will conduct a study to identify cost-savings and efficiencies that would be realized by reducing the number of Area Agencies on Aging. The Department shall report the results of the study to the HHS Appropriations Subcommittee no later than March 1, 2002. (Session Laws 2001-424, Section 21.32 (a-b)).	(200,000)	(200,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Social Services</b>		
<b>58. County Program Integrity Worker Funding</b>		
The Governor recommended and the General Assembly approved the elimination of grant-in-aid to all counties for Work First program integrity activities (\$25,000 per county).	\$ (2,500,000)	\$ (2,500,000)
<b>59. Carolina Access County Positions</b>		
The General Assembly eliminated the Carolina ACCESS county program positions located in county departments of social services, which assisted Medicaid eligible recipients enrolling in the managed care program. Strategies for improving efficiencies in Carolina ACCESS operations include, but are not limited to, improving automatic linkages between patients and primary care providers at Medicaid eligibility determination and improvement of the referral process. (Session Laws 2001-424, Section 21.27)	(1,236,492)	(1,236,492)
<b>60. Excess State/County Special Assistance</b>		
The General Assembly approved a reduction of excess appropriations in the State/County Special Assistance Program. These cash supplement payments are made to eligible aged and disabled persons with special needs who live in adult care homes and whose personal income does not cover the cost of care. (Session Laws 2001-424, Section 21.44 (a-d))	(2,751,750)	(2,751,750)



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

<b>Division of Social Services – Continued</b>	<u>2001-02</u>	<u>2002-03</u>
<b>61. Family Resource Centers</b>		
The General Assembly approved the reduction of appropriations for Family Resource Centers and directed the Department of Health and Human Services to allocate remaining funds based on program performance. Core services and activities of these centers will be evaluated for effectiveness. Services include: the promotion of early childhood development, successful transition to public school, and the self-sufficiency and economic independence of families. Allocations to Centers will require collaborative arrangements with public and private agencies to enhance efficiency, while eliminating any duplication of services. The Department shall report on these activities to the Health and Human Services Appropriations Committee on May 1, 2002. (Session Laws 2001-424, Section 21.48 (a-f))	\$ (250,000)	\$ (250,000)
<b>62. Work First Transfer to General Assembly</b>		
The Governor recommended and the General Assembly approved eliminating the transfer of funds to offset the cost of the Joint Legislative Public Assistance Commission. The Commission is repealed. (Session Laws 2001-424, Section 21.13 (e))	(40,000)	(40,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Social Services – Continued</b>		
<b>63. Regional Office Positions</b>		
The Governor recommended and the General Assembly approved the elimination of seven regional office clerical positions. DHHS is required by the General Assembly to consolidate all regional, district, field, and satellite offices no later than June 30, 2002. The Department is required to report on the use of technology to increase the ability of staff to work from their homes, the anticipated cost savings realized from the consolidation, and the anticipated impact on service delivery. An interim report is due by January 1, 2002, and a final report is due no later than July 1, 2002. (Session Laws 2001-424, Section 21.1 (a))	\$ (155,784)	\$ (155,784)
Number of Positions	(7.0)	(7.0)
<b>64. Various Contracts</b>		
The General Assembly reduced appropriations for the following contracts: Appalachian State University (\$60,000); Tier, Inc. (\$301,893); NC Division of Social Services Directors' Association (\$50,000). The General Assembly eliminated the Work Central Call Support Center (\$155,850).	(567,743)	(567,743)
<b>65. Families for Kids Funding</b>		
The General Assembly approved the reduction of appropriations for Families for Kids Initiative which offers community-based support and a coordinated assessment process to provide children with a single foster-care placement and permanency within 12 months. This reduces the number of participating counties by five, enabling 12 counties to continue to provide Families for Kids services.	(500,000)	(500,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Social Services – Continued</b>		
<b>66. Position Eliminations</b>		
The General Assembly abolished 20 positions in the Division of Social Services. The Division will streamline operations and reduce layers of management. (Session Laws 2001-424, Section 21.49)	\$ (756,108)	\$ (756,108)
Number of Positions	(20.0)	(20.0)
<b>Division of Facility Services</b>		
<b>67. Receipts for Mental Health Licensure</b>		
The Governor recommended and the General Assembly approved reducing appropriations for licensing staff who monitor mental health facilities, due to the budgeting of additional Medicaid receipts.		
Requirements	\$ -	\$ -
Receipts	<u>250,000</u>	<u>250,000</u>
Appropriations	\$ (250,000)	\$ (250,000)
<b>68. Fire Protection Revolving Loan Fund</b>		
The General Assembly eliminated appropriations for the Fire Protection Revolving Loan Fund which provided low interest rate loans to adult care homes to make improvements in fire protection equipment such as smoke detection and sprinkler systems, and to purchase emergency generators. This fund is managed by the NC Housing Finance Agency.		
Appropriation - Nonrecurring	(195,267) NR	-
<b>69. Grant for Association of Rescue and Emergency Medical Services (EMS)</b>		
The General Assembly eliminated the entire grant-in-aid for the NC Association of Rescue and EMS utilized to support the operational costs of the Association.	(24,999)	(24,999)

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Facility Services – Continued</b>		
<b>70. Position Eliminations</b>		
The General Assembly abolished six positions in the Division of Facility Services.	\$ (322,870)	\$ (322,870)
Number of Positions	(6.0)	(6.0)
<b>71. Emergency Medical Services (EMS) Regional Grants</b>		
The General Assembly reduced all appropriations for Emergency Medical Services Regional Grants distributed to the Councils of Government (COGs) to support EMS system development projects such as public education, advanced provider certification, and ambulance call management.	(544,397)	(544,397)
<b>Division of Vocational Rehabilitation</b>		
<b>72. Position Eliminations</b>		
The General Assembly eliminated three positions in the Division	(58,770)	(58,770)
Number of Positions	(3.0)	(3.0)

**Expansion Budget:**

**Division of Public Health**

<b>73. Varicella Vaccine</b>		
The General Assembly increased funds for varicella vaccinations to cover approximately 20,000 children.	700,761	700,761

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

		<u>2001-02</u>	<u>2002-03</u>
<b>Division of Public Health - Continued</b>			
74.	<b>Healthy Carolinians</b> The General Assembly appropriated nonrecurring funds for the Healthy Carolinians task forces throughout the state. Appropriation - Nonrecurring	\$ 1,000,000 NR	\$ -
75.	<b>Healthy Start Foundation</b> The General Assembly appropriated nonrecurring funds for the Healthy Start Foundation to improve access to prenatal care and reduce poor birth outcomes for families in North Carolina. Appropriation - Nonrecurring	400,000 NR	-
76.	<b>Birth Defects Monitoring Program</b> The General Assembly appropriated additional funding for the continuation of the birth defects registry. Number of Positions	125,000 3.0	125,000 3.0
77.	<b>Office of Minority Health</b> The General Assembly appropriated nonrecurring funds to the Office of Minority Health for activities to reduce health disparities. Appropriation - Nonrecurring	200,000 NR	-
78.	<b>Prescription Drug Access Project</b> The General Assembly appropriated funding to support a centralized system for accessing free and low cost drugs through pharmaceutical companies. (2001 Session Laws, Chapter 424, Sec. 21.6(a))	200,000	200,000

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

<b>Division of Public Health – Continued</b>	<u><b>2001-02</b></u>	<u><b>2002-03</b></u>
<b>79. Medical Day Care Pilot Project</b> The General Assembly appropriated funding for a start-up medical daycare center. This demonstration project is for day care service for children with substantial medical needs that cannot be served in a regular childcare center.	\$ 100,000	\$ 100,000
<b>80. Arthritis Prevention Project</b> The General Assembly appropriated nonrecurring funds to continue the grant-in-aid to the Arthritis Prevention Project, a private local program in Mecklenburg County. Appropriation - Nonrecurring	25,000 NR	-
<b>81. Heart Disease and Stroke Prevention</b> The General Assembly appropriated nonrecurring funds to support the Heart Disease and Stroke Prevention Task Force activities. Appropriation - Nonrecurring	100,000 NR	-
<b>82. Prevention of Birth Defects</b> The General Assembly appropriated nonrecurring funds for the public education and awareness activities on the importance of folic acid consumption preceding pregnancy, to effectively prevent neural tube birth defects. Appropriation - Nonrecurring	400,000 NR	-
<b>83. Alice Aycock Poe Center for Health Education</b> The General Assembly appropriated funding for a grant-in-aid to the Alice Aycock Poe Center for Health Education.	200,000	200,000

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Public Health – Continued</b>		
<b>84. Asthma Education Program</b>		
The General Assembly appropriated nonrecurring funds to support asthma management, control, surveillance, and education.		
Appropriation - Nonrecurring	\$ 250,000 NR	\$ -
<b>85. Osteoporosis Task Force</b>		
The General Assembly appropriated nonrecurring funds to continue the activities of the Osteoporosis Task Force.		
Appropriation - Nonrecurring	150,000 NR	-
<b>86. AIDS Drug Assistance Program</b>		
The General Assembly appropriated additional funding for the AIDS Drug Assistance Program that pays for prescription drugs for qualified HIV and AIDS patients.	500,000	500,000
<b>87. Sickle Cell Syndrome Purchase of Medical Care</b>		
The General Assembly appropriated additional nonrecurring funding for the Sickle Cell Syndrome Program’s purchase of medical care. (Session Laws 2001-513, Section 26)		
Appropriation - Nonrecurring	460,000 NR	-
<b>Division of Mental Health, Developmental Disabilities and Substance Abuse Services</b>		
<b>88. Housing Support for the Mentally Ill</b>		
The General Assembly approved funding to match federal dollars to expand community-housing placements for the mentally ill.	1,000,000	1,000,000

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued</b>		
<b>89. Autism Funds</b>		
The General Assembly appropriated funds to the Autism Society of North Carolina for administrative, operational, and direct services. The General Assembly also appropriated \$326,000 to continue operational support to the Residential Services, Inc. for 2001-02 to allow for development of processes required to draw federal Medicaid funds.	\$ 450,000	\$ 450,000
Appropriation - Nonrecurring	326,000 NR	-
<b>90. Created Security Staff</b>		
The Julian F. Keith Alcohol, Drug Abuse Treatment Center and Black Mountain Center were authorized by the General Assembly to create joint security services for their respective facilities. Six positions were transferred to the Julian F. Keith Alcohol Drug Abuse Treatment Center from the Juvenile Evaluation Center at Swannanoa.	248,435	248,435
<b>91. Funded Community Programs</b>		
The General Assembly appropriated funds to area mental health programs for Assertive Community Treatment Teams to serve non-Medicaid clients (\$200,000); family support activities (\$300,000); substance abuse services to special populations (\$1,000,000); and to expand capacity for detoxification residential and outpatient services.	3,500,000	3,500,000
<b>92. Funded At-risk Children Services</b>		
The General Assembly authorized appropriations on a recurring basis for seriously disturbed children. Funds have been appropriated as non-recurring since FY 1998-99.	4,353,000	4,353,000

NR – Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Medical Assistance</b>		
<b>93. Breast and Cervical Cancer Coverage</b>		
The Governor recommended and the General Assembly provided funding for Medicaid coverage for uninsured women under age 65 with breast or cervical cancer who are identified as needing treatment through the National Breast and Cervical Cancer Early Detection program. The programs are administered by local public health departments. This funding includes state funds for administrative costs.	\$ 622,000	\$ 1,215,925
Number of Positions	1.0	1.0
<b>94. CAP MR/DD Slots</b>		
The General Assembly provided funding for additional slots in the Community Alternative Program for the Mentally Retarded/Developmentally Disabled.	1,000,000	1,000,000
<b>95. Access to Dental Services</b>		
The General Assembly provided funding to increase access to dental services for Medicaid eligible children and adults (Session Laws 2001-424, Section 21.98(a-b)). The Department may consider various options including increasing rates, developing incentives to encourage dentists to serve Medicaid clients, and encouraging the use of mobile dental units.	1,000,000	2,000,000
<b>96. Community Alternatives Program for Children</b>		
The General Assembly provided funds for additional slots for the Community Alternatives Program for Children.	500,000	500,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Medical Assistance – Continued</b>		
<b>97. Federal Financial Participation Rate</b>		
The General Assembly provided increased funding for the state share of the Medicaid program due to a decrease in the federal financial participation rate.	\$ 35,000,000	\$ 79,000,000
<b>98. Health Choice</b>		
The Governor recommended and the General Assembly approved funding for an increase in the enrollment of children in the North Carolina Health Choice program. The Department is directed to manage the program enrollment in a way that maximizes the number of children served (Session Laws 2001-424, Section 21.22 (a-b)).	8,000,000	12,500,000

**Office of the Secretary**

<b>99. Adult Care Home Rate Methodology</b>		
The General Assembly approved a transfer of funds from the Department of Health and Human Services to the General Assembly to hire a consultant to establish a methodology for rate setting for Adult Care Homes. The Fiscal Research Division, in consultation with the Department of Health and Human Services, may issue a Request for Proposal for an independent consultant with extensive expertise in rate setting for public and private entities to develop a new rate methodology for establishing reimbursements for adult care homes. The final report of the independent consultant shall be presented to the General Assembly not later than June 1, 2002 (Session Laws 2001-424, Section 21.7(a-b)).		
Appropriation - Nonrecurring	50,000 NR	-

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>Office of the Secretary</b>			
100. <b>North Carolina Council on the Holocaust</b> The General Assembly provided funding for Holocaust education in public schools.	\$ 50,000	NR	\$ -
101. <b>Child Advocacy Institute</b> The General Assembly provided funding to support the activities of the Child Advocacy Institute.	250,000		250,000
102. <b>“More at Four” Prekindergarten Pilot</b> The Governor recommended and the General Assembly provided funding for the “More at Four” pre-kindergarten pilot program. The Department of Health and Human Services and the Department of Public Instruction, under the guidance of the “More at Four” Pre-K Task Force, are directed to develop and implement the pilot program for at-risk four-year olds who are at risk of failure in kindergarten (Session Laws 2001-424, Section 21.76B(a-g)).	6,456,500		6,456,500
<b>Division of Social Services</b>			
103. <b>Food Banks</b> The General Assembly provided a nonrecurring state appropriation to be equally distributed to the regional network of food banks in North Carolina. Appropriation - Nonrecurring	1,000,000	NR	-
104. <b>Child Support Backlog</b> The General Assembly approved funds to contract for additional services in urban counties to alleviate child support caseload backlogs, establish paternity, and to locate absent parents. (Session Laws 2001-424, Section 21.54A)	1,500,000		1,500,000

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Social Services – Continued</b>		
<b>105. Child Support Receipt Shortfall</b>		
The General Assembly increased appropriations for child support operations due to an ongoing receipt shortfall.	\$ 2,000,000	\$ 2,000,000

**Division of Vocational Rehabilitation**

<b>106. Independent Living</b>		
The General Assembly approved recurring and nonrecurring appropriations to the Independent Living Program for statewide case service needs.		
Appropriation - Recurring	\$ 320,000	\$ 320,000
Appropriation - Nonrecurring	680,000 NR	-

**Other Provisions:**

- 107. Mental Health, Developmental Disabilities, and Substance Abuse Services Trust Fund for System Reform Bridge and Capital Funding Needs and Olmstead**
- The General Assembly created an interest bearing, non-reverting special trust fund to reform the mental health, developmental disabilities, and substance abuse services system of care and facilitates compliance with the Supreme Court’s decision in Olmstead v. L.C. and E.W. The Secretary of the Department of Health and Human Services, with participation from stakeholders, must develop a plan for the use of trust fund dollars. Funds may be used for start-up and operational needs of new or expanding community based services, provided that recurring funds do not require new State appropriation. Further, the funds may be used to bolster institutional services through construction, renovation and

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Health and Human Services - Continued**

2001-02

2002-03

**Other Provisions - Continued:**

**Mental Health, Developmental Disabilities,  
and Substance Abuse Services Trust Fund  
for System Reform Bridge and Capital  
Funding Needs and Olmstead - Continued**

repair of State mental health, developmental disabilities and substance abuse facilities. \$47.5 million was appropriated to the trust fund and prior to expending funds, the Secretary must consult with the Legislature (2001 Session Laws, Chapter 424, s. 21.58(a)(b), p. 117

108. **Mental Retardation Transition Plan**

In keeping with the Olmstead v. L.C. and E.W. decision, the Department of Health and Human Services must develop plans to transfer residents of state facilities to private intermediate care facilities or community based programs, or if such placement is deemed appropriate by medical professionals and is consistent with the wishes of the resident and the resident's family or guardian (2001 Session Laws, Chapter 424, s. 21.62(a), p. 122)

**Post-Legislative Budget Summary, 2001-03**

**Department of Correction**

The Department of Correction (DOC) is responsible for protecting society and promoting public safety by carrying out criminal sentences imposed by the courts. The department promotes a coordinated, efficient, and effective correctional system through the use of appropriate correctional sanctions and programs for work, education, treatment, and recreation which provides the offender the opportunity to display lawful and responsible community behavior.

	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 955,603,482	\$ 954,651,421	(0.1%)	\$ 958,778,823	0.4%
Receipts	<u>24,253,407</u>	<u>30,656,140</u>	26.4%	<u>27,813,907</u>	(9.3%)
Appropriation	<b><u>\$ 931,350,075</u></b>	<b><u>\$ 923,995,281</u></b>	0.07%	<b><u>\$ 930,964,916</u></b>	0.7%
No. of Positions	18,313.90	18,910.90	3.2%	18,910.90	0.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

**Alcoholism and Chemical Dependency Programs**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
1. <b>Terminate Substance Abuse Contracts</b> The General Assembly concurred with the Governor's recommendation to eliminate state contracts with Cornell (\$1,185,700) and Right Turn (\$1,820,477). These substance abuse services can be delivered using existing services and resources now available in the department.	\$ (3,006,177)	\$ (3,006,177)
2. <b>Reduce Substance Abuse Aftercare</b> The General Assembly accepted the Governor's recommendation to eliminate aftercare service contracts with private providers. The department provides in-house, substance abuse residential services to inmates. Aftercare services are provided through contracts with private providers to inmates who return to the general population.	(105,000)	(105,000)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Alcoholism and Chemical Dependency Programs - Continued</b>		
<b>3. Reduce Personal Services Contracts</b>		
The General Assembly accepted the Governor's recommendation to reduce personal services contracts. The department provides seed money to contract with community service providers of substance abuse services for DART-Cherry community aftercare. The State provides substance abuse services through 39 Area Mental Health Programs. To avoid duplication of services, this cut would eliminate personal services contracts.	\$ (225,000)	\$ (225,000)
<b>Community Corrections</b>		
<b>4. Criminal Justice Partnership Program (CJPP)</b>		
The Governor recommended a reduction of the CJPP budget of \$1.27 million. The Criminal Justice Partnership program awards grants to participating counties to fund local community correction programs. The Department of Correction will limit CJPP implementation funding to the counties currently participating in the program, allowing for a reduction of \$270,000. As a non-reverting fund, the Department has been allowed to keep unexpended funds in the CJPP budget, which have exceeded \$1 million each year since the program's inception.	\$ (270,000)	\$ (270,000)
Appropriation - Nonrecurring	(1,000,000) NR	(1,000,000) NR

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

**Community Corrections – Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>5. Reallocate Positions in Probation/Parole</b>		
The General Assembly eliminated 27 of 43 Administrative Probation/Parole Officers (APPO) positions. The Department of Correction was directed to transfer these positions into existing vacant positions.	\$ (938,043)	\$ (938,043)
Number of Positions	(27.0)	(27.0)
<b>6. Eliminate Administrative Support Positions</b>		
The General Assembly eliminated three administrative support positions in the Division of Community Correction.	(111,383)	(111,383)
Number of Positions	(3.0)	(3.0)
<b>7. Eliminate Vacant Positions</b>		
The General Assembly eliminated two vacant Intensive Probation Parole Officers and two vacant Surveillance Officer positions.	(153,561)	(153,561)
Number of Positions	(4.0)	(4.0)
<b>9. Reduce Funding for Drug Testing</b>		
The General Assembly reduced the Division of Community Corrections annual appropriation for drug testing.	(102,118)	(102,118)
<b>10. Reduce Various DCC Budget Line Items</b>		
The General Assembly reduced various line items in the Division of Community Corrections. Their travel budget was reduced by \$6,000; office and data processing equipment reduced by \$60,000; and cell phone expenditures were reduced by \$41,750.	(107,750)	(107,750)



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Community Corrections - Continued</b>		
<b>11. CSWP Program Transfer</b>		
The General Assembly required the transfer of the Community Service Work Program from the Department of Crime Control and Public Safety to the Department of Correction, Division of Community Corrections. The merger was completed by January 1, 2002.	\$ 2,913,282	\$ 5,826,564
Number of Positions	162.0	162.0
<b>12. Reduce Appropriation to Summit House, Inc.</b>		
The General Assembly reduced the annual appropriation to Summit House, Inc. by 10%. This reduction shall not result in a reduction to individual sites, but to the Summit House, Inc. State Office.	(139,650)	(139,650)
<b>13. Reduce Appropriation to John Hyman Foundation</b>		
The General Assembly reduced appropriation funding to the John Hyman Foundation. The John Hyman program has leased the former Warren County Correctional Facility for \$1 per year and therefore will no longer have to pay for facility rental at its current location. It was determined that the foundation's budget could be reduced by 10%, slightly less than the amount currently being spent on rent. This results in a decrease in the program's administration/operating budget.	(25,000)	(25,000)
<b>Post Release Supervision and Parole Commission</b>		
<b>14. Abolish Vacant Parole Commission Positions</b>		
The General Assembly adopted the Governor's recommendation to abolish two vacant parole commission positions. With the passage of the Structured Sentencing Act, the number of parolees has declined.	(78,000)	(78,000)
Number of Positions	(2.0)	(2.0)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Prisons</b>		
<b>15. Close Alamance Correctional Center</b>		
The Governor recommended and the General Assembly agreed to close Alamance Correctional Center consistent with the Governmental Performance Audit Committee (GPAC) recommendations. Alamance currently operates as a minimum custody work release unit. Cost per day and the declining need for minimum custody beds was also considered. Alamance’s cost per day in 1999-00 was \$66.89 compared to \$52.52 for the average minimum custody unit. The budget reduction includes a 50% reduction in the inmate budget. The prison will close October 1, 2001.		
Number of Positions	\$ (745,546) (27.0)	\$ (960,220) (27.0)
<b>16. Medical Transportation Officers</b>		
The General Assembly reduced the number of correctional officers that transport inmates. This is possible because DOC has reduced medical contracts and hired more in-house doctors, thus reducing travel for medical purposes.		
Number of Positions	(263,249) (11.0)	(315,843) (11.0)
<b>17. Increase Work-Release Transportation Fee</b>		
Work release inmates pay a fee to DOC for transportation to their jobs. The General Assembly increased this fee from \$2 to \$2.50 to allow for a General Fund reduction.		
	(33,500)	(33,500)
<b>18. Increase Work-Release Fee</b>		
Increase the fee charged to inmates for work release by \$1 from \$15 a day to \$16. This allows a reduction in the General Fund.		
	(307,000)	(307,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Prisons – Continued</b>		
<b>19. Close Scotland Correctional Center</b>		
The Governor recommended closing Scotland Correctional Center and the General Assembly adopted this recommendation. Scotland Correctional Center will be closed November 1, 2001. Scotland is a small GPAC unit with 48 minimum custody inmates and 24 segregation beds. The cost per day in 1999-00 was \$102. The reduction amount includes a 50% reduction in the inmate budget.	\$ (929,980)	\$ (1,394,966)
Number of Positions	(41.0)	(41.0)
<b>20. Inmate Disciplinary Fees</b>		
The Governor's budget recommended a \$120,000 reduction in the General Fund resulting from increased inmate disciplinary fees. The General Assembly adopted a \$220,000 reduction, based on the latest collection figures.	(220,000)	(220,000)
<b>21. Inmate Food Budget Reduction</b>		
The Governor recommended a reduction of \$2,197,549 each year based on the improved efficiency of inmate food service and a resulting decrease in expenditures. The General Assembly reduced the food budget by an additional \$2,427,451 for a total of \$4,625,000 in 2001-02. The reduction in 2002-03 shall be an additional \$2,302,451 for a total of \$4,500,000.	(4,625,000)	(4,500,000)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Continuation Budget:**

<b>Prisons - Continued</b>	<b>2001-02</b>	<b>2002-03</b>
<b>22. Reduce Program Staffing in Prisons</b>		
The General Assembly reduced program staffing in state prisons. The current program staffing ratio is one staff person for every 52 inmates. This reduction would increase the ratio to approximately one person for every 55 inmates by 2002-03. The reduction of ten positions is to be carried out system wide from among the 606 program positions and was effective October 1, 2001. Positions should be eliminated from among the following job classes with at least one position from a program supervisor class:		
Program Assistant Supervisor		
Program Assistant II		
Program Assistant I	\$ (214,260)	\$ (285,681)
Number of Positions	(10.0)	(10.0)
<b>23. Reception and Diagnostic Centers</b>		
The General Assembly reduced six positions at reception and diagnostic centers, effective October 1, 2001. The positions to be eliminated can be from any of the following position classifications:		
Case analyst		
Senior Case Analyst		
Processing Assistants		
Admissions Tech.		
Behavioral Specialists I and II	(127,900)	(156,026)
Number of Positions	(6.0)	(6.0)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Continuation Budget:**

	2001-02	2002-03
<b>Prisons - Continued</b>		
<b>24. Prison Chaplain Program</b>		
The General Assembly reduced funding for chaplain services by eliminating seven chaplain positions. DOC obtains chaplain and religious services for inmates through a combination of permanent DOC chaplain positions, contract chaplains, and volunteer chaplains and religious groups. DOC's General Fund budget for chaplain services is \$2.9 million; additional funding for contract chaplains is provided from the Inmate Canteen/Welfare Fund. It is recommended that seven of the 73 DOC chaplain positions be eliminated system wide. The reductions should be taken at prisons where there is more than one DOC chaplain position. DOC should increase efforts to obtain more community volunteers to provide religious services. The reduction was effective October 1, 2001.		
Number of Positions	\$ (186,244) (7.0)	\$ (247,178) (7.0)
<b>25. Inmate Road Squad Payments</b>		
The General Assembly increased the amount of Highway Fund receipts, reducing the need for state appropriations. DOT uses DOC inmate road squads to perform highway-related labor. Currently, general fund costs are funded by reimbursements from the Highway Fund. For the 2001-03 biennium, \$2.5 million shall be transferred quarterly from DOT to DOC for the cost of operating inmate road squads. The amount of \$3 million in this report is the difference between the current projected amount of \$7 million dollars, which did not fully fund the actual cost of the road squads; and the anticipated cost of \$10 million in each year of the biennium. DOT is also directed to appropriate \$2,842,233 from the Highway Fund		

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Prisons – Continued</b>		
<b>Inmate Road Squad Payments - Continued</b>		
to the General Fund as a one-time appropriation in 2001-02. DOT has not reimbursed DOC for the full \$7 million dollar amount directed for payment in House Bill 168 for the 1999-01 biennium, so it is directed that this payment be made in 2001-02.		
Appropriation - Recurring	\$ (3,000,000)	\$ (3,000,000)
Appropriation - Nonrecurring	(2,842,233) NR	-
 26. <b>Annualize Medical Positions</b>		
The General Assembly appropriated funding to address a continuation budget shortfall. The Governor’s 1999 budget did not include funds that would annualize DOC medical positions funded in 1997. This amount annualizes those positions, which are already established.		
	949,977	949,977
 <b>Residential Programs</b>		
27. <b>Reduction in IMPACT Programs</b>		
The General Assembly reduced funding and staffing for the IMPACT boot camp programs located in Hoffman and Morganton by 25 percent effective November 1, 2001. The department shall maintain programs for male probationers in both locations but at reduced capacity and with possible modifications to the program. The IMPACT program will be abolished June 30, 2003 and the Department of Correction shall develop recommendations for alternative programs by May 2002.		
Number of Positions	(1,005,652) (37.0)	(1,508,478) (37.0)

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

**Systemwide**

	<u>2001-02</u>	<u>2002-03</u>
28. <b>Reduce Travel Budget</b>		
The Governor recommended a one-time reduction to the Department of Correction travel expenses. The General Assembly adopted this reduction on a recurring basis. Reductions will be taken in the travel, meals and lodging line items for the Division of Prisons and the Division of Community Corrections.	\$ (260,000)	\$ (260,000)
29. <b>Reduce Funding for MIS Contractual Services</b>		
The Governor recommended and the General Assembly adopted a reduction in technology funds related to a reorganization of staffing.	(200,000)	(200,000)
30. <b>Reduce Office and Data Processing Equipment</b>		
The Governor recommended and the General Assembly adopted a reduction in funding for office equipment (\$200,000) and data processing equipment (\$200,000) line items.	(400,000)	(400,000)
31. <b>Reduce Funding for Vehicle Replacement</b>		
The General assembly adopted the recurring recommendation of \$396,000 and adopted an additional nonrecurring reduction of \$1,430,062. This reduction basically limits vehicle replacement to only the highest priority purchases in 2001-02.		
Appropriation - Recurring	(396,000)	(396,000)
Appropriations - Nonrecurring	(1,430,062) NR	-
32. <b>DOC Management Budget</b>		
The General Assembly adopted a recurring reduction to the non-salary line item budget for DOC.	(300,000)	(300,000)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>33. Reentry Program</b>			
The General Assembly appropriated one-time funding for a program designed to provide inmates with the skills needed to function in the community upon release. Training is part of a program operated by UNC Chapel Hill.			
Appropriation - Nonrecurring	\$ 75,000	NR	\$ -
<b>34. ECO Family Counseling Program</b>			
The General Assembly appropriated one-time funds to continue a program funded in 2000-01 to provide counseling and services for families of inmates. The program is operated by a non-profit organization, Energy for Committed Offenders, Inc.			
Appropriation - Nonrecurring	50,000	NR	-
<b>Alcoholism and Chemical Dependency Programs</b>			
<b>35. Community Substance Abuse</b>			
The General Assembly appropriated \$100,000 in nonrecurring funds in 2001-02 to support a community program in Northampton County that works with substance abuse offenders. The General Assembly appropriated part of that funding on a non-recurring basis in 2002-03.			
Appropriation - Nonrecurring	75,000	NR	-
<b>36. Increase Funding for Inmate Medical Costs</b>			
The General Assembly appropriated partial funding of increased medical costs. The continuation budget does not reflect the actual expenditures for inmate medical costs.	5,183,835		5,183,835

NR – Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Correction - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>37. Funding to Operate Two Former Private Prisons</b>		
The General Assembly appropriated funding to operate two former private prisons. DOC is now operating Pamlico and Mt. View as State prisons. The amount funded is to cover increased DOC operating costs. DOC is already operating these prisons.		
Number of Positions	\$ 2,750,000	\$ 2,750,000
	447.0	447.0
<b>38. Open New Dorm and Kitchen at Women's Prison</b>		
The General Assembly appropriated funds to operate a new 208 bed dorm and kitchen, which opened in the fall of 2001.		
Number of Positions	1,036,418	1,381,252
	41.0	41.0
<b>39. Open New Central Prison Diagnostic Unit</b>		
The General Assembly appropriated funds to operate a new 192 bed prison diagnostic center, which is scheduled to open fall of 2001. The funding is reduced by \$100,000 below the DOC request by reducing the non-salary operating budget.		
Number of Positions	1,775,760	2,685,545
	79.0	79.0
<b>40. Staffing Warrenton Segregation Building</b>		
The General Assembly appropriated operational funds to support the conversion of the Warrenton Segregation Building from medium custody to high-level segregation. This budget partially funds the amount requested by DOC.		
Number of Positions	700,000	700,000
	24.0	24.0

**Post-Legislative Budget Summary, 2001-03  
General Fund – Correction - Continued**

**Expansion Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Prisons - Continued</b>		
<b>41. Operating Funds for Fountain Correctional Center</b>		
DOC constructed a new segregation unit at Fountain and a new Central Control room, both due to open in May, 2001. This General Assembly appropriated operating funds for these buildings.	\$ 477,631	\$ 477,631
Number of Positions	16.0	16.0
<b>42. Contract with Prisoner Legal Services (PLS)</b>		
The General Assembly appropriated funding to provide for an increase in the contract between DOC and PLS for inmate legal services.	265,787	265,787
 <b>Systemwide</b>		
<b>43. Victims Services</b>		
The General Assembly provided funding for three positions and operating costs in the DOC Central Office to provide services to victims. Positions were grant funded but grant has ended.	140,824	140,824
Number of Positions	3.0	3.0

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Department of Crime Control and Public Safety**

The Department of Crime Control and Public Safety (CPPS) is responsible for protecting the people of North Carolina by reducing crime through statewide crime control programs, enforcing highway and alcohol laws, administering the Hurricane Floyd recovery program, managing terrorism defense spending, and preparing for and responding to disaster situations, and providing assistance to victims of crime.

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	<b>Total Appropriations</b>				
	<b>2000-01</b>	<b>2001-02</b>	<b>% Over</b>	<b>2002-03</b>	<b>% Over</b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 53,709,532	\$ 68,188,070	26.9%	\$ 63,032,445	(7.6%)
Receipts	<u>16,155,384</u>	<u>34,538,939</u>	113.8%	<u>34,538,939</u>	0.0%
Appropriation	<u>\$ 37,554,148</u>	<u>\$ 33,649,131</u>	(10.4%)	<u>\$ 28,493,506</u>	(15.3%)
No. of Positions	731.0	531.0	(27.4%)	528.0	(0.05%)

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

		<u>2001-02</u>	<u>2002-03</u>
1. <b>Reduce Travel Budget</b>			
The General Assembly reduced travel budgets by the following amounts in the following divisions:			
Administration	\$ 6,500		
National Guard	5,450		
Alcohol Law Enforcement	15,000		
Emergency Management	12,000		
Victim & Justice Services	21,050		
Governor's Crime Commission	22,000	\$ (82,000)	\$ (82,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Administration</b>		
<b>2. Eliminate Vacant Position in CCPS Administration</b>		
The General Assembly eliminated one vacant Information and Communication Specialist position in Crime Control and Public Safety’s Administration Division.	\$ (42,554)	\$ (42,554)
<b>Alcohol Law Enforcement (ALE)</b>		
<b>3. Eliminate Vacant ALE Positions</b>		
The General Assembly reduced ALE’s budget by eliminating one vacant office assistant position and one district supervisor position.	(78,210)	(78,210)
Number of Positions	(2.0)	(2.0)
<b>4. Reduce Vehicle Replacement Line Item</b>		
The General Assembly enacted a non-recurring reduction to the vehicle replacement line item.		
Appropriation - Nonrecurring	(433,188) NR	-
<b>5. Eliminate ALE District Supervisor Positions</b>		
The General Assembly eliminated three additional ALE district supervisor positions by June 30, 2002. This reduction will come from salary and operating expenses.	-	(266,928)
Number of Positions	-	(3.0)
<b>Butner Public Safety</b>		
<b>6. Reduce Vehicle Replacement</b>		
The General Assembly enacted a one time reduction in the vehicle replacement line item for Butner Public Safety.		
Appropriation - Nonrecurring	(71,500) NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Continuation Budget:**

**Emergency Management**

	<u>2001-02</u>	<u>2002-03</u>
<b>7. Decrease General Fund Appropriation</b>		
The General Assembly reduced General Fund appropriations by increasing receipts.	\$ (50,000)	\$ (50,000)
<b>8. Decrease Funding for Regional Response Teams</b>		
The General Assembly decreased funding for HAZMAT regional response teams.	(52,112)	(52,112)
<b>9. Reduce Matching Funds</b>		
The General Assembly reduced matching funds after finding that state funds have been over budgeted to match federal funds. This item reduced the funding to the actual required amount.	(125,000)	(125,000)
<b>10. Eliminate Vacant Emergency Management Positions</b>		
The General Assembly eliminated two vacant positions in Emergency Management on June 30, 2001.	(67,171)	(67,171)
Number of Positions	(2.0)	(2.0)
<b>11. Reduce Miscellaneous Contractual Services</b>		
The General Assembly eliminated funding for a study on flood mapping. That study has been completed and the funds no longer need to be budgeted.	(105,000)	(105,000)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Continuation Budget:**

<b>General</b>	<u><b>2001-02</b></u>	<u><b>2002-03</b></u>
<b>12. Reduce Various Operating Line Items</b>		
The General Assembly reduced the following operating line items by specified amount:		
Administration Division		
Computer Software	\$ 15,500	
Employee Education	3,000	
Butner Public Safety		
Office Furniture	5,000	
Victim & Justice Services		
Office Supplies	15,000	
Governor's Crime Commission		
Postage	5,000	
Printing	10,000	
	\$ (53,500)	\$ (53,500)
<b>Governor's Crime Commission (GCC)</b>		
<b>13. Reduce Operating Expenses</b>		
The General Assembly reduced Crime Prevention operating expenses.	(20,000)	(20,000)
<b>14. Eliminate Vacant GCC Position</b>		
The General Assembly eliminated a vacant Processing Assistant III position located in the Governor's Crime Commission.	(25,897)	(25,897)
Number of Positions	(1.0)	(1.0)
<b>National Guard</b>		
<b>15. Reduce National Guard Pension Fund Payments</b>		
The General Assembly reduced pension funding by \$1,002,776 to reflect actuarial recommendations. \$470,635 of this total was in the Governor's recommendations.	(1,002,776)	(1,002,776)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>National Guard - Continued</b>		
<b>16. Reduce Tuition Assistance Funding</b>		
The General Assembly reduced National Guard Tuition Assistance program by \$100,000.	\$ (100,000)	\$ (100,000)
<b>Victim &amp; Justice Services</b>		
<b>17. Eliminate Vacant Community Service Work Program Supervisors</b>		
The General Assembly reduced the Community Service Work Program(CSWP) by eliminating two vacant District Supervisor positions.	(82,776)	(82,776)
Number of Positions	(2.0)	(2.0)
<b>18. Eliminate Vacant CSWP Positions</b>		
The General Assembly eliminated three office assistant vacancies and eight coordinator vacancies in the Community Service Work Program.	(353,889)	(353,889)
Number of Positions	(11.0)	(11.0)
<b>19. CSWP Transfer</b>		
The General Assembly transferred the Community Service Work Program to the Department of Corrections to be merged with the Division of Community Corrections. The merger was completed by January 1, 2002.	(2,913,282)	(5,826,564)
Number of Positions	(162.0)	(162.0)
<b>20. CSWP Budget Reduction</b>		
The General Assembly eliminated 27 positions through efficiency measures taken with the Community Service Work Program transfer from the Department of Crime Control to the Department of Corrections. These positions were eliminated by January 1, 2002.	(580,103)	(1,160,206)
Number of Positions	(27.0)	(27.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Expansion Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Emergency Management</b>		
<b>21. Transfer Mapping Division of Emergency Management</b>		
The General Assembly enacted a transfer of the Flood Plain Mapping Program from the Office of State Budget and Management to the Division of Emergency Management. The General Fund supported Administrator for Surveying and Mapping was transferred to the Division of Emergency Management. The responsibilities and staff of the Flood Plan Mapping Unit within Surveying and Mapping will also transfer to Emergency Management. The receipt supported budget is \$18,473,555 and the General Fund Budget, which pays the administrator’s salary is \$93,941.		
Number of Positions	\$ 93,941 9.0	\$ 93,941 9.0

**General**

<b>22. Terrorism Defense Funds</b>		
On November 8, 2001, the Governor signed Session Law 2001-457, enacted by the General Assembly. This legislation provided supplemental funding to the Division of Emergency Management for equipment and training to implement terrorism defense measures.		
Appropriation - Nonrecurring	1,900,000 NR	-

**National Guard**

<b>23. Increase State Match Tarheel Challenge</b>		
The General Assembly provided funding to support a federal match requirement for Tarheel Challenge Program, administered by the NC National Guard, which will increase by 5% in FY 2002. The program will be funded on a 60% federal to 40% state match basis beginning FY 2002.		
	140,000	140,000

NR – Non recurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Victim &amp; Justice Services</b>		
<b>24. Increase Appropriation for Rape Victims Assistance</b>		
In 1999, the General Assembly doubled the maximum award amount for Rape Victims Assistance but did not increase the appropriation. As a result, the fund has experienced shortfalls each year. This item increases the appropriation amount by \$100,000.	\$ 100,000	\$ 100,000
<b>25. Increase Appropriation for Crime Victims</b>		
Due to a large unexpended balance, the General Assembly reduced the appropriation to the Crime Victims Compensation fund by \$500,000 in 2000. With the implementation of several efficiency measures, the staff has increased the number of claims processed and awards made. This item restores part of the previous budget reduction of \$500,000 in order to cover the increase in awards made.	100,000	100,000

**The Judicial Department**

The Judicial Department is responsible for protecting and preserving the legal rights of all the people, as guaranteed by the Constitutions and laws of both 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.

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<b>Total Appropriations</b>					
	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Certified</u>	<u>% Over</u> <u>2000-01</u>	<u>2002-03</u> <u>Certified</u>	<u>% Over</u> <u>2001-02</u>
Requirements	\$ 308,758,520	\$ 306,631,785	(0.7%)	\$ 306,605,780	0.0%
Receipts	<u>570,394</u>	<u>1,140,645</u>	50.0%	<u>1,140,645</u>	0.0%
Appropriation	<u>\$ 308,188,126</u>	<u>\$ 305,491,140</u>	(0.9%)	<u>\$ 305,465,135</u>	0.0%
No. of Positions	<u>5,112.85</u>	<u>5,116.35</u>	0.1%	<u>5,116.35</u>	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Judicial – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>1. Reduce Funding for Jury Fees</b>		
The General Assembly adopted the Governor's recommendation to reduce jury fees to reflect recent years' expenditures. This reduction leaves \$3.8 million available for 2001-02.	\$ (370,000)	\$ (370,000)
<b>2. Reduction in Operating Expenses</b>		
The General Assembly reduced operating expenses for the Judicial Branch as follows:		
	<u>2001-02</u>	<u>2002-03</u>
Maintenance		
Agreements	\$ (98,500)	\$(107,250)
Printing & Binding	(8,900)	(9,900)
Registration Fees	(34,700)	(37,250)
Other Expenses	(12,500)	(14,750)
Telephone/		
Telecomm	(2,000)	(3,000)
Equipment Lease	(5,000)	(5,500)
Supplies	(27,654)	(40,055)
	(189,254)	(217,705)
<b>3. Eliminate Funds for Unemployment/Workers Compensation</b>		
The General Assembly adopted the Governor's recommendation to eliminate funds for Workers Compensation. Since payments are unpredictable, most departments do not budget a specific amount.	(370,066)	(370,066)
<b>4. Reduce Budgeted Funds for Temporary Services</b>		
The General Assembly adopted the Governor's recommendation to eliminate funds for temporary personnel.	(223,767)	(223,767)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Judicial – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<p>5. <b>Reduce Budgeted Funds for Administrative Contracts</b>            The General Assembly reduced funds for administrative contracts. This includes a \$102,000 reduction in contractual funds for the Mecklenburg Speedy Drug Court since operations of this program are performed with employees rather than by contract. Contractual funds are also reduced in administration, Superior Court, District Court, Clerks, District Attorneys, Custody Mediation, Arbitration, Sentencing Services and Drug Treatment Court.</p>	\$ (1,752,652)	\$ (1,752,652)
<p>6. <b>Reduce Funding for Fringe Benefits</b>            Budgeted funds for Social Security (FICA) and retirement were reduced based on reductions in other personnel items and projections for 2001-02.</p>	(880,751)	(880,751)
<p>7. <b>Budgeted Overtime</b>            Funding for budgeted overtime was eliminated since the amount was unpredictable and usually covered with available funds. The Governor recommended a reduction of \$42,236 and the General Assembly eliminated the remaining \$20,428.</p>	(62,664)	(62,664)
<p>8. <b>Reduced Facility Lease Expense</b>            Because of delays in renovating existing state offices, the projected increase in lease expenses for the Judicial Branch in the Governor’s budget was reduced by the General Assembly. An increase of \$314,082 remains to cover projected increases in existing leases, the cost of rent for the Business Court, and the annualized cost of new office space leased for the Court of Appeals staff.</p>	(182,951)	(181,701)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Judicial – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
9. <b>Reduction in Superior Court Judge Travel</b> The General Assembly reduced funding for conference lodging and meal expenses for Superior Court Judge. Judges may use their subsistence allowance to cover these expenses.	\$ (103,000)	\$ (103,000)
10. <b>Judicial Branch Travel</b> The travel budget for the Judicial Branch was reduced based on the actual expenditures from prior years.	(200,000)	(200,000)
11. <b>Recalculated Longevity</b> The General Assembly reduced funding for longevity payments to court officials and staff based on a recalculation in April 2001.	(500,000)	(500,000)
12. <b>Eliminate Funding for Blood Borne Pathogens</b> The General Assembly eliminated funding for blood borne pathogens (immunizations), which is no longer required.	(16,068)	(16,068)
13. <b>Redirect Superior Court Judge Position</b> The General Assembly required that the vacant Superior Court Judge position in district #4B (Onslow) be redirected to District #24 (Avery, Mitchell, Watauga, Yancey, Madison), effective October 1, 2001.	-	-
14. <b>Eliminate Vacant District Attorney Investigator</b> The General Assembly eliminated a vacant District Attorney Investigator position in District #29. Not all District Attorneys have investigators and this position has been vacant since March 2000.	(47,525)	(47,525)
Number of Positions	(1.0)	(1.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Judicial – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>15. Eliminate Vacant District Court Judgeship</b>		
The General Assembly eliminated the vacant District Court Judge position in District #17A (Rockingham). The position in Rockingham County was authorized in the 2000-01 budget but no appointment was made.	\$ (125,102)	\$ (123,504)
Number of Positions	(1.0)	(1.0)
<b>16. Increase Budgeted Receipts for Dispute Resolution</b>		
Appropriations for the Mediated Settlement Conference in superior Court and the District Court Mediated Settlement programs were reduced due to expected fee increases and reduced operating expenditures.	(70,251)	(70,251)
<b>17. Budget Fees for Worthless Check Program</b>		
Participants in the worthless check program pay a \$50 fee which is deposited in a non-reverting fund. The General Assembly directed that these funds be used to offset the expenses of the program, allowing a reduction in the General Fund contribution.	(500,000)	(500,000)
<b>18. Reduce Funds for Court of Appeals Mediation</b>		
This program, authorized in the 2000-01 budget, had not been implemented by May 2001. The General Assembly reduced funding due to the limited activity in the first year.	(20,000)	(20,000)
<b>19. Reduction in Funding Sentencing Services Program</b>		
The General Assembly reduced funding for the Sentencing Services program by \$100,000 based on the amount left unspent in prior years. This reduction may be taken in the costs of the state-run or nonprofit programs.	(100,000)	(100,000)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Judicial – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
20. <b>Annualization of New Positions</b>		
The General Assembly appropriated funds to annualize all the personnel costs and half the operating costs of new AOC positions. The recommended continuation budget did not cover the full-year costs of 42 new positions added during 2000-01.		
	\$ 1,602,574	\$ 1,902,574

**Expansion Budget:**

21. **New Courthouses' Telephone Systems/  
Network Cable**

The General Assembly appropriated one time funds for telephone systems and network cable for new courthouses expected to be completed during the biennium; five courthouses in 2001-02 and one in 2002-03. While county governments are responsible for the construction and furnishing of new courthouses and the installation of telecommunication lines in court facilities, the Judicial Branch is responsible for providing the cabling and phone systems.

Appropriation - Nonrecurring	475,000	NR	125,000	NR
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22. **Membership in National District Attorney's  
Association**

The General Assembly appropriated funding to allow all 39 District Attorneys to join the National District Attorney's Association. Nonrecurring funding was provided for this purpose in 2000-01.

15,000	15,000
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NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Judicial – Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>23. District Court Judge</b>			
The General Assembly appropriated funds for a new District Court Judge for District #10 (Wake County). The position was effective January 1, 2002.	\$ 64,463		\$ 123,504
Appropriation - Nonrecurring	12,209	NR	-
Number of Positions	1.0		1.0
<b>24. Redirect Vacant Clerk Position</b>			
A part-time Deputy Clerk position in Caswell County, vacant since August 1999 was redirected, by the General Assembly, to upgrade two .75 FTE positions to fulltime in Madison and Swain Counties. Funds were provided for a new deputy clerk position in Brunswick County and a new Assistant Clerk position in New Hanover, effective July 1, 2001.	66,536		66,536
Appropriation – Nonrecurring	7,865	NR	-
Number of Positions	2.0		2.0
<b>25. New Special Superior Court Judge</b>			
The General Assembly appropriated funds for a new Special Superior Court Judge, effective October 1, 2001. This brings the total number of Special Judges to 13.	116,491		147,701
Appropriation - Nonrecurring	9,153	NR	-
Number of Positions	1.0		1.0
<b>26. New Magistrates</b>			
The General Assembly appropriated funds to add a half-time magistrate in Columbus county and a full-time magistrate in Chowan county. In addition, a vacant part-time magistrate position in Johnston county shall be moved to Swain county.	54,576		54,576
Appropriation - Nonrecurring	11,426	NR	-
Number of Positions	1.5		1.5

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Continued**

**The Judicial Department - Indigent Defense**

The Judicial Department is responsible for ensuring that indigent persons that have a right to state paid counsel receive fair and effective legal representation while in the judicial system.

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	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 72,870,761	\$ 77,057,156	5.7%	\$ 75,743,326	(1.7%)
Receipts	<u>6,125,555</u>	<u>6,875,555</u>	12.2%	<u>6,875,555</u>	0.0%
Appropriation	<u>\$ 66,745,206</u>	<u>\$ 70,181,601</u>	5.2%	<u>\$ 68,867,771</u>	(1.9%)
No. of Positions	<u>348.0</u>	<u>348.0</u>	0.0%	<u>348.0</u>	0.0%

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
1. <b>Increase Budgeted Receipts</b> The General Assembly reduced appropriations to reflect a substantial increase in the amount collected through counselor fee judgments and set-off debt collection receipts.	\$ (750,000)	\$ (750,000)
2. <b>Reduce Funding to NC State Bar</b> The General Assembly reduced annualized funding to the North Carolina State Bar by \$1.66 million. This is the portion that has gone to Legal Services of North Carolina. As of January 1, 2002, Legal Services has received a portion of court fee collections instead.	(830,000)	(1,660,000)
3. <b>Annualization of New Positions</b> This General Assembly appropriated funds to annualize the personnel costs and the operating costs. The continuation budget did not cover the full-year costs of five new positions added during 2000-01.	191,643	191,643



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Judicial-Indigent Defense – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>4. Authorize New Assistant Public Defender Positions</b>		
The Office of Indigent Defense Services (OLDS) may establish up to six assistant public defender positions in lieu of using assigned counsel in statewide programs or areas with established Public Defenders. OLDS may use up to \$477,768 in 2001-02 and \$446,820 in 2002-03 from the indigent fund to establish these positions at no additional cost to the General Fund.	\$ -	\$ -
Number of Positions	6.0	6.0
<b>5. Authorize Public Defenders Support Staff Positions</b>		
The Office of Indigent Defense Services (OLDS) may establish up to five support positions (legal assistants, investigators, and administrative assistants) in statewide programs or areas with established Public Defenders. OLDS may use up to \$283,575 in 2001-02 and \$256,310 in 2002-03 from the indigent fund to establish these positions at no additional cost to the General Fund.	-	-
Number of Positions	5.0	5.0
<b>6. Increase Funding for Indigent Defense</b>		
Funding was provided for increased costs of indigent defense and shortfalls in the current biennium. This brings the General Fund appropriation for assigned counsel to \$44.78 million. The Governor recommended \$5,565,313 in recurring funding.	4,909,491	4,425,661

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Department of Justice**

The Department of Justice, under the supervision of the Attorney General, is responsible for providing legal and law enforcement services to state agencies, local government, and the citizens of North Carolina.

	<b>Total Appropriations</b>				
	<b>2000-01 <u>Authorized</u></b>	<b>2001-02 <u>Certified</u></b>	<b>% Over <u>2000-01</u></b>	<b>2002-03 <u>Certified</u></b>	<b>% Over <u>2001-02</u></b>
Requirements	\$ 90,507,206	\$ 88,678,349	(2.0%)	\$ 89,321,158	0.7%
Receipts	<u>14,035,574</u>	<u>15,535,574</u>	10.7%	<u>15,535,574</u>	0.0%
Appropriation	<u>\$ 76,471,632</u>	<u>\$ 73,142,775</u>	(4.4%)	<u>\$ 73,785,584</u>	0.9%
No. of Positions	<u>1,248.72</u>	<u>1,228.22</u>	(1.64%)	<u>1,229.22</u>	0.1%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b><u>2001-02</u></b>	<b><u>2002-03</u></b>
1. <b>Decrease General Fund Appropriation</b> The General Assembly reduced general fund appropriations by requiring an increase in the amount of budgeted revenues and receipts.	\$ (1,500,000)	\$ (1,500,000)
2. <b>Vehicle Replacement</b> The General Assembly reduced vehicle replacement funds by \$922,018. This is the net amount after adjusting for decreased receipts from the sale/trade-in value of existing vehicles. Appropriation - Nonrecurring	(922,018) NR	-
3. <b>Annualization of Position Costs</b> The General Assembly appropriated funds to annualize costs of eight Tort Claims and SBI Laboratory positions established during 2000-01. These costs were omitted from the Governor's Recommended Budget.	155,424	155,424

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Justice – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>4. Eliminate Vacant Positions</b>		
The Governor's budget recommended the elimination of eight vacant positions saving \$385,000. After consultation with the Department of Justice, the General Assembly eliminated the following nine positions:		
Media Technician I		
CJ Training Coord. I		
Paralegal II		
Attorney I		
Attorney I		
Soc. Research Assoc II		
Office Asst. IV		
Office Asst. IV		
CJ Spec/Investigator III		
	\$ (386,338)	\$ (386,338)
Number of Positions	(9.0)	(9.0)
<b>5. Reduce Various Contracts and Expense Items</b>		
The General Assembly concurred with the Governor's budget recommendation to reduce funding for various temporary position contracts and related benefits, and administrative and computer contracts.		
	(529,925)	(529,925)
<b>6. Eliminate the Office of the Inspector General</b>		
Effective January 1, 2002, the General Assembly dissolved the Office of the Inspector General. The General Assembly found that the functions performed by this office duplicate those responsibilities carried out by the Department of Health and Human Services and county social services offices.		
	(250,000)	(500,000)
Number of Positions	(9.0)	(9.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Justice – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>7. Redirect DARE Program</b>		
The General Assembly adjusted funding for the North Carolina Drug Abuse Resistance and Education program (NC DARE). Approximately 60% of the NC DARE workload is in support of its role as the U.S. Southeast Regional Training Center. As of August 31, 2001, NC DARE will no longer perform this SE regional training function and will stop receiving federal funds from DARE America. NC DARE uses all of the federal funds for SE regional training and none of these funds are passed through to local law enforcement agencies. With the termination of NC DARE as SE Regional Trainers, state funding and resources are redirected to provide training to NC local law enforcement officers only, 40% of the current workload. The redirection and changes in the methods of providing State training make it possible to reduce six state positions, effective October 1, 2001. The SBI would retain three positions and shall continue to administer the program, but shall provide the training in a more cost-efficient manner by collaborating with the Criminal Justice Standards Division to utilize the resources of the Justice Training Academies. In support of the DARE program, DARE America indicates that it will make available, at no cost, technical assistance and training resources to state and local law enforcement agencies.		
Number of Positions	\$ (231,000) (6.0)	\$ (325,000) (6.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Justice – Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>8. Funding for Traffic Law Enforcement</b>		
The General Assembly appropriated funds to implement the collection and analysis of racial, ethnicity, and other data about traffic stops made by county and certain local law enforcement officers.	\$ 260,000	\$ 260,000
<b>9. NC LEAF</b>		
The General Assembly appropriated funding to the NC Legal Education Assistance Foundation to assist with loan repayment for public service attorneys.	75,000	75,000
<b>10. Public Construction Legal Assistance</b>		
The General Assembly enacted S.L. 2001-496, changing statewide public construction practices. The General Assembly appropriated funds in 2001-02 for an Attorney II to help implement the provisions of this legislation.	-	64,791
Number of Positions	-	1.0

**Department of Juvenile Justice and Delinquency Prevention**

The Department of Juvenile Justice and Delinquency Prevention (DJJDP) is responsible for implementing the policies of the state as set forth in the North Carolina General Statutes, promoting public safety, and preventing delinquent acts by juveniles.

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	<b>Total Appropriations</b>				
	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Certified</u>	<u>% Over</u> <u>2000-01</u>	<u>2002-03</u> <u>Certified</u>	<u>% Over</u> <u>2001-02</u>
Requirements	\$ 157,073,080	\$ 147,767,065	(5.9%)	\$ 150,521,052	1.9%
Receipts	<u>7,617,035</u>	<u>7,967,035</u>	4.6 %	<u>7,967,035</u>	0.0%
Appropriation	<u>\$ 149,456,045</u>	<u>\$ 140,800,030</u>	(5.8%)	<u>\$ 142,554,017</u>	1.3%
No. of Positions	<u>2,117.10</u>	<u>2,024.0</u>	(4.4%)	<u>2,024.0</u>	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Juvenile Justice and Delinquency Prevention - Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Administrative Services</b>		
<b>1. Management Information System (MIS) Support (MIS)</b>		
The General Assembly annualized funding for the costs related to positions and recurring J-NET communications cost established during 2000-01.	\$ 852,545	\$ 852,545
<b>2. Eliminate Vacant Position</b>		
The General Assembly eliminated a vacant central office Program Coordinator position. The position had been vacant since January 1, 2000.	(48,031)	(48,031)
Number of Positions	(1.0)	(1.0)
<b>3. Reduce Vehicle Replacement Funds</b>		
The General Assembly reduced funding for vehicle replacement by \$251,280. This is the net amount after adjusting for decreased receipts from the sale/trade-in value of existing vehicles.	(251,280)	-
Appropriation - Nonrecurring	NR	-
<b>Intervention/Prevention</b>		
<b>4. Juvenile Crime Prevention Council (JCPC) Funds</b>		
The General Assembly reduced the amount of JCPC discretionary funds by \$1,300,000. The remaining \$500,000 shall not be set aside for discretionary purposes. These funds shall be included in the council's formula grant allocation so as to increase the amount of formula grant funding available to county JCPCs.	(1,300,000)	(1,300,000)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Juvenile Justice and Delinquency Prevention - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Intervention/Prevention - Continued</b>		
<b>5. Eliminate Vacant Positions</b>		
The General Assembly eliminated a vacant administrative secretary and a processing assistant position.	\$ (66,000)	\$ (66,000)
Number of Positions	(2.0)	(2.0)
<b>Special Initiatives</b>		
<b>6. Boys and Girls Clubs</b>		
The General Assembly reduced the Boys and Girls Club budget by the amount of funds targeted for the three eligible but non-participating counties originally specified for this initiative (Chowan, Columbus, & Martin Counties).	(100,000)	(100,000)
<b>7. Eliminate Guard Response Alternative Sentencing Program (G.R.A.S.P.) Contract</b>		
Effective October 1, 2001, contract funds budgeted for G.R.A.S.P were eliminated. Program referrals and enrollments for this program are significantly below capacity.	(253,000)	(338,000)
<b>8. Multipurpose Group Home</b>		
The General Assembly eliminated operating funds budgeted for a multipurpose group home that has not been constructed.	(500,000)	(500,000)
<b>9. Camp Woodson East</b>		
The General Assembly reduced operating funds for Camp Woodson East due to the delayed opening date of October 1, 2001.		
Appropriation - Nonrecurring	(155,000) NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Juvenile Justice and Delinquency Prevention - Continued**

**Continuation Budget:**

**Youth Development**

	<b>2001-02</b>	<b>2002-03</b>
<b>10. Pilot Multifunctional Facility</b>		
The General Assembly concurred with the Governor’s recommendation to eliminate funds to contract for a privately constructed and operated residential facility for juvenile offenders. Only one bid was received. The bid was over the amount budgeted and the proposed budget was not cost effective.	\$ (2,500,000)	\$ (2,500,000)
<b>11. Increase Detention Center Receipts</b>		
Funding was reduced to offset increased Detention Center receipts.	(350,000)	(350,000)
<b>12. Eliminate Vacant Teaching Positions</b>		
The General Assembly eliminated two vacant teacher positions: one at Samarkand (vacant since December 1999) and one at Dillon (vacant since January 2000).	(88,467)	(88,467)
Number of Positions	(2.0)	(2.0)
<b>13. Cottage Parent Position Reductions</b>		
The General Assembly eliminated 57 of 90 cottage parent positions (18 vacant and 39 filled) in the Youth Development Center's Training Schools. The 39 filled positions were eliminated October 1 and November 1, 2001. DJJDP will allow qualified Cottage Parents to apply for vacant Counselor Technician Positions. Vacancies for this Grade 62 custody position remain high so this reduction could improve staffing coverage in the centers.	(1,260,866)	(1,578,159)
Number of Positions	(57.0)	(57.0)



**Post-Legislative Budget Summary, 2001-03**

**General Fund – Juvenile Justice and Delinquency Prevention - Continued**

**Continuation Budget:**

**Youth Development - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>14. Close Wilkes Detention Facility</b>		
The General Assembly adopted the Governor’s recommendation of closing the Wilkes Detention Center because it is not cost-effective to operate. Staff and juveniles will be relocated to the new Alexander Detention Center.	\$ (413,465)	\$ (413,465)
Number of Positions	(18.0)	(18.0)
<b>15. Eliminate Vacant Counselor Technician Positions</b>		
The General Assembly eliminated 5.5 Counselor Technician positions and one secretarial position from the Youth Development Centers. The reduction replaces the Governor’s recommendation to eliminate the Department of Juvenile Justice and Delinquency Prevention (DJJDP) portion of the police force at the Juvenile Evaluation Center (JEC). The DJJDP police force will remain in place to serve the JEC. DJJDP will also transfer funds and positions to the Department of Health and Human Services (DHHS) to provide security at two surrounding DHHS facilities rather than operate a joint police force.	(224,016)	(224,016)
Number of Positions	(6.5)	(6.5)
<b>16. Transfer Police Force Positions to DHHS</b>		
The Department of Juvenile Justice and Delinquency Prevention (DJJDP) operates a joint police force serving the Juvenile Evaluation Center and two adjacent DHHS facilities. The General Assembly directed the transfer of six police positions to DHHS to operate a separate police force for the Black Mountain Center and the Alcohol and Drug Abuse Treatment Center. DJJDP will continue to operate a five person police force at JEC and the two forces will collaborate during emergencies.	(248,435)	(248,435)
Number of Positions	(6.0)	(6.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Housing Finance**

**North Carolina Housing Finance Agency**

The purpose of the North Carolina Housing Finance Agency is to generate capital through the sale of tax-free revenue bonds and to provide short and long-term loans for residential housing occupied by persons or families of low to moderate incomes. The agency also provides financial assistance to developers of multi-family housing units, administers rental subsidies for low and moderate income families to insure quality housing for families in North Carolina, and develops apartment financing programs that are not dependent on federal subsidy assistance. The General Assembly provides appropriation support for the Housing Trust Fund and matching support for the Federal HOME Program.

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	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 5,300,000	\$ 5,300,000	0.0%	\$ 5,300,000	0.0%
Receipts	-	-	0.0%	-	0.0%
Appropriation	<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>	0.0%	<u>\$ 5,300,000</u>	0.0%

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**Department of Agriculture and Consumer Services**

The North Carolina Department of Agriculture and Consumer Services operates regulatory and service programs that ensure the availability of life-sustaining food and natural fiber, free of adulteration and contamination, and produced in a manner consistent with environmentally sound production practices. Programs are operated to benefit consumers and agricultural producers, to protect the environment, health, and economic well being of all North Carolina citizens and business enterprises.

The department has five primary goals:

- to maintain and enhance agriculture’s ability to provide an adequate, wholesome supply of food and natural fiber;
- to protect consumers from unwholesome food products;
- to protect the social and economic well being of N.C. citizens;
- to preserve agriculture and natural resources, and to protect the environment for the benefit of future generations;
- to carry out departmental programs in a professional and cost-effective manner.

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services – Continued**

	<b>Total Appropriations</b>				
	<b>2000-01 Authorized</b>	<b>2001-02 Certified</b>	<b>% Over 2000-01</b>	<b>2002-03 Certified</b>	<b>% Over 2001-02</b>
Requirements	\$ 76,686,877	\$ 75,702,647	(1.3%)	\$ 75,316,457	(0.4%)
Receipts	<u>19,991,601</u>	<u>20,234,607</u>	1.2%	<u>20,148,417</u>	0.4%
Appropriation	<u>\$ 56,695,276</u>	<u>\$ 55,468,040</u>	(2.16%)	<u>\$ 55,168,040</u>	(0.4%)
No. of Positions	<u>1,278.75</u>	<u>1,247.25</u>	(2.46%)	<u>1,247.25</u>	(0.0%)

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Administrative/Public Affairs</b>		
<b>1. Eliminate Vacant Positions</b>		
An Administrative Secretary III position and an Information and Communications Specialist II position in the divisions of Administration and Public Affairs were eliminated and operating support was reduced.	\$ (89,329)	\$ (89,329)
Number of Positions	(2.0)	(2.0)
<b>2. Reduce Operating Support Line Items</b>		
Reductions in various operating line items were made within the divisions.	(15,097)	(15,097)
<b>3. Reduce Ag in the Classroom Program</b>		
The grant-in-aid to the North Carolina Farm Bureau for the Ag in the Classroom program was reduced.	(6,250)	(6,250)
<b>Agricultural Finance Authority</b>		
<b>4. Reduce Line Items for Operating Support</b>		
Operating support to the Agricultural Finance Authority was reduced.	(28,566)	(28,566)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services – Continued**

**Continuation Budget:**

**Agricultural Statistics**

	<b>2001-02</b>	<b>2002-03</b>
<b>5. Eliminate Vacant Positions</b>		
A Data Entry Supervisor I and a Statistical Assistant IV position in the Division of Agricultural Statistics were eliminated, and operating support was reduced.	\$ (61,704)	\$ (61,704)
Number of Positions	(2.0)	(2.0)

**Agronomic Services**

<b>6. Reduce Funding for Scientific Supplies</b>		
A reduction was made in the Scientific Supplies line item in the Division of Agronomic Services.	(6,850)	(6,850)
<b>7. Increase Receipts and Reduce Appropriations</b>		
Receipts were increased within the division with a corresponding decrease in General Fund Appropriations.		
Requirements	\$ -	\$ -
Receipts	41,800	41,800
Appropriation	\$ (41,800)	\$ (41,800)
<b>8. Eliminate Vacant Position</b>		
A Data Entry Operator II position was eliminated along with \$3,500 in operating support for the position.	(37,911)	(37,911)
Number of Positions	(1.0)	(1.0)

**Aquaculture and Natural Resources**

<b>9. Reduce Funding for Line Items</b>		
Reductions were made in various operating line items within the division.	(5,550)	(5,550)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Food and Drug Protection</b>		
<b>10. Increase Receipts and Decrease Appropriations</b>		
Budgeted receipts were increased with a corresponding decrease in appropriations in the Food and Drug Protection Program.		
Requirements	\$ -	\$ -
Receipts	<u>22,000</u>	<u>22,000</u>
Appropriation	\$ (22,000)	\$ (22,000)
<b>11. Reduce Funding for Line Items</b>		
Reductions were made in various operating line items within the Food and Drug Protection Program.	(101,066)	(101,066)
<b>12. Eliminate Vacant Positions</b>		
Four vacant positions (Technical Trainee II, Pesticide Specialist I, Processing Assistant III, Chemistry Technician I) were eliminated and a reduction in operating support was made in the Food and Drug Protection Program.	(152,969)	(152,969)
Number of Positions	(4.0)	(4.0)
<b>Food Distribution</b>		
<b>13. Reduce Funding to Equipment Line Item</b>		
The equipment line item for trailers in the Food Distribution Program was reduced.	(29,000)	(29,000)
<b>Marketing</b>		
<b>14. Eliminate Positions</b>		
Three positions (Maintenance Mechanic I, International Marketing Specialist II, General Utility Worker) were eliminated with a reduction in operating support for the division.	(114,753)	(114,753)
Number of Positions	(3.0)	(3.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services - Continued**

**Continuation Budget:**

<b>Marketing – Continued</b>	<b>2001-02</b>	<b>2002-03</b>
<b>15. Increase Receipts</b>		
Budgeted receipts were increased along with a corresponding reduction in General Fund appropriations.		
Requirements	\$ -	\$ -
Receipts	<u>124,300</u>	<u>124,300</u>
Appropriation	\$ (124,300)	\$ (124,300)
<b>16. Eliminate Vacant Positions</b>		
Two vacant positions (Facility Agricultural Engineer II, Office Assistant III) were eliminated and operating support was reduced.	(109,061)	(109,061)
Number of Positions	(2.0)	(2.0)
<b>17. Reduce Raleigh Farmer’s Market Transfer</b>		
A reduction was made in the General Fund transfer to the Raleigh Farmer’s Market.	(80,000)	(80,000)
<b>18. Reduce Western NC Ag Center/Mountain State Fair</b>		
A reduction was made in the General Fund transfer to the Western North Carolina Agriculture Center and Mountain State Fair.	(20,000)	(20,000)
<b>19. Reduce Western NC Development Association</b>		
The grant-in-aid to the Western North Carolina Development Association was reduced.	(5,000)	(5,000)
<b>Plant Industry</b>		
<b>20. Eliminate Vacant Positions</b>		
Four vacant positions (Ag Research Technician II, Chemistry Technician II, Processing Assistant II, Office Assistant III) were eliminated and operating support reduced in the division.	(114,188)	(114,188)
Number of Positions	(3.5)	(3.5)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Plant Industry – Continued</b>		
<b>21. Reduce Line Items</b>		
Various operating line items in the division were reduced.	\$ (64,485)	\$ (64,485)
<b>Research Stations/State Farms</b>		
<b>22. Eliminate Vacant Positions</b>		
Four vacant positions (2 Agricultural Research Assistant I, Agricultural Research Assistant, Maintenance Mechanic IV) were eliminated and operating support reduced.	(126,016)	(126,016)
Number of Positions	(4.0)	(4.0)
<b>23. Reduce Vehicles</b>		
Other motorized vehicle line item in the division was reduced.	(122,500)	(122,500)
<b>Standards</b>		
<b>24. Eliminate Vacant Positions</b>		
Two vacant positions (Standards Inspector II, Standards Inspector I) were eliminated and operating support reduced.	(79,754)	(79,754)
Number of Positions	(2.0)	(2.0)
<b>25. Reduce Line Items</b>		
Various operating line items within the division were reduced.	(18,000)	(18,000)
<b>Structural Pest</b>		
<b>26. Reduce Line Items</b>		
Various operating line items within the division were reduced.	(2,140)	(2,140)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services - Continued**

**Continuation Budget:**

<b>Structural Pest – Continued</b>	<b>2001-02</b>	<b>2002-03</b>
<b>27. Increase Receipts and Reduce Appropriations</b>		
Budgeted receipts were increased with a corresponding decrease in General Fund Appropriation.		
Requirements	\$ -	\$ -
Receipts	<u>7,160</u>	<u>7,160</u>
Appropriation	\$ (7,160)	\$ (7,160)
 <b>Veterinary Services</b>		
<b>28. Eliminate Positions</b>		
Three positions (Veterinarian, 2 Veterinary Laboratory Assistant I) were eliminated and operating support was reduced.	(141,863)	(141,863)
Number of Positions	(3.0)	(3.0)
 <b>29. Meat and Poultry Inspection</b>		
Five vacant Meat and Poultry Inspector positions were eliminated and operating support reduced. This program also reduces an equal amount of receipts.	(96,464)	(96,464)
Number of Positions	(5.0)	(5.0)
 <b>30. Reduce Scientific Supplies</b>		
Scientific supplies line item in the division were reduced.	(3,460)	(3,460)

**Expansion Budget:**

**Administration**

<b>31. Create Gasoline/Natural Gas Reserve</b>		
Funds were appropriated to a reserve for allocation to divisions for gasoline and natural gas needs.	100,000	100,000
 <b>32. Create Laboratory Reserve</b>		
Funds were appropriated to establish a reserve for laboratory equipment to be allocated to divisions on a priority needs basis.	150,000	150,000



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Agriculture and Consumer Services - Continued**

**Expansion Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Commissioner’s Office</b>		
<b>33. Farmland Preservation Trust Fund</b>		
Funds were appropriated for the Farmland Preservation Trust Fund for the fiscal year 2001-02.		
Appropriation - Nonrecurring	\$ 200,000 NR	\$ -
 <b>Plant Industry</b>		
<b>34. Increase Gypsy Moth Control Funds</b>		
Funds were appropriated to supplement federal funds for the department’s program to control the spread of the gypsy moth.	50,000	50,000
 <b>35. Reserves and Transfers</b>		
Funds were appropriated to the department to educate the public on the results of the research conducted by North Carolina State University (NCSU) on Turfgrass. NCSU received an appropriation in this session to conduct research on turfgrass production, impact of turfgrass fertilizers on the environment, and ways to reduce any adverse impact on the environment from use of fertilizers on turfgrass.		
Appropriation - Nonrecurring	100,000 NR	100,000 NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Commerce**

**Department of Commerce**

It is the mission of the Department of Commerce to improve the economic well-being and quality of life for all North Carolinians.

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	<b>Total Appropriations</b>				
	<b>2000-01</b>	<b>2001-02</b>	<b>% Over</b>	<b>2002-03</b>	<b>% Over</b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 94,211,071	\$ 108,464,438	15.1%	\$ 93,464,438	(13.8%)
Receipts	<u>49,184,064</u>	<u>49,184,064</u>	0.0%	<u>49,184,064</u>	0.0%
Appropriation	<u>\$ 45,027,007</u>	<u>\$ 59,280,374</u>	31.6%	<u>\$ 44,280,374</u>	(25.3%)
No. of Positions	431.0	<u>424.25</u>	(1.5%)	<u>424.25</u>	(0.0%)

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Business &amp; Industry</b>		
<b>1. Eliminate a Position</b>		
The General Assembly eliminated a vacant Industrial Development II position along with \$3,500 in operating support.	\$ (52,772)	\$ (52,772)
Number of Positions	(1.0)	(1.0)
<b>2. Fund Economic Developer Positions and Operating Support</b>		
Funding was provided for two Economic Developer positions and operating support.	120,000	120,000
Number of Positions	2.0	2.0

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Commerce – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Center for Entrepreneurship &amp; Technology</b>		
<b>3. Abolish the Center for Entrepreneurship and Technology</b>		
The Center for Entrepreneurship & Technology was abolished.	\$ (624,856)	\$ (624,856)
Number of Positions	(4.0)	(4.0)
<b>Community Assistance</b>		
<b>4. Reduce Funding for Councils of Government</b>		
Funding to the Councils of Government was reduced due to the closing of Region H.	(55,000)	(55,000)
<b>Industrial Commission</b>		
<b>5. Reduce Operating Support Funds</b>		
Operating support was reduced.	(44,061)	(44,061)
<b>6. Eliminate Position and Operating Support Funds</b>		
A processing Assistant IV position was eliminated along with \$3,500 in operating support.	(40,635)	(40,635)
Number of Positions	(1.0)	(1.0)
<b>7. Eliminate Positions and Operating Funds</b>		
Vacant positions were eliminated along with \$9,625 in operating support.	(88,895)	(88,895)
Number of Positions	(2.8)	(2.8)
<b>8. Reduce Salary Reserve</b>		
Salary reserve was reduced.	(2,698)	(2,698)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Commerce – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>International Trade</b>		
9. <b>Reduce Operating Budget for Research Triangle International Visitor Center</b> The Research Triangle International Visitor Center operating budget was reduced.	\$ (1,000)	\$ (1,000)
<b>Marketing</b>		
10. <b>Reduce Advertising Funds</b> The advertising line item was reduced.	(200,000)	(200,000)
<b>Tourism, Film &amp; Sports Development</b>		
11. <b>Eliminate Position and Operating Support</b> A vacant Information and Communication Specialist II position was eliminated along with \$3,500 in operating support. Number of Positions	(47,354) (1.0)	(47,354) (1.0)
12. <b>Reduce Position and Operating Support Funds</b> Eight General Utility Worker positions were reduced from 40 hours to 30 hours per week and operating support was reduced by \$7,000. Number of Positions	(50,415) (2.0)	(50,415) (2.0)
13. <b>Reduce Printing Budget</b> The printing line item was reduced.	(150,000)	(150,000)
14. <b>Reduce Advertising Reserve</b> The advertising reserve was reduced.	(75,000)	(75,000)

**Post-Legislative Budget Summary, 2001-03  
General Fund – Commerce – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Wanchese Seafood Industrial Park</b>		
<b>15. Eliminate Funding for Position and Operating Support</b>		
A vacant Processing Assistant position was eliminated along with \$3,500 in operating support.	\$ (35,449)	\$ (35,449)
Number of Positions	(1.0)	(1.0)

**Expansion Budget:**

**Commerce Finance Center**

<b>16. Industrial Recruitment Competitive Fund</b>		
Nonrecurring funds were provided for the Industrial Recruitment Competitive Fund.		
Appropriation - Nonrecurring	15,000,000	NR -

**Board of Science and Technology**

<b>17. Transfer Board of Science and Technology</b>		
The Board of Science and Technology was transferred to the Department of Commerce from the Department of Administration.	371,302	371,302
Number of Positions	3.0	3.0

**Travel, Tourism, Film and Sports Development**

<b>18. Funds for Operating Support</b>		
Additional funds were provided for operating support.	180,000	180,000
<b>19. Expand Heritage Tourism</b>		
Funds were provided for a position and operating support to expand heritage tourism in Winston-Salem.	50,000	50,000
Number of Positions	1.0	1.0

NR – Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
General Fund - Continued**

**Department of Environment and Natural Resources**

The goal of the Department of Environment and Natural Resources is to promote, protect, and conserve the environment and natural resources of North Carolina through responsible stewardship and excellence in public service.

The department has three primary goals:

- to develop creative ways to improve environmental quality while ensuring the economic prosperity of our citizens;
- to be better stewards of the environment for our children and future generations; to concentrate our conservation efforts more on protecting whole ecosystems--river basins, watersheds, and habitats;
- to make government work better, eliminate red tape and bureaucracy, and emphasize successful results; to make quality our hallmark.

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	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b> <b><u>Authorized</u></b>	<b><u>2001-02</u></b> <b><u>Certified</u></b>	<b><u>% Over</u></b> <b><u>2000-01</u></b>	<b><u>2002-03</u></b> <b><u>Certified</u></b>	<b><u>% Over</u></b> <b><u>2001-02</u></b>
Requirements	\$ 253,508,111	\$ 251,763,266	(.7%)	\$ 251,413,266	(.1%)
Receipts	<u>91,334,101</u>	<u>92,690,566</u>	1.5%	<u>92,690,566</u>	0.0%
Appropriation	<u>\$ 162,174,010</u>	<u>\$ 159,072,700</u>	(1.9%)	<u>\$ 158,722,700</u>	(.2%)
No. of Positions	<u>3,354.33</u>	<u>3,321.79</u>	(1.0%)	<u>3,321.79</u>	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Administration</b>		
<b>1. Abolish Deputy Secretary Position</b>		
The Department's Deputy Secretary of Operations position was abolished.	\$ (46,324)	\$ (46,324)
Number of Positions	(1.0)	(1.0)
<b>2. Eliminate Vacant Positions</b>		
Three vacant full-time and two vacant half-time positions were eliminated from divisions within Administration.	(172,156)	(172,156)
Number of Positions	(4.0)	(4.0)
<b>3. Eliminate a Regional Office Position</b>		
An Office Assistant III position, in the Department's Regional Office, was eliminated.	(26,122)	(26,122)
Number of Positions	(1.0)	(1.0)
<b>4. Eliminate Positions</b>		
Two Administrative Assistant positions, in the Department's Executive staff, were eliminated.	(45,000)	(45,000)
Number of Positions	(2.0)	(2.0)
<b>Aquariums</b>		
<b>5. Increase Receipts</b>		
Funding was changed from appropriations to receipts.		
Requirements	\$ -	\$ -
Receipts	<u>500,000</u>	<u>500,000</u>
Appropriations	\$ (500,000)	\$ (500,000)
<b>6. Eliminate Positions</b>		
Two vacant General Utility Worker positions and one filled Office Assistant III position were eliminated with a reduction in operating support.	(81,037)	(81,037)
Number of Positions	(3.0)	(3.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Forest Resources</b>		
<b>7. Eliminate Vacant Positions</b>		
Three vacant positions (Forestry Pilot III, Extension Education and Training Specialist I, Administrative Assistant I) were abolished and operating support was reduced.	\$ (153,887)	\$ (153,887)
Number of Positions	(3.0)	(3.0)
<b>8. Reduce Forest Development Program</b>		
The general fund appropriation for the Forest Development Program was reduced.	(100,000)	(100,000)
<b>Marine Fisheries</b>		
<b>9. Eliminate Vacant Positions</b>		
Six vacant positions (two Marine Fisheries Officers III, a Medical Lab Technician I, an Information and Communications Specialist, a Data Entry Operator, and a Submerged Lands Program Director) were eliminated and operating support reduced.	(206,928)	(206,928)
Number of Positions	(6.0)	(6.0)
<b>Museum of Natural Sciences</b>		
<b>10. Eliminate a Vacant Position</b>		
A vacant Accounting Clerk IV position was abolished and operating support was reduced.	(40,655)	(40,655)
Number of Positions	(1.0)	(1.0)
<b>11. Reduce Funding for Grassroots Science Museums</b>		
The appropriation for the Grassroots Science Museums was reduced.	(300,000)	(300,000)



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>NC Zoological Park</b>		
<b>12. Eliminate Vacant Positions</b>		
Five and one-half vacant positions (Maintenance Mechanic II, Housekeeper (.50), Information and Communications Specialist, Grounds Worker, Administrative Assistant II, Cashier I) were eliminated and operating support was reduced.	\$ (190,722)	\$ (190,722)
Number of Positions	(5.5)	(5.5)
<b>13. Increase Receipts</b>		
Budgeted receipts were increased as a result of a fee increase at the Zoo and General Fund appropriations were reduced by an equal amount.		
Requirements	\$ -	\$ -
Receipts	<u>600,000</u>	<u>600,000</u>
Appropriation	\$ (600,000)	\$ (600,000)
<b>Office of Environmental Education</b>		
<b>14. Eliminate a Vacant Position</b>		
A vacant Educational Development Consultant position was eliminated and operating support was reduced.	(51,952)	(51,952)
Number of Positions	(1.0)	(1.0)
<b>Parks and Recreation</b>		
<b>15. Eliminate Vacant Positions</b>		
Five vacant positions (Accounting Clerk III, Volunteer Services Coordinator, and three Park Ranger II's) were eliminated with a reduction in operating support in the division.	(180,628)	(180,628)
Number of Positions	(5.0)	(5.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Soil and Water Conservation</b>		
<b>16. Eliminate a Vacant Position</b>		
A vacant Processing Assistant IV position was eliminated with a reduction in operating support.		
Number of Positions	\$ (33,297) (1.0)	\$ (33,297) (1.0)
<b>17. Shift a Position to Receipts Support</b>		
Funding for a Computer Consultant III position (.19 FTE) and operating support will become receipts supported.		
Requirements	\$ -	\$ -
Receipts	<u>13,499</u>	<u>13,499</u>
Appropriations	\$ (13,499)	\$ (13,499)
Number of Positions	(0.2)	(0.2)
<b>18. Decrease Agriculture Cost Share Financial Assistance Funding</b>		
Funds for the Agriculture Cost Share Program for Nonpoint Source Pollution Control was reduced. The program reimburses farmers up to 75% of the costs of installing Best Management Practices to improve and protect water quality.	(1,000,000)	(1,000,000)
<b>Air Quality</b>		
<b>19. Shift Position to Receipt Support</b>		
Funding for an Environmental Technician II position and operating support will become receipts supported.		
Requirements	\$ -	\$ -
Receipts	<u>33,031</u>	<u>33,031</u>
Appropriations	\$ (33,031)	\$ (33,031)
Number of Positions	(1.0)	(1.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Coastal Management</b>		
<b>20. Shift a Position to Receipt Support</b>		
General fund appropriations were reduced and the Office Assistant III position became receipt supported.		
Requirements	\$ -	\$ -
Receipts	<u>32,158</u>	<u>32,158</u>
Appropriations	\$ (32,158)	\$ (32,158)
Number of Positions	(1.0)	(1.0)
<b>21. Eliminate a Position</b>		
A Personnel Assistant V position was eliminated and operating support reduced.		
Number of Positions	(34,671)	(34,671)
	(1.0)	(1.0)
<b>Environmental Health</b>		
<b>22. Eliminate Vacant Positions</b>		
Two vacant positions (Environmental Engineer II, Word Processor III) were eliminated and operating support reduced.		
Number of Positions	(88,675)	(88,675)
	(2.0)	(2.0)
<b>23. Shift Position to Receipt Support</b>		
A Processing Assistant IV position and the operating support for the position became receipt supported.		
Requirements	\$ -	\$ -
Receipts	<u>11,351</u>	<u>11,351</u>
Appropriations	\$ (11,351)	\$ (11,351)
Number of Positions	(0.4)	(0.4)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Land Resources</b>		
<b>24. Eliminate Vacant Positions</b>		
This action eliminates two vacant positions (Environmental Engineer I, Environmental Technician V) and reduces operating support.	\$ (81,707)	\$ (81,707)
Number of Positions	(2.0)	(2.0)
<b>25. Shift Position to Receipt Support</b>		
A Geologist III position and operating support for the position became receipts supported.		
Requirements	\$ -	\$ -
Receipts	67,610	67,610
Appropriations	\$ (67,610)	\$ (67,610)
Number of Positions	(1.0)	(1.0)
<b>Pollution Prevention/Environmental Assistance</b>		
<b>26. Eliminate a Vacant Position</b>		
This action eliminates an Office Assistant IV position and reduces operating support.	(31,981)	(31,981)
Number of Positions	(1.0)	(1.0)
<b>Radiation Protection</b>		
<b>27. Eliminate a Position</b>		
This action eliminates a Radiological Health Specialist position and reduces operating support.	(40,190)	(40,190)
Number of Positions	(1.0)	(1.0)
<b>28. Eliminate a Vacant Position</b>		
This action eliminates an Administrative Assistant I position and reduces operating support.	(40,454)	(40,454)
Number of Positions	(1.0)	(1.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Waste Management</b>		
<b>29. Eliminate Vacant Positions</b>		
This action eliminates three vacant positions (Administrative Secretary I, Environmental Technician II, Environmental Technician III) and reduces operating support.	\$ (102,359)	\$ (102,359)
Number of Positions	(3.0)	(3.0)
 <b>Water Quality</b>		
<b>30. Eliminate Vacant Positions</b>		
This action eliminates seven vacant positions (Chemistry Technician II, Community Development Planner, Personnel Assistant III, Environmental Modeler II, two Environmental Engineer I, Applications Analyst Programmer II) and reduces operating support.	(329,859)	(329,859)
Number of Positions	(7.0)	(7.0)
 <b>Water Resources</b>		
<b>31. Eliminate a Vacant Position</b>		
This action eliminates an Environmental Engineer II position and reduces operating support.	(53,692)	(53,692)
Number of Positions	(1.0)	(1.0)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Continuation Budget:**

<b>Department-Wide</b>	<b>2001-02</b>	<b>2002-03</b>
<b>32. Implement Lease – Purchase Arrangement</b>		
This action reduces general fund appropriations and implements a lease-purchase arrangement for the purchase of major equipment for the following divisions:		
Forest Resources – Aircraft	\$ (1,793,096)	
Forest Resources – Autos, Trucks and Buses	( 431,151)	
Parks & Recreation – Autos, Trucks and Buses	( 574,925)	
Water Quality – Scientific Equip	( 74,328)	
	\$ (2,873,500)	\$ (2,873,500)
<b>33. Reduce Salary Reserve</b>		
Salary reserve throughout the department was reduced.	(61,378)	(61,378)
<b>34. Reduce Operating Support</b>		
Operating support throughout the department was reduced.	(28,000)	(28,000)
 <b>Reserves and Special Funds</b>		
<b>35. Reduce Funds for Rivernet Water Quality Monitoring and Research Funds</b>		
This action reduces funds for the Rivernet Water Quality Monitoring project by \$15,000 and for the Water Quality Workgroup by \$20,000.	(35,000)	(35,000)
 <b>Forest Resources</b>		
<b>36. Increase Aircraft Lease Line Item</b>		
Additional funds to lease a CL-215 aircraft during fire season were appropriated.	150,000	150,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Expansion Budget:**

	2001-02	2002-03
<b>Museum of Natural Sciences</b>		
<b>37. Increase Funds for Temporary Staff</b>		
This action provides funds for the Museum to contract for temporary services.	\$ 40,000	\$ 40,000
<b>Environmental Health</b>		
<b>38. West Nile Virus Monitoring</b>		
This action provides funds for monitoring of SENTINEL FLOCKS for indication of West Nile Virus.		
Appropriation - Nonrecurring	100,000 NR	-
<b>39. Environmental Health Specialist Training</b>		
This action provides additional funds for training and continued education to local environmental health specialists to improve the consistency of implementation and enforcement of rules.	75,000	75,000
<b>Land Resources</b>		
<b>40. Transfer Geodetic Survey from OSBPM</b>		
This action transfers from OSBM to Land Resources, the responsibilities and staff of the Geodetic Survey Unit within the Surveying and Mapping Section. Two of the 22 positions transferred are receipt supported. This transfer has all the elements of a Type I transfer as defined in G. S. 143A-6.		
Number of Positions	1,035,096 (22.0)	1,035,096 (22.0)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Expansion Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>Land Resources – Continued</b>			
<b>41. Transfer County Boundaries from OSBM</b>			
The responsibilities and staff of the County Boundaries Unit within the Surveying and Mapping Section were transferred to Land Resources. This transfer has all the elements of a Type I transfer as defined in G.S. 143A-6.	\$ 152,749		\$ 152,749
Number of Positions	(1.0)		(1.0)
<b>42. Transfer CGIA from OSBM</b>			
The Center for Geographic Information and Analysis (CGIA) was transferred to Land Resources. CGIA is a receipt supported agency with 25 positions in budget code 23006, fund 2510. This transfer has all the elements of a Type I transfer as defined in G.S. 143A-6.	-		-
<b>Water Quality</b>			
<b>43. River Basin Modeling</b>			
This action provides additional funds for modeling activities related to river basin planning.			
Appropriation - Nonrecurring	75,000	NR	-
<b>Water Resources</b>			
<b>44. Central Coastal Plain Capacity Use Area Planning</b>			
Funds were provided for planning alternative water sources in the Central Coastal Plain Capacity Use Area.	20,000		20,000
<b>Department-Wide</b>			
<b>45. Create Reserve for Information Technology</b>			
This action places funds in a reserve to support information technology needs throughout the department.			
Appropriation - Nonrecurring	40,000	NR	-

NR – Nonrecurring



**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Environment and Natural Resources – Continued**

**Expansion Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>Reserves and Special Funds</b>		
<b>46. Resource Conservation and Development Councils</b>		
This action provides each of the state’s nine Resource Conservation and Development Councils with a \$15,000 grant.		
Appropriation - Nonrecurring	\$ 135,000	NR \$ -
<b>47. Reserve for Position – Environmental Health</b>		
This action placed funds in a reserve for salary and operating support for a part-time Regional Environmental Health Specialist in the Division of Environmental Health contingent upon the passage of HB 635, Regulate Body Piercing. HB 635 did not get enacted; therefore, these funds will remain in a reserve.		
Number of Positions	35,000 (0.5)	35,000 (0.5)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03  
 General Fund - Environment and Natural Resources - Continued**

**Clean Water Management Trust Fund**

The Clean Water Management Trust Fund supports projects through grants to local government, state agencies, and conservation non-profits that (1) enhance or restore degraded waters, (2) protect unpolluted waters, and/or (3) contribute toward a network of riparian buffers and greenways for environmental, educational, and recreational benefits.

	<b>Total Appropriations</b>				
	<b>2000-01 Authorized</b>	<b>2001-02 Certified</b>	<b>% Over 2000-01</b>	<b>2002-03 Certified</b>	<b>% Over 2001-02</b>
Requirements	\$ 30,000,000	\$ 40,000,000	33.3%	\$ 70,000,000	75.0%
Receipts	-	-	-%	-	-%
Appropriation	<u>\$ 30,000,000</u>	<u>\$ 40,000,000</u>	33.3%	<u>\$ 70,000,000</u>	75.0%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Expansion Budget:**

<b>Clean Water Management Trust Fund</b>	<u>2001-02</u>	<u>2002-03</u>
1. <b>Clean Water Management Trust Fund</b> This action will increase funds for the Clean Water Management Trust Fund in accordance with G.S. 143-15.3B(a).	\$ 10,000,000	\$ 40,000,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Continued**

**Department of Labor**

The goal of the Department of Labor is to protect the health, safety, and general well being of the working people of North Carolina. The department encourages the development of skilled craft workers through apprenticeship and on-the-job training programs, promotes economic development in North Carolina, and insures compliance with state labor laws, including the Occupational Safety and Health Act (OSHA).

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	<b>Total Appropriations</b>				
	<b><u>2000-01</u></b>	<b><u>2001-02</u></b>	<b><u>% Over</u></b>	<b><u>2002-03</u></b>	<b><u>% Over</u></b>
	<b><u>Authorized</u></b>	<b><u>Certified</u></b>	<b><u>2000-01</u></b>	<b><u>Certified</u></b>	<b><u>2001-02</u></b>
Requirements	\$ 26,152,824	\$ 25,768,611	(1.5%)	\$ 25,768,611	(0.0%)
Receipts	9,535,646	10,250,705	7.5%	10,650,705	3.9%
Appropriation	<u>\$ 16,617,178</u>	<u>\$ 15,517,906</u>	(6.6%)	<u>\$ 15,117,906</u>	(2.6%)
No. of Positions	439.0	434.0	(1.1%)	434.0	0.0%

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**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>Administrative Programs</b>		
<b>1. Eliminate Positions and Operating Funds</b>		
Two vacant positions were eliminated along with \$7,000 in operating support.	\$ (86,766)	\$ (86,766)
Number of Positions	(2.0)	(2.0)
<b>2. Reduce Operating Budget</b>		
Funding for operating support was reduced.	(50,563)	(50,563)
<b>3. Budget Indirect Cost</b>		
Over-realized indirect cost receipts will be budgeted to reduce appropriation.	(93,961)	(93,961)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Labor - Continued**

**Continuation Budget:**

**Apprenticeship Training**

	<b>2001-02</b>	<b>2002-03</b>
<b>4. Eliminate Position and Operating Support Funding</b>		
A vacant Apprenticeship Representative position was eliminated along with \$3,500 in operating support.	\$ (40,404)	\$ (40,404)
Number of Positions	(1.0)	(1.0)
<b>5. Reduce Operating Support</b>		
Funding for operating support was reduced.	(15,310)	(15,310)

**Elevator Inspection Division**

<b>6. Budget Increased Receipts</b>		
Increased elevator and amusement device inspection fees will be budgeted to reduce General Fund appropriations.	(400,000)	(800,000)
<b>7. Reduce Operating Support</b>		
Funding for operating support was reduced.	(21,203)	(21,203)

**Wage & Hour/Workplace Discrimination**

<b>8. Reduce Operating Support</b>		
Funding for operating support was reduced.	(18,990)	(18,990)

**Mine/Quarry Inspection Division**

<b>9. Eliminate Position and Operating Support</b>		
A vacant Processing Assistant III position was eliminated along with \$3,500 in operating support.	(34,018)	(34,018)
Number of Positions	(1.0)	(1.0)
<b>10. Reduce Operating Support</b>		
Funding for operating support was reduced.	(13,086)	(13,086)

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Labor - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>OSHA</b>		
<b>11. Reduce Operating Support</b>		
Funding for operating support was reduced.	\$ (35,887)	\$ (35,887)
<b>12. Eliminate Positions</b>		
Vacant positions were eliminated along with \$5,250 in operating support.	(71,632)	(71,632)
Number of Positions	(1.5)	(1.5)
<b>13. Shift Positions to Federal Funding</b>		
Funding for four positions and \$14,000 in operating support was shifted from state support to federal support.	(167,452)	(167,452)
Number of Positions	(4.0)	(4.0)

**Department-Wide**

<b>14. Reduce Operating Budget</b>		
Funding for operating support was reduced throughout the Department.	(75,000)	(75,000)

**Expansion Budget:**

**OSHA**

<b>15. Restore Funding (.5 FTE) for Position</b>		
Funding was restored for one-half of a Safety Officer position.	25,000	25,000
Number of Positions	.5	.5

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Commerce – State Aid to Non-State Entities**

**Department of Commerce - State Aid to Non-State Entities**

This code was established to account for appropriations made by the General Assembly through the Department of Commerce to various nonstate recipients.

Total Appropriations

	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Certified</u>	<u>% Over</u> <u>2000-01</u>	<u>2002-03</u> <u>Certified</u>	<u>% Over</u> <u>2001-02</u>
Requirements	\$ 16,196,251	\$ 16,486,523	1.8%	\$ 16,561,217	2.25%
Receipts	-	-	0.0%	-	0.0%
Appropriation	<u>\$ 16,196,251</u>	<u>\$ 16,486,523</u>	1.8%	<u>\$ 16,561,217</u>	2.25%

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

**Continuation Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>N. C. Biotechnology Center</b>		
<b>1. Administrative Support Eliminated</b> The Biotechnology Initiative for minority universities was transferred to the six constituent institutions (Elizabeth City State University, Fayetteville State University, North Carolina Central University, North Carolina A & T State University, UNC Pembroke, and Winston-Salem State University.), eliminating the need for administrative support associated with this program.	\$ (100,000)	\$ (100,000)
<b>2. General Operating Budget Reduced</b> The general operating budget was reduced.	(368,445)	(368,445)
<b>3. Appropriation Reduced</b> Appropriation was reduced for the 2001-02 fiscal year, thereby reducing the Biotechnology Center's overall cash balance. Appropriation - Nonrecurring	(1,000,000) NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund - Commerce - State Aid to Non-State Entities - Continued**

**Continuation Budget:**

	<u>2001-02</u>		<u>2002-03</u>
<b>Rural Economic Development Center</b>			
4. <b>Appropriation Reduced</b>			
Appropriation was reduced for the 2001-02 fiscal year, thereby reducing the Rural Center's overall cash balance.			
Appropriation - Nonrecurring	\$ (999,694)	NR	\$ -
5. <b>Operating Support Reduced</b>			
Operating support was reduced.	(186,867)		(186,867)

**Expansion Budget:**

**N.C. Minority Support Center**

6. <b>Funding for Credit Unions</b>			
\$75,000 was provided to expand the Latino Community Credit Union to Wake County and \$50,000 was provided for a new credit union in Sampson County.			
Appropriation - Nonrecurring	125,000	NR	-

**Yadkin PeeDee Lakes**

7. <b>Funding for Yadkin PeeDee Lakes Project</b>			
Funds were provided for the Yadkin PeeDee Lakes Project.			
Appropriation - Nonrecurring	100,000	NR	-

**N.C. Technological Development Authority**

8. <b>Funding for the NC Technological Development Authority</b>			
Funds were provided for entrepreneurial support and infrastructure.			
Appropriation - Nonrecurring	1,600,000	NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund - Commerce - State Aid to Non-State Entities - Continued**

**Continuation Budget:**

	<b>2001-02</b>	<b>2002-03</b>
<b>World Trade Center North Carolina</b>		
<b>9. Funding for World Trade Center North Carolina</b>		
Funds were provided to support international trade education programs for small and medium sized business.		
Appropriation - Nonrecurring	\$ 100,000 NR	\$ -

**Expansion Budget:**

**Rural Economic Development Center**

<b>10. Funding for Rural Economic Development Center</b>		
Additional funds were provided for:		
• General Administration	\$100,000	
• Supplemental Funding Program	\$595,278	
• Capacity Building Assistance Program	\$125,000	
• Agricultural Advancement Consortium	\$200,000	
	1,020,278	1,020,278

NR - Nonrecurring



## Post-Legislative Budget Summary, 2001-03

### IV. Department of Transportation

#### Highway Fund and Highway Trust Fund

Total funding for the North Carolina Transportation Program is budgeted at approximately \$3.1 billion and \$3.2 billion for each year of the 2001-03 biennium. The sources for funding are the Highway Fund, the Highway Trust Fund, departmental receipts, federal and general funds. The following chart shows the principal sources of income and the percent of total that each represents. Tables 7 and 8 show a more detailed listing of the sources and the amount each fund contributes to the total transportation program.

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#### Summary of Transportation Funding

<b>Sources of Funding</b>	<b>2001-2002</b>	<b>% of Total</b>	<b>2002-2003</b>	<b>% of Total</b>
Highway Fund	\$ 1,318,690,000	41.6%	\$ 1,287,902,372	40.3%
Highway Trust Fund	988,723,000	31.2%	1,032,274,000	32.3%
Department Receipts	38,917,688	1.2%	38,617,688	1.2%
Federal Funds	809,950,673	25.6%	825,448,590	25.8%
General Fund	10,030,000	0.3%	13,393,341	0.4%
<b>Grand Total</b>	<b>\$ 3,166,311,341</b>		<b>\$ 3,197,635,971</b>	

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**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Transportation Program - Continued**

**Table 6**  
**North Carolina Transportation Program, 2001-02**

<b>Department of Transportation</b>	<b>Highway Fund</b>	<b>Highway Trust Fund</b>	<b>Department Receipts</b>	<b>Federal Funds</b>	<b>General Fund</b>	<b>Total</b>
Administration	\$ 69,195,895	\$ 4,899,059	\$ 901,266	\$ -	\$ -	\$ 74,996,220
Division of Highways						
Administration	28,801,650	17,729,047	3,685,770	-	-	50,216,467
Construction	127,562,000	734,347,172	-	770,316,417	-	1,632,225,589
Maintenance	578,632,263	-	-	-	-	578,632,263
Planning and Research	3,959,649	-	-	11,554,746	-	15,514,395
OSHA Program	425,000	-	-	-	-	425,000
Ferry Operations	19,747,132	-	-	-	-	19,747,132
State Aid						
Municipalities	87,462,000	48,609,902	-	-	-	136,071,902
Public Transportation	64,460,834	-	-	8,000,000	-	72,460,834
Airports	5,000,000	-	-	15,478,062	7,250,000	27,728,062
Railroads	31,125,000	-	-	-	-	31,125,000
Governor's Highway Safety	266,693	-	-	4,601,448	-	4,868,141
Division of Motor Vehicles	100,746,629	4,299,071	7,403,455	-	-	112,449,155
Other State Agencies	189,400,575	-	-	-	2,780,000	192,180,575
Reserves and Transfers	10,270,680	-	-	-	-	10,270,680
Transfer to General Fund	-	171,700,000	-	-	-	171,700,000
Committed Trust Fund Admin.	-	-	26,927,177	-	-	26,927,177
Uncommitted Trust Fund Admin.	-	7,138,749	-	-	-	7,138,749
<b>Total Operating</b>	<b>\$ 1,317,056,000</b>	<b>\$988,723,000</b>	<b>\$38,917,668</b>	<b>\$809,950,673</b>	<b>\$10,030,000</b>	<b>\$ 3,164,677,341</b>
Capital Improvements (R&R)	<u>1,634,000</u>	-	-	-	-	<u>1,634,000</u>
<b>Grand Total</b>	<b><u>\$ 1,318,690,000</u></b>	<b><u>\$988,723,000</u></b>	<b><u>\$38,917,668</u></b>	<b><u>\$809,950,673</u></b>	<b><u>\$10,030,000</u></b>	<b><u>\$3,166,311,341</u></b>

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Transportation Program - Continued**

**Table 7**  
**North Carolina Transportation Program, 2002-03**

<b>Department of Transportation</b>	<b>Highway Fund</b>	<b>Highway Trust Fund</b>	<b>Department Receipts</b>	<b>Federal Funds</b>	<b>General Fund</b>	<b>Total</b>
Administration	\$ 69,195,895	\$ 4,899,059	\$ 601,266	\$ -	\$ -	\$ 74,696,220
Division of Highways						
Administration	28,801,650	17,729,047	3,685,770	-	-	50,216,467
Construction	124,487,000	772,599,970	-	785,585,301	-	1,682,672,271
Maintenance	571,609,292	-	-	-	-	571,609,292
Planning and Research	3,959,649	-	-	11,783,779	-	15,743,428
OSHA Program	425,000	-	-	-	-	425,000
Ferry Operations	19,747,132	-	-	-	-	19,747,132
State Aid						
Municipalities	89,387,000	51,200,841	-	-	-	140,587,841
Public Transportation	64,460,834	-	-	8,000,000	-	72,460,834
Airports	-	-	-	15,478,062	12,250,000	27,728,062
Railroads	10,575,000	-	-	-	-	10,575,000
Governor's Highway Safety	266,693	-	-	4,601,448	-	4,868,141
Division of Motor Vehicles	100,742,419	4,299,071	7,403,455	-	-	112,444,945
Other State Agencies	191,974,128	-	-	-	1,143,341	193,117,469
Reserves and Transfers	12,270,680	-	-	-	-	12,270,680
Transfer to General Fund	-	172,400,000	-	-	-	172,400,000
Committed Trust Fund Admin.	-	-	26,927,177	-	-	26,927,177
Uncommitted Trust Fund Admin.	-	9,146,012	-	-	-	9,146,012
<b>Total Operating</b>	<b>\$ 1,287,902,372</b>	<b>\$ 1,032,274,000</b>	<b>\$ 38,617,668</b>	<b>\$825,448,590</b>	<b>\$13,393,341</b>	<b>\$ 3,197,635,971</b>
Capital Improvements (R&R)	-	-	-	-	-	-
<b>Grand Total</b>	<b><u>\$ 1,287,902,372</u></b>	<b><u>\$1,032,274,000</u></b>	<b><u>\$ 38,617,668</u></b>	<b><u>\$825,448,590</u></b>	<b><u>\$13,393,341</u></b>	<b><u>\$3,197,635,971</u></b>

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Transportation Program - Continued**

Funds appropriated by the General Assembly for the 2001-02 transportation budget is \$2,317,433,000 and \$2,333,569,713 for the 2002-03 fiscal year. The following chart shows the details of the appropriations made to the Transportation Program.

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	<b>Total Appropriations</b>				
	<u>2000-01 Authorized</u>	<u>2001-02 Certified</u>	<u>% Over 2000-01</u>	<u>2002-03 Certified</u>	<u>% Over 2001-02</u>
Requirements	\$ 3,086,826,733	\$ 3,166,311,341	2.6%	\$ 3,197,635,971	1.0%
Receipts	<u>828,824,491</u>	<u>848,868,341</u>	2.4%	<u>864,066,258</u>	1.8%
Appropriation	<u>\$ 2,258,022,242</u>	<u>\$ 2,317,443,000</u>	2.6%	<u>\$ 2,333,569,713</u>	0.7%
General Fund	\$ 15,451,882	\$ 10,030,000	(35.1%)	\$ 13,393,341	33.5%
Highway Fund	1,247,010,360	1,318,690,000	5.7%	1,287,902,372	(2.3%)
Highway Trust Fund	<u>995,540,000</u>	<u>988,723,000</u>	(0.7%)	<u>1,032,274,000</u>	4.4%
Total-As-Above	<u>\$ 2,258,002,242</u>	<u>\$ 2,317,443,000</u>	2.6%	<u>\$ 2,333,569,713</u>	0.7%
No. of Positions	14,463.0	14,405.0	(0.4%)	14,405.0	0.0%

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**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**

**A. Highway Fund**

The Highway Fund receives support from three sources: (1) motor fuels tax collections (75% of which is deposited in the Highway Fund with the remaining 25% deposited in the Highway Trust Fund); (2) licenses and fee collections; and (3) interest income earned by the State Treasurer. Motor fuel taxes comprise 70% of the Highway Fund revenue, with 29% coming from licenses and fees, and 1% from Treasurer's investments.

**1. Revenue**

As a result of high motor fuel prices, the Highway Fund revenue totaled \$1.26 billion in fiscal year 2000-01, representing an increase of 8.2%. A weakening economy led to a slight decrease in motor fuel consumption. However, the 0.5% decline was more than countered by increased prices, as motor fuel tax collections grew by 11%, and totaled \$880.8 million. License and fee collections totaled \$364.3 million, representing an increase of 3.4%. Changing from four to five year renewals resulted in a 12.3% growth in drivers' license fees. A slowing economy and accounting aberrations were responsible for a 13.2% decline in the international registration plan revenue and slow growth in truck license fees and staggered registration fees. The other licenses and fee category expanded by 27.7%, as penalties grew significantly, and the impact of an increase in overweight fees took effect. Investment income declined by 17% as the average cash balance of the Highway Fund fell.

It is projected that an increase in high petroleum prices will lead to a projected 3.4% growth of Highway Fund revenue in fiscal year 2001-02, as collections total \$1.3 billion. Motor fuel tax collections are projected to total \$911.1, or a growth of 3.4%. Fuel consumption is projected to increase by 2.2%, while motor fuel prices are projected to decline slightly later in the fiscal year. License and fee collections are projected to total \$376 million, and grow by 3.2%. There are no aberrations projected to occur in the individual license and fee schedules for fiscal 2001-02. Investment income is projected to increase by a modest 4.9%.

Highway Fund revenue is projected to total \$1.31 billion in fiscal year 2002-03, representing a slight increase of 0.7%. Motor fuel tax collections are projected to total \$908.9 million, and decline by 0.2%, as a 2.2% increase in consumption is more than countered by declining fuel prices. License and fee collections are projected to total \$386.2 million, or a growth of 2.7%, as normal growth rates are projected for the individual schedules. Investment income is projected to increase by a modest 3%.

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**  
**Highway Fund – Continued**

**Table 8**  
**Highway Fund Revenue, 2001-03**

	<u>2000-01</u> <u>Actual</u>	<u>2001-02</u> <u>Appropriated</u>	<u>2002-03</u> <u>Appropriated</u>
<b>Motor Fuels Taxes:</b>			
Motor Fuel Tax	\$ 867,815,163	\$ 898,050,000	\$ 895,510,000
Gasoline Inspection Fee	12,803,620	12,880,000	13,240,000
Highway Use Registration Fee	<u>138,660</u>	<u>120,000</u>	<u>120,000</u>
Total Motor Fuels Tax	\$ 880,757,443	\$ 911,050,000	\$ 908,870,000
% Change	11.0%	3.4%	(0.2%)
<b>Licenses and Fees:</b>			
Staggered Registration Plan	\$ 147,014,471	\$ 151,830,000	\$ 157,160,000
Driver Licenses	66,172,057	68,550,000	70,260,000
Truck Plates	60,570,816	61,930,000	63,160,000
International Registration Plan	47,494,993	52,820,000	53,870,000
Other Licenses and Fees	<u>43,063,231</u>	<u>40,900,000</u>	<u>41,720,000</u>
Total Licenses and Fees	\$ 364,315,568	\$ 376,030,000	\$ 386,170,000
% Change	3.4%	3.2%	2.7%
<b>Investment Income</b>			
	\$ 15,431,422	\$ 16,200,000	\$ 16,680,000
% Change	<u>(17.0%)</u>	<u>4.9%</u>	<u>3.0%</u>
<b>Total Highway Fund Revenue</b>			
	<u>\$ 1,260,504,433</u>	<u>\$1,303,280,000</u>	<u>\$ 1,311,720,00</u>
% Change	8.2%	3.4%	0.7%

**Post-Legislative Budget summary, 2001-03**  
**Transportation - Continued**  
**Highway Fund - Continued**

**2. Condition of the Highway Fund**

Estimated reversions from unused 2000-01 appropriations, in the amount of \$7,300,000, are available to support 2001-02 appropriations. Revenue is expected to exceed the authorized budget by \$8,110,000 for the same period. There is no beginning credit balance expected to be available for 2002-03.

Table 10, Condition of the Highway Fund, summarizes the budgeted sources and uses of funds for 2001-02 and 2002-03.

**Table 9**  
**Condition of the Highway Fund, 2001-03**

	<u>2000-01 Actual</u>	<u>2001-02 Appropriated</u>	<u>2002-03 Appropriated</u>
<b>Availability:</b>			
Beginning Credit Balance:			
Appropriation Reversions	\$ 18,644,443	\$ 7,300,000	\$ -
Overrealized Revenue	<u>14,371,687</u>	<u>8,110,000</u>	<u>-</u>
Subtotal	\$ 33,016,130	\$ 15,410,000	\$ -
Appropriation Reserves	\$ 161,061,019	\$ -	\$ -
State Highway Revenue	<u>1,260,504,433</u>	<u>1,303,280,000</u>	<u>1,311,720,000</u>
Total Availability	\$ 1,454,581,582	\$ 1,318,690,000	\$1,311,720,000
<b>Expenditures and Commitments:</b>			
Expended and Reserved	<u>\$ 1,439,171,582</u>	<u>\$ 1,318,690,000</u>	<u>\$1,287,902,372</u>
Ending Credit Balance	<u><u>\$ 15,410,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,817,628</u></u>

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**  
**Highway Fund - Continued**

**3. Highway Fund Budget Changes**

**Appropriation Items (Changes Enacted Over Fiscal Year 2000-01)**

	<u>2001-02</u>	<u>2002-03</u>
<b>Construction and Maintenance</b>		
<b>1. Small Urban and Rural Projects</b>		
The General Assembly appropriated nonrecurring Highway Funds to provide additional funding for small urban and rural highway construction.	\$ 5,000,000	\$ -
<b>2. Restore Highway Maintenance Funding at Current Level</b>		
For fiscal year 2000-01, the Highway Maintenance budget was increased by \$37,277,366 of which \$31 million was nonrecurring funds. The nonrecurring portion was restored for the 2001-03 biennium in an effort to help reduce the maintenance backlog.	31,000,000	31,000,000
<b>3. Restore Contract Resurfacing Funding</b>		
For fiscal year 2000-01, the Contract Resurfacing budget was increased by \$27,577,486 of which \$7 million was nonrecurring funds. The nonrecurring portion was restored for the 2001-03 biennium in an effort to help reduce the resurfacing backlog.	7,000,000	7,000,000
<b>4. Continue Public Transportation Funding at Current Level</b>		
For fiscal year 2000-01, Public Transportation funding was increased by \$23.4 million of which \$15,621,993 was nonrecurring. The nonrecurring portion was restored to continue the funding for Public Transportation at the current level.	15,621,993	15,621,993



**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**  
**Highway Fund - Continued**

		<u>2001-02</u>	<u>2002-03</u>
<b>Construction and Maintenance – Continued</b>			
<b>5.</b>	<b>Partially Restore Rail Program Funding to 2001 Level</b>		
	Highway Fund appropriations for the Rail Program were increased for fiscal year 2000-01 in the amount of \$9,407,088 in nonrecurring funds. Also, \$3,525,000 in recurring appropriations was changed to nonrecurring. In an effort to meet the needs of the Rail Program, a portion of the nonrecurring funds was restored and continued for the 2001-03 biennium. The amount for 2001-02 includes \$5,550,000 as nonrecurring.	\$ 7,550,000	\$ 2,000,000
<b>6.</b>	<b>Repair and Renovation Funding</b>		
	Highway Funds were appropriated for fiscal year 2001-02 to be used to meet repair and renovation needs of the department.	1,634,000	-
<b>7.</b>	<b>Increase in Highway Maintenance Funding</b>		
	In an effort to help meet increased demand for urban, primary and secondary highway maintenance, additional funds were appropriated. This increase in funding will help keep our roadways in good condition for the motoring public and protect the state’s investment in its roadway infrastructure.	26,236,656	19,213,685
<b>8.</b>	<b>Increase Contract Resurfacing Funding</b>		
	Additional highway funds were appropriated for contract resurfacing. This appropriation will help meet the demand for good highways throughout our state.	18,434,582	18,434,582

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**  
**Highway Fund - Continued**

	<b>2001-02</b>	<b>2002-03</b>
<b>Construction and Maintenance – Continued</b>		
<b>9. Replace Federal Funds for Public Transportation</b>		
In 1998, the General Assembly directed the Department of Transportation to spend \$10 million in flexible federal funds for public transportation and rail projects. The \$10 million was allocated from the Congestion Mitigation Air Quality (CMAQ) program. CMAQ funds can only be used in certain areas of the state. To continue to meet the public transportation needs, Highway Funds were appropriated.	\$ 10,000,000	\$ 10,000,000
<b>10. Increase Public Transportation Funds</b>		
Highway Funds were appropriated to provide additional funds to help meet the public transportation needs of North Carolina.	13,713,913	13,713,913
<b>11. Funds to Acquire Right of Way for Charlotte Intermodal Station</b>		
Nonrecurring Highway Fund appropriations were appropriated to provide for the acquisition of right of way for the future downtown multi-modal station in Charlotte, North Carolina.	15,000,000	-
<b>12. Airport Grants</b>		
Highway Fund appropriations were appropriated to replace \$5 million in General Fund airport grants for fiscal year 2001-02 only.	5,000,000	-
<b>13. Governor’s Highway Safety Program</b>		
The Governor’s Highway Safety Program, and staff, was transferred from a separate reporting entity to the Department of Transportation Secretary’s Office.	(90,584)	(90,584)
Number of Positions	(4.0)	(4.0)
<b>Total Construction and Maintenance</b>	<b>\$ 156,100,560</b>	<b>\$ 116,893,589</b>
<b>Number of Positions</b>	<b>(4.0)</b>	<b>(4.0)</b>

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Highway Fund – Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>Division of Motor Vehicles</b>		
<b>14. Commissioner’s Office</b>		
The General Assembly, in an effort to effect savings within the department, eliminated 54 positions throughout the Division of Motor Vehicles.	\$ (2,062,747)	\$ (2,062,747)
Number of Positions	(54.0)	(54.0)
<b>15. Vehicle Registration</b>		
The fees used to pay contracted tag agents, who are located throughout the state, were increased by 6%.	<u>840,000</u>	<u>840,000</u>
Total Division of Motor Vehicles	\$ (1,222,747)	\$ (1,222,747)
Number of Positions	(54.0)	(54.0)
<b>Reserves and Transfers</b>		
<b>16. Crime Control and Public Safety – Equipment</b>		
An adjustment was made in the amount of Highway Funds that will be transferred to the State Highway Patrol for upgrades to communication consoles and bay station equipment. These equipment needs will be funded from other sources.	(875,000)	(875,000)
<b>17. Crime Control and Public Safety – Vehicle Inflationary Factors</b>		
An adjustment was made to reduce the continuation budget for new vehicle purchases to bring the budgeted amount more in line with costs in previous years.	(710,875)	(1,701,282)

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Highway Fund – Continued**

**Reserves and Transfers - Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>18. Crime Control and Public Safety – Gasoline Inflationary Factors</b>		
An adjustment was made to reduce the continuation budget increases that were made which did not comply with inflationary instructions provided by the Office of State Budget and Management.	\$ (403,340)	\$ (201,279)
<b>19. Department of Public Instruction</b>		
An adjustment was made in the amount of Highway Funds to be transferred in support of the Driver Education Program. The adjustment was necessary because of fewer projected students enrolling in the program and based on under spending in previous years.	(1,966,232)	(1,966,232)
<b>20. Global TransPark Authority</b>		
The General Assembly did a thorough review of the progress of the Global TransPark Authority. After the review, the decision was made to make reductions in the amount of Highway Funds supporting administration.	(605,549)	(640,882)
<b>21. Transfer to the Highway Trust Fund</b>		
The annual transfer from the Highway Fund to the Highway Trust Fund was discontinued. These funds were originally made available for transfer from the retirement of Highway Fund bonds. As these bonds were paid off, funds equal to the debt service on the bonds were paid to the Highway Trust Fund.	(38,000,000)	(38,000,000)
<b>22. Adjust in Retirement Rate</b>		
An adjustment was made to reduce the State contribution from 5.33% to 1.97% of payroll for members of the Teacher’s and State Employees’ Retirement System.	(12,304,320)	(12,304,320)

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Highway Fund – Continued**

**Reserves and Transfers - Continued**

	<u>2001-02</u>	<u>2002-03</u>
23. <b>Legislative Salary Increase</b>		
Funds were appropriated to provide a permanent \$625 salary increase to State employees whose salaries are paid from the Highway Fund.	\$ 7,200,000	\$ 7,200,000
24. <b>State Health Plan</b>		
Funds were appropriated to provide for a 30% premium increase to the health plan for State employees and retired employees effective October 1, 2001. The remaining financial supports needed to keep the plan solvent through the 2001-03 biennium, will come from an increase in premiums paid by employees for dependant coverage, cuts in payments to hospitals and physicians, and a reduction in the benefits covered by the plan.	7,000,000	9,000,000
Total Reserves and Transfers	\$ (40,665,316)	\$ (39,488,995)
Total Highway Fund Budget Changes	\$ 114,212,497	\$ 76,181,847
Total Number of Positions	(58.0)	(58.0)

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**

**B. Highway Trust Fund**

The Highway Trust Fund was established in 1989. Support for the fund was provided from four primary sources: (1) one-fourth of the motor fuels tax with the remaining three-fourths in the Highway Fund; (2) highway vehicle use taxes on the sales of motor vehicles, \$170 million of which is currently transferred to the General Fund; (3) title fees and registration fees; and (4) interest earned from investments by the State Treasurer. Of the revenue that remains in the Highway Trust Fund, 36% comes from motor fuel taxes, 47% from highway use taxes, 12% from title and other fees, and 5% from investment income.

The legislation designated various roads identified as the Intrastate System and Urban Loops which were to be funded. Also identified were supplemental funds for Secondary Road Construction and Aid to Municipalities. The Formula funding for administration as well as for the mentioned purposes is likewise included in the legislation.

**1. Revenue**

Highway Trust Fund revenue totaled \$966.8 million in 2000-01, and increased by 3.2%. Rising motor fuel prices led to motor fuel tax collections totaling \$289.6 million, or a growth of 11.1%. It should be noted that the large growth in collections occurred despite a slight fall in consumption. The weakening economy led to a slight decline in motor vehicle use tax collections. Investment income increased by 10.6%.

Highway Trust Fund revenue is projected to remain sluggish in fiscal 2001-02, as collections total \$988.7 million, and grow by 2.3%. As gasoline prices remain high, motor fuel collections are projected to increase by 3.4%. Fuel consumption will grow by a modest 2.2%, after declining by 0.5% in 2000-01. Motor vehicle sales will strengthen but remain weak. It is projected that use tax collections will grow by 4.6%. Collections for the remaining Trust Fund license fees are anticipated to increase by 3.9%. Investment income is projected to decline by 39.9% as cash balances fall.

Highway Trust Fund revenue is projected to total \$1.03 billion in 2002-03 and expand by 4.4%. Despite a projected growth in fuel consumption, motor fuel tax collections are estimated to decline by 0.3% as declining prices counter consumption growth. Motor vehicle use tax collections will return to a more normal level and expand by 7.8%, as motor vehicle sales strengthen. Other Trust Fund fees will expand in the 3% range. It is anticipated the investment income will continue to decline as cash balances fall.

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**  
**Highway Fund - Continued**

**Table 10**  
**Recommended Highway Fund Appropriations, 2001-03**

	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Recommended</u>	<u>2002-03</u> <u>Recommended</u>
DOT-General Administration	\$ 69,438,703	\$ 69,195,895	\$ 69,195,895
Highway Division Administration	36,495,582	28,,801,650	28,801,650
State Match for Federal Aid - Planning and Research	2,959,649	3,959,649	3,959,649
Construction Program:			
State Secondary System	87,902,000	87,462,000	89,387,000
State Urban System	14,000,000	14,000,000	14,000,000
Discretionary Funds	10,000,000	15,000,000	10,000,000
Spot Safety Improvements	9,100,000	9,100,000	9,100,000
Access & Public Service Roads	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total Construction Program	\$ 123,002,000	\$ 127,562,000	\$ 124,487,000
Maintenance Program:			
Primary System	\$ 114,393,724	\$ 120,974,905	\$ 120,974,905
Secondary System	195,247,571	207,239,012	207,239,012
Urban System	37,475,926	39,217,374	39,217,374
Contract Resurfacing	<u>135,529,734</u>	<u>153,964,316</u>	<u>153,964,316</u>
Total Maintenance Program	\$ 519,924,321	\$ 578,632,263	\$ 571,609,292
Ferry Operations	\$ 18,174,622	\$ 19,747,132	\$ 19,747,132
State Aid to Municipalities	87,902,000	87,462,000	89,387,000
State Aid to Railroads	21,507,088	31,125,000	10,575,000
State Aid for Public Transportation	40,746,921	64,460,834	64,460,834
Asphalt Plant Cleanup	425,000	425,000	425,000
Governor's Highway Safety Program	338,121	266,693	266,693
Division of Motor Vehicles	94,649,688	100,746,629	100,742,419
Airports	<u>-</u>	<u>5,000,000</u>	<u>-</u>
Total Department of Transportation	\$ 1,011,749,148	\$ 1,117,384,745	\$ 1,083,657,564
Appropriations to Other State Agencies:			
Agriculture	\$ 3,339,686	\$ 3,697,157	\$ 3,615,136
Revenue	3,018,692	4,038,525	4,038,525
State Treasurer-Sales Tax	13,800,000	14,560,000	15,360,000
Public Instruction-Driver Education	26,651,186	29,219,551	29,219,551
Crime Control and Public Safety – Highway Patrol	124,148,817	131,697,852	133,098,294
Environment and Natural Resources	6,991,622	5,144,318	5,586,339
LUST Trust Fund	419,644	437,623	437,623
Chemical Test	<u>1,000,000</u>	<u>605,549</u>	<u>618,660</u>
Global Transpark	-	-	-
Total-Other State Agencies	\$ 179,369,647	\$ 189,400,575	\$ 191,974,128

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Highway Fund - Continued**

**Table 10 - Continued**

**Recommended Highway Fund Appropriations, 2001-03**

	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Recommended</u>	<u>2002-03</u> <u>Recommended</u>
Reserves and Transfers:			
Legislative Salary Increase	\$ 43,868,715	\$ 7,200,000	\$ 7,200,000
Compensation Bonus	8,774,000	-	-
Salary Adjustment	200,000	400,000	400,000
DMV Systems Reserve	3,300,000	3,300,000	3,300,000
Death Benefit Contribution	(846,400)	-	-
Retiree Health Benefits	(3,100,000)	-	-
DMV Pay Equity	3,390,708	-	-
DMV Vehicle Seizure	29,182	-	-
Minority Contractor			
Development	150,000	150,000	150,000
State Fire Protection Grant	150,000	150,000	150,000
Stormwater Discharge Permit	500,000	500,000	500,000
Visitor's Centers	175,000	175,000	175,000
State Employee Health Reserve	10,700,000	10,700,000	12,700,000
Retirement Rate Reduction	(14,900,000)	(12,304,320)	(12,304,320)
Additional Administrative			
Transfer	(8,000,000)	-	-
Prescription Drug Card Program	1,000,000	-	-
Unpaved Roads Pilot Program	<u>1,500,000</u>	<u>-</u>	<u>-</u>
Total Reserves and Transfers	\$ 46,891,205	\$ 10,270,680	\$ 12,270,680
Total Current Operations	\$ 1,238,010,000	\$1,317,056,000	\$1,287,902,372
Capital Improvements	<u>9,000,000</u>	<u>1,634,000</u>	<u>-</u>
Total Highway Fund Appropriation	<u>\$ 1,247,010,000</u>	<u>\$1,318,690,000</u>	<u>\$1,287,902,372</u>



**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Highway Trust Fund - Continued**

**Table 11**  
**Condition of the Highway Trust Fund, 2001-03**

	<u>2000-01 Actual</u>	<u>2001-02 Appropriated</u>	<u>2002-03 Appropriated</u>
<b>Availability:</b>			
Beginning Credit Balance:			
Appropriation Reserves	\$ 221,275,935	\$ -	\$ -
Highway Trust Fund Revenue	<u>966,798,275</u>	<u>988,723,000</u>	<u>1,032,274,000</u>
Total Availability	\$1,188,074,210	\$ 988,723,000	\$1,032,274,000
<b>Expenditures and Commitments:</b>			
Expended and Reserved	\$1,018,074,210	\$ 817,023,000	\$ 859,874,000
Transfer to General Fund (1)	<u>170,000,000</u>	<u>171,700,000</u>	<u>172,400,000</u>
Total Expenditures and Commitments	<u>\$1,188,074,210</u>	<u>\$ 988,723,000</u>	<u>\$1,032,274,000</u>
Ending Credit Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Transfer required by G.S. 105-187.9.

**Post-Legislative Budget Summary, 2001-03**  
**Transportation - Continued**  
**Highway Trust Fund - Continued**

**Table 12**  
**Highway Trust Fund Revenue, 2001-03**

	<u>2000-01 Actual</u>	<u>2001-02 Appropriated</u>	<u>2002-03 Appropriated</u>
Motor Fuel Tax Revenue	\$ 289,594,678	\$ 299,322,000	\$ 298,473,000
Highway Use Tax	545,166,755	570,335,000	614,822,000
Title Fees:			
Certificates of Title	78,604,109	81,929,000	84,223,000
Miscellaneous Title Fees	12,039,707	12,247,000	12,604,000
Subtotal	<u>\$ 925,405,249</u>	<u>\$ 963,833,000</u>	<u>\$1,010,122,000</u>
% Change	2.9%	4.2%	4.8%
Treasurer's Investments	41,393,026	24,890,000	22,152,000
% Change	<u>10.6%</u>	<u>(39.9%)</u>	<u>(11.0%)</u>
Subtotal	\$ 966,798,275	\$ 988,723,000	\$ 1,032,274,000
	3.2%	2.3%	4.4%
Amount Required to be Transferred to the General Fund (G.S. 105-187.9)	<u>170,000,000</u>	<u>(171,700,000)</u>	<u>(172,400,000)</u>
Balance Available	\$ 796,798,275	\$ 817,023,000	\$ 859,874,000
% Change	3.9%	2.5%	5.2%

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Continued**  
**Highway Trust Fund - Continued**

**Table 13**  
**Highway Trust Fund Appropriations, 2001-03**

	<u>2000-01</u> <u>Authorized</u>	<u>2001-02</u> <u>Appropriated</u>	<u>2002-03</u> <u>Appropriated</u>
Department of Transportation: Maximum allowance for Administration	\$ 34,247,886	\$ 34,065,926	\$ 36,073,189
Construction Allocation:			
Intrastate System	468,213,303	463,289,758	487,983,396
Urban Loop System	189,325,960	187,335,084	197,320,162
Secondary Roads	84,626,354	83,722,330	87,296,412
State Aid to Municipalities	49,126,497	48,609,902	51,200,841
Transfer to the General Fund (1)	<u>170,000,000</u>	<u>171,700,000</u>	<u>172,400,000</u>
Total Highway Trust Fund	<u>\$ 995,540,000</u>	<u>\$ 988,723,000</u>	<u>\$ 1,032,274,000</u>

(1) Transfer required by G.S. 105-187.9

**Post-Legislative Budget Summary, 2001-03**  
**Transportation – Highway Bonds**

**C. Highway Bonds**

In November of 1996, the voters of North Carolina approved the issuance of \$950 million in Highway Bonds secured by the full faith and credit of the State of North Carolina. The bond proceeds were appropriated to the following uses:

Urban Loop Highway Construction:	\$500 million
Intrastate Highway Construction:	\$300 million
Secondary Road Construction:	\$150 million

The bonds were to be paid from revenue deposited into the Highway Trust Fund.

In December of 1997, \$250 million in bonds were issued. No further issues have been made to date nor are any contemplated in the near future.

As of June 30, 2001, a total of \$924.9 million in highway construction projects has been authorized from the bond appropriations and \$449.6 million has actually been spent. The outlays have exceeded the bond proceeds by approximately \$200 million as of that date. These additional outlays have been financed from unexpended cash in the Highway Trust Fund.

## Post-Legislative Budget Summary, 2001-03

### V. Capital Improvement

Capital improvement appropriations are for construction of new facilities, repairs to existing facilities, land purchases, equipment purchases, and grants to local governments for improvements to infrastructure. The 2001 Session of the General Assembly appropriated general funds totaling \$32,936,000 for capital projects in 2001-02 under Chapter 424 of the 2001 Session Laws. The legislature authorized the transfer of general funds to the Reserve for Repairs and Renovations totaling \$125,000,000 for capital improvements to the state's facilities. It also authorized \$204,489,200 in non-general funds for capital projects in the institutions of the University of North Carolina. The total authorized from general funds and non-general funds for all capital projects for the 2001-02 fiscal year is \$362,425,200.

The \$32,936,000 appropriated from the General Fund by the 2001 Session of the General Assembly is for water resources development projects. The \$125,000,000 appropriated for repairs and renovations will be allocated by the Office of State Budget and Management and the Board of Governors of the University of North Carolina after consultation with the Joint Legislative Commission on Governmental Operations.

#### GENERAL FUND

2001-02

#### Department of Environment and Natural Resources

1. Water Resources Development Projects – Provides State match for civil works projects.	<u>\$ 32,936,000</u>
Total – Department of Environment and Natural Resources	<u>\$ 32,936,000</u>

#### Office of State Budget and Management

1. Reserve for Repairs and Renovations	<u>\$ 125,000,000</u>
Total – Office of State Budget and Management	<u>\$ 125,000,000</u>

**Post-Legislative Budget Summary, 2001-03**  
**Capital Improvement – Continued**

**NON-GENERAL FUND**

**University of North Carolina – Board of Governors**

	<u><b>2001-02</b></u>
1. Appalachian State University – Student Recreation Complex Requirements	\$ 19,530,000
Less Self - Liquidating Sources	<u>19,530,000</u>
Appropriation	\$ -
2. Appalachian State University – Renovation and Addition to Miles Annas Student Support Facility Requirements	\$ 1,977,000
Less Self - Liquidating Sources	<u>1,977,000</u>
Appropriation	\$ -
3. East Carolina University – Baseball Stadium Requirements	\$ 8,700,000
Less Self - Liquidating Sources	<u>8,700,000</u>
Appropriation	\$ -
4. North Carolina A&T State University – Student Union Renovations and Modernization Requirements	\$ 3,600,000
Less Self - Liquidating Sources	<u>3,600,000</u>
Appropriation	\$ -
5. North Carolina A&T State University – Stadium Track and Field Upgrade Requirements	\$ 2,065,000
Less Self - Liquidating Sources	<u>2,065,000</u>
Appropriation	\$ -
6. North Carolina A&T State University – Reid Greenhouse Requirements	\$ 2,500,000
Less Self - Liquidating Sources	<u>2,500,000</u>
Appropriation	\$ -

**Post-Legislative Budget Summary, 2001-03**  
**Capital Improvement - Continued**

**UNC Board of Governors - Continued**

		<u><b>2001-02</b></u>
7.	North Carolina Central University – Shepard House Restoration	
	Requirements	\$ 685,000
	Less Self - Liquidating Sources	<u>685,000</u>
	Appropriation	\$ -
8.	North Carolina State University – Alumni Center	
	Requirements	\$ 12,500,000
	Less Self – Liquidating Sources	<u>12,500,000</u>
	Appropriation	\$ -
9.	North Carolina State University – Carter Finley Stadium Improvements	
	Requirements	\$ 50,000,000
	Less Self - Liquidating Sources	<u>50,000,000</u>
	Appropriation	\$ -
10.	North Carolina State University – Center for Educational Innovation	
	Requirements	\$ 9,000,000
	Less Self - Liquidating Sources	<u>9,000,000</u>
	Appropriation	\$ -
11.	North Carolina State University – Greek Housing Renovations	
	Requirements	\$ 8,000,000
	Less Self - Liquidating Sources	<u>8,000,000</u>
	Appropriation	\$ -
12.	North Carolina State University – Upgrade Baseball and Tennis Facilities	
	Requirements	\$ 4,000,000
	Less Self - Liquidating Sources	<u>4,000,000</u>
	Appropriation	\$ -
13.	North Carolina State University – Welcome and Visitor Center	
	Requirements	\$ 4,960,000
	Less Self – Liquidating Sources	<u>4,960,000</u>
	Appropriation	\$ -

**Post-Legislative Budget Summary, 2001-03**  
**Capital Improvement - Continued**

**UNC Board of Governors - Continued**

	<u><b>2001-02</b></u>
14. North Carolina State University –Residence Halls Fire Safety Improvements	
Requirements	\$ 1,300,000
Less Self - Liquidating Sources	<u>1,300,000</u>
Appropriation	\$ -
15. North Carolina State University – Support Services Center – Supplement	
Requirements	\$ 2,000,000
Less Self - Liquidating Sources	<u>2,000,000</u>
Appropriation	\$ -
16. The University of North Carolina at Chapel Hill – Ramshead Complex for Parking and Student Support	
Requirements	\$ 44,000,000
Less Self - Liquidating Sources	<u>44,000,000</u>
Appropriation	\$ -
17. The University of North Carolina at Chapel Hill – Renovations to Connor, Winston, and Alexander Residence Halls	
Requirements	\$ 10,000,000
Less Self - Liquidating Sources	<u>10,000,000</u>
Appropriation	\$ -
18. The University of North Carolina at Charlotte – Recreation Field Lighting	
Requirements	\$ 930,100
Less Self - Liquidating Sources	<u>930,100</u>
Appropriation	\$ -
19. The University of North Carolina at Greensboro – Parking Deck – Supplement	
Requirements	\$ 2,500,000
Less Self - Liquidating Sources	<u>2,500,000</u>
Appropriation	\$ -



**Post-Legislative Budget Summary, 2001-03**  
**Capital Improvement - Continued**

**UNC Board of Governors - Continued**

	<u><b>2001-02</b></u>
20. The University of North Carolina at Greensboro – Renovations to Residence Halls	
Requirements	\$ 4,950,000
Less Self - Liquidating Sources	<u>4,950,000</u>
Appropriation	\$ -
21. Western Carolina University – Improvements to Athletic and Student Recreation Facilities	
Requirements	\$ 8,192,100
Less Self - Liquidating Sources	<u>8,192,100</u>
Appropriation	\$ -
22. Winston-Salem State University – Renovations to Residence Halls	
Requirements	\$ 3,100,000
Less Self - Liquidating Sources	<u>3,100,000</u>
Appropriation	\$ -
Total University of North Carolina – Board of Governors	\$ 204,489,200
<b>Grand Total – Non General Fund</b>	<b>\$ 204,489,200</b>
Grand Total – General Fund	<u>157,936,000</u>
Grand Total Authorized	\$ 362,425,200

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Compensation Increases and Decreases**

**VI. Reserves, Debt Service and Other Adjustments**

Recurring state funds were provided to increase salaries of state funded public school system employees, community college employees, judicial system employees, and state agency employees. The total General Fund reserve for compensation increase for 2001-03 is \$193,842,000. A highway fund reserve was funded at \$7,200,000 to provide a compensation package for highway-supported positions in 2001-03. The specific allocations are stated below:

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>State Funded Compensation Increases</b>		
1. Funding was provided to increase salaries of public schools, community colleges, judicial and state employees. The percentage of salary increase by group is listed below:	\$ 193,842,000	\$ 193,842,000
<b>A. Public Schools</b>		
• Teacher Salary Schedule - 2.86% Average Increase		
• School-based Administrator Salary Schedule (Principals & Assistant Principals) - 2.93% Increase		
• All other Public School Employees - \$625.00 Annual Increase		
<b>B. Community College Employees</b>		
• All Community College Employees – \$625.00 Annual Increase		

The General Assembly provided an allocation of \$6.9 million to the Community College System to provide an additional 1.25% salary increase for faculty and professional staff.

**Post-Legislative Budget Summary, 2001-03  
 General Fund – Compensation Increases and Decreases - Continued**

**Expansion Budget:**

	<u>2001-02</u>	<u>2002-03</u>
<b>State Funded Compensation Increases – Continued</b>		
<b>C. State Employees</b>		
<ul style="list-style-type: none"> <li>• State employees and UNC system state employees subject to the State Personnel Act: \$625.00 Annual Increase</li> <li>• State employees exempt from the State Personnel Act - \$625.00 Annual Increase</li> <li>• UNC system state employees exempt from the State Personnel Act - \$625.00 Annual Increase</li> <li>• State Agency Teachers - 2.86% Average Increase</li> <li>• <u>North Carolina School of Science &amp; Mathematics</u> 2.86% Average Increase</li> </ul>		
<b>D. Judicial System Employees</b>		
<p>Included in the funding is \$5.15 million in recurring funds to continue the established statutory salary plan for Magistrates, Assistant Clerks, and Deputy Clerks positions. It includes funding for scheduled increases in 2001-02 and funding required to cover a shortfall in current budgeted funding levels in the Assistant Clerks, and Deputy Clerks salary plan.</p>		
<b>2. Highway Fund Employees</b>		
<p>A recurring \$625.00 annual salary increase for 2001-03 was awarded to employees supported by Highway Funds that are subject to the State Personnel Act.</p>		
	\$ 7,200,000	\$ 7,200,000

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Compensation Increases and Decreases - Continued**

**Expansion Budget:**

	2001-02	2002-03
<b>State Funded Compensation Increases – Continued</b>		
<b>Teachers’ and State Employees’ Benefits</b>		
<b>3. Health Insurance Reserve</b>		
A. The General Assembly provided a 30% premium increase to the Teachers’ and State Employees’ Comprehensive Major Medical Plan from the General Fund.	\$ 150,000,000	\$ 200,000,000
B. The General Assembly provided a 30% premium increase to the Teacher’s and State Employees’ Comprehensive Major Medical Plan from the Highway Fund.	7,000,000	9,000,000
<b>4. Retirement Rate Adjustment</b>		
A. The General Assembly reduced the state’s contribution rate to the Teachers’ and State Employees’ Retirement Plan from 5.33% to 1.97% of payroll.	(241,002,750)	(241,002,720)
B. The General Assembly reduced the state’s contribution rate to the Consolidated Judicial Retirement System from 18.58% to 14.05% of payroll.	(2,265,000)	(2,265,000)
<b>5. Trust Fund for MH/DD/SAS and Bridge Funding Needs</b>		
Funds were provided to facilitate the reform of the state’s mental health, developmental disabilities and substance abuse services system. Funds were included to (1) enhance community based services and facilitate compliance with the federal Supreme Court decision in Olmstead; (2) bridge funding to provide services to clients during transitional periods such as the closing of state facilities; and (3) capital funds for the construction, repair, and renovation of state facilities.		
Appropriation - Nonrecurring	47,525,675 NR	-

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Compensation Increases and Decreases - Continued**

**Expansion Budget:**

**State Funded Compensation Increases – Continued**

	<u>2001-02</u>	<u>2002-03</u>
<b>6. HIPAA Compliance Funds</b>		
Funds were provided for statewide planning and implementation of the federal Health Insurance Portability and Accountability act (HIPAA). The act establishes national standards and requirements for the transmission, storage and handling of certain electronic health care data. HIPAA requires significant changes in information technology systems, administrative policies and regulations, operational processes, education and training. Agencies providing health care services or using patient or health care data are subject to the requirements. This includes the Department of Health and Human Services and the Teachers' and State Employees' Comprehensive Major Medical Plan.		
Appropriation - Nonrecurring	\$ 15,000,000 NR	\$ -
<b>7. Information Technology Rate Adjustment</b>		
Telephone rates paid by state agencies to the Office of Information Technology were reduced. The rate change reduced agency General Fund expenditures by \$4 million annually. The Office of Information Technology and the Office of State Budget and Management have the flexibility in implementing this reduction.		
	(4,000,000)	(4,000,000)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2001-03**  
**General Fund – Compensation Increases and Decreases - Continued**

**Expansion Budget:**

**State Funded Compensation Increases – Continued**

	<b>2001-02</b>	<b>2002-03</b>
<b>8. Debt Service</b>		
The 2001 General Assembly appropriated funds in the amount of \$251,978,040 in 2001-02 and \$353,422,808 in 2002-03 to support the General Fund cost of currently outstanding bonds and bonds anticipated to be issued for the biennium under current authorizations. Included in this estimate are funds for bonds to be issued for Public Education, Higher Education, and water, sewer, utilities and economic development.		
Requirements	\$ 32,594,140	\$ 92,182,310
Receipts	20,281,598	(21,575,000)
Appropriation	\$ 12,312,542	\$ 113,757,310
<b>9. Contingency and Emergency Fund</b>		
Funds were provided to address unanticipated disasters, emergency situations and contingencies. The total annual appropriation to the C & E fund is \$5 million.	3,875,000	3,875,000

## **APPENDIX TABLES**

**Post Legislative Budget Summary, 2001-2003  
Appendix - Continued**

**Appendix Table 1A  
Condition of the General Fund  
1974-75 to 2000-01  
(Includes Federal Revenue Sharing and Anti-Recession Revenues)**

<b>Fiscal Year</b>	<b>Beginning Balance July 1</b>	<b>Transfers From Reserves</b>	<b>Net Collections</b>	<b>Total Appropriation Expenditures</b>	<b>Reserve Transfers</b>	<b>#</b>	<b>Ending Balance June 30</b>
1974-75	\$ 108,532,052	\$ -	\$ 1,597,146,807	\$ 1,721,068,968	\$ -	\$ -	\$ 56,609,891
1975-76	56,609,891	-	1,710,532,207	1,698,673,699	-	-	68,468,399
1976-77	68,468,399	-	2,018,349,566	1,935,935,992	-	-	150,882,006
1977-78	150,882,006	-	2,196,552,943	2,162,483,376	-	-	184,951,573
1978-79	184,951,573	-	2,486,968,295	2,484,341,660	-	-	187,578,208
1979-80	187,578,208	-	2,842,041,456	2,744,651,008	-	-	284,968,657
1980-81	284,968,657	-	3,023,812,433	3,154,154,198	-	-	154,626,892
1981-82	154,626,892	-	3,229,540,752	3,275,619,875	-	-	108,547,769
1982-83	108,547,769	-	3,405,116,476	3,440,694,342	-	-	72,969,903
1983-84	72,969,903	-	3,957,447,438	3,775,487,080	-	-	254,930,261
1984-85	254,930,261	-	4,527,147,566	4,401,980,073	-	-	380,097,754
1985-86	380,097,754	-	4,910,870,016	4,971,858,475	-	-	319,109,295 a)
1986-87	319,109,295	-	5,392,076,697	5,349,003,039	-	-	362,182,953
1987-88	362,182,953	-	5,804,527,342	5,773,774,887	-	-	392,935,408
1988-89	392,935,408	-	6,154,529,607	6,409,558,219	-	-	157,048,576
1989-90	157,048,576	-	6,988,406,667	6,923,212,860	-	-	222,242,383
1990-91	222,242,383	-	7,207,815,194	7,429,617,079	-	-	440,498
1991-92	440,498	-	7,817,050,946	7,652,318,443 b)	41,593,253	-	123,579,748
1992-93	123,579,748	-	8,292,796,568	7,879,046,057	191,332,565	-	345,997,694
1993-94	345,997,694	178,000,000	9,102,334,828	9,003,619,540	215,678,246	-	407,034,736
1994-95	407,034,736	269,932,954 c)	9,970,738,717	9,967,684,132	387,411,138	-	292,611,137
1995-96	292,611,137	153,100,000 d)	10,090,225,385	9,809,354,769	320,445,592 e)	-	406,136,161
1996-97	406,136,131	1,595,394 f)	10,933,860,552	10,466,775,861	556,126,043 g)	-	318,690,202
1997-98	318,690,202	174,544,955	11,727,128,530	11,436,138,797	268,994,402	-	515,230,488
1998-99	515,230,488	227,844,930	12,753,272,488	12,961,718,694	237,927,186	-	296,702,026
1999-00	296,702,026	722,299,954	13,136,080,241	13,853,708,453	301,373,769	-	(0)
2000-01	0	620,729,850 h)	13,451,860,973	13,445,510,386	627,080,436	-	0

# Reserve transfers for Savings Reserve, Repair and Renovations Reserve, Reserve for Tax Relief, and Other.

a) Funds in the amount of \$28,600,000 required to be reserved by the June 1986 Session in accordance with Section 44 of Chapter 791 of the 1985 Session Laws are included in this figure.

b) This number excludes \$400,000 transferred to the Savings Reserve account for 1991-92 as appropriated.

c) This number includes the Reserve for Disproportionate Share \$209,932,954 and \$60,000,000 authorized for Repairs and Renovations.

d) This number includes the Reserve for Tax Relief \$28,100,000 and \$125,000,000 authorized for Repairs and Renovations.

e) The number includes \$130 million for Repair and Renovations, \$77,342,025.97 Savings Reserve, \$25 million Federal Retiree Refund, \$1.2 Federal Retiree Refund Administration, \$47.1 million Clean Water Management, \$39,519,567 Capital Improvements, and \$284,000 library grants.

f) Reserve for Disproportionate Share.

g) This number includes \$115,510,195 for Disaster Relief, \$174,260,955 for Repair and Renovations, 49,354,893.26 for Clean Water Management, \$156 million for Intangible Tax Refunds, and \$61 million for the Railroad Purchase Reserve.

h) This number includes \$308,401,820 Easley Executive Order #3 Reserve and \$312,328,030 Disaster Relief Reserve.



**Post Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 1B**  
**Condition of the Highway Fund**  
**1974-75 to 2000-01**  
**(Includes Federal Aid Participation)**

<b>Fiscal Year</b>	<b>Beginning Balance July 1</b>	<b>Net Collections*</b>	<b>Total Appropriation Expenditures</b>	<b>Ending Balance June 30</b>
1974-75	\$ 110,948,079	\$ 672,255,228	\$ 628,849,033	\$ 154,354,274
1975-76	154,354,274	493,536,624	550,259,908	97,630,990
1976-77	97,630,990	692,175,363	623,935,040	165,871,313
1977-78	165,871,313	613,161,176	676,460,378	102,572,111
1978-79	102,572,111	698,424,160	681,582,831	119,413,440
1979-80	119,413,440	688,864,174	696,345,679	111,931,935
1980-81	111,931,935	666,935,631	612,035,936	166,831,612
1981-82	166,831,612	729,968,258	674,034,180	222,765,690
1982-83	222,765,690	862,394,389	762,384,819	322,775,260
1983-84	322,775,260	918,012,956	945,996,357	294,791,859
1984-85	294,791,859	1,053,678,404	1,041,253,080	307,217,183
1985-86	307,217,183	1,016,891,045	1,031,831,352	292,276,879
1986-87	292,276,879	1,190,806,504	1,169,873,310	313,210,073
1987-88	313,210,073	1,232,282,636	1,222,631,851	322,860,858
1988-89	322,860,858	1,409,839,386	1,315,847,645	416,852,599
1989-90	416,852,599	1,232,848,473	1,345,684,467	304,016,605
1990-91	304,016,605	1,399,958,822	1,351,535,540	352,439,887
1991-92	352,439,887	1,605,877,793	1,528,101,820	430,215,860
1992-93	430,215,860	1,697,651,523	1,770,759,812	357,107,571
1993-94	357,107,571	1,752,701,588	1,747,469,878	362,339,281
1994-95	362,339,281	1,619,505,085	1,748,159,076	233,685,290
1995-96	233,685,290	1,851,464,315	1,773,223,724	311,925,881
1996-97	311,925,881	2,310,485,801	2,429,520,589	192,891,093
1997-98	192,891,093	2,206,983,140	2,099,049,223	300,825,010
1998-99	300,825,010	2,301,524,041	2,142,510,030	459,839,021
1999-00	459,839,021	2,458,253,201	2,467,131,526	450,960,697
2000-01	450,960,697	2,535,313,224	2,452,760,524	533,513,397

\*Includes Local Aid Participation and Interfund Transfers.

**Post Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 1C**  
**Condition of the Highway Trust Fund**  
**1989-90 to 2000-01**

<b>Fiscal Year</b>	<b>Beginning Balance July 1</b>	<b>Total Revenue and Other Sources</b>	<b>Contracting Authorization From Future Years Cash Flow</b>	<b>Total Appropriation Expenditures*</b>	<b>Ending Balance June 30</b>
1989-90	\$ -	\$ 243,893,008	\$ -	\$ 204,692,423	\$ 39,200,585
1990-91	39,200,585	286,946,282	137,223,500	434,021,519	29,348,848
1991-92	29,348,848	537,809,797	(79,055,757)	428,739,384	59,363,504
1992-93	59,363,504	574,157,887	(37,617,743)	501,440,081	94,463,567
1993-94	94,463,567	645,111,384	45,600,000	648,731,304	136,443,647
1994-95	136,443,647	689,536,522	50,150,000	771,874,365	104,255,804
1995-96	104,255,804	813,462,828	45,800,000	718,955,090	152,963,542
1996-97	152,963,542	1,011,488,313	119,185,000	943,081,732	102,185,123
1997-98	102,185,123	935,138,876	62,740,759	828,875,931	145,707,309
1998-99	145,707,309	803,338,157	30,421,905	760,821,140	218,646,231
1999-00	218,646,231	936,444,582	(38,513,690)	895,301,189	221,275,934
2000-01	221,275,934	968,998,273	(26,981,351)	841,958,656	321,334,200

\*Expenditures include all Interfund Transfers for both Highway and General Funds.

**Post-Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 1D**  
**Schedule of Savings Reserve Account Balance**  
**1990-91 to 2001-02**

<b>Fiscal Year</b>	<b>Beginning Balance July 1</b>	<b>Authorized Transfer</b>	<b>Authorized Reserve for Current Year</b>	<b>Ending Balance June 30</b>
1990-91	\$ 141,000,000	\$ (141,000,000) a)	\$ -	\$ -
1991-92	400,000	-	41,193,253	41,593,253
1992-93	41,593,253	-	134,332,565	175,925,818
1993-94	175,925,818	(121,000,000) b)	155,678,246	210,604,064
1994-95	210,604,064	146,305,569	66,700,000 c)	423,609,633
1995-96	423,609,633	-	77,342,026	500,951,659
1996-97	500,951,659	-	-	500,951,659
1997-98	500,951,659	-	21,568,903	522,520,562
1998-99	522,520,562	-	- d)	522,520,562
1999-00	522,520,562	(485,965,824) e)	967,311	37,522,049
2000-01	37,522,049	-	120,000,000 f)	157,522,049
2001-02	157,522,049	-	181,750,000	339,272,049

- a) The General Assembly appropriated \$141.0 million; the reserve was used to balance a shortfall in revenue in 1999-91
- b) The 1993 Session of the General Assembly authorized the transfer of reserves to support appropriation for the June 30 payroll restoration.
- c) The 1993 Session of the General Assembly (1994 Regular Session) appropriated \$66.7 million to the reserve.
- d) The 1999 Session of the General Assembly fixed the balance of the reserve for 1998-99 only at the previous year level.
- e) The 1999 Session of the General Assembly authorized the use of the Savings Reserve Account to pay the first installment of the Intangibles Tax liability. The December 1999 Special Session of the General Assembly authorized the transfer of \$285,965,824 to provide funds to the Hurricane Floyd Reserve.
- f) The 2000 Short Session of the General Assembly appropriated \$120 million to the reserve.
- g) The 2001 Session of the General Assembly directed the State Controller to "credit" the Savings Reserve Account \$181.8 million from the General Fund.

**Post-Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 1E**  
**Schedule of Reserve for Repairs and Renovations**  
**1992-93 to 2001-02**

<b>Fiscal Year</b>	<b>Beginning Balance July 1</b>	<b>Authorized Transfer</b>	<b>Authorized Reserve for Current Year</b>	<b>Ending Balance June 30</b>
1992-93	\$ -	\$ -	\$ 57,000,000	\$ 57,000,000
1993-94	57,000,000	(57,000,000)	60,000,000	60,000,000
1994-95	60,000,000	(60,000,000)	146,305,569	146,305,569
1995-96	146,305,569	(125,000,000)	130,000,000	151,305,569
1996-97	151,305,569	(151,305,569) a)	174,260,955	174,260,955
1997-98	174,260,955 b)	(174,260,955)	145,000,000	145,000,000
1998-99	145,000,000	(145,000,000)	150,000,000	150,000,000
1999-00	150,000,000	(150,000,000)	2,901,932	2,901,932
2000-01	102,901,932 c)	(102,901,932)	-	-
2001-02	125,000,000 d)	(125,000,000)	-	-

- a) Repair and Renovations of \$130 million and the balance was authorized for special appropriations.
- b) Includes \$135 million by provision of G.S. 143-15.3A and \$39,260,955 by special provision of the General Assembly.
- c) \$100 million was appropriated for Repair and Renovations and \$2.9 million was transferred to General Fund Availability.
- d) \$125 million was appropriated for Repair and Renovations.

**Post-Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 1F**  
**Reserve for Clean Water Management Trust Fund**  
**1995-96 to 2000-01**

<b>Fiscal Year</b>	<b>Beginning Balance July 1</b>	<b>Authorized Transfer/Approp.</b>	<b>Authorized Reserve for Current Year</b>	<b>Ending Balance June 30</b>
1995-96	\$ -	\$ -	\$ 47,100,000.00	\$ 47,100,000.00
1996-97	47,100,000.00	(47,100,000.00) a)	49,354,893.26	49,354,893.26
1997-98	49,354,893.26	(49,354,893.26)	47,397,819.00	47,397,819.00
1998-99	47,397,819.00	(47,397,819.00)	31,054,152.00	31,054,152.00
1999-00	31,054,152.00	(30,000,000.00)	1,054,152.00	1,054,152.00
2000-01	31,054,152.00	(31,054,152.00) b)	-	-
2001-02	40,000,000.00 c)	(40,000,000.00)	-	-
2002-03	70,000,000.00 c)	(70,000,000.00)	-	-

a) The Second Extra Session 1996 authorized the transfer of \$9.2 million of the Clean Water Management Trust Fund Reserve to the Wetlands Restoration Fund.

b) \$30 million was appropriated for FY 2001 and was transferred to DENR Budget Code 14301, and the remaining balance of \$1,054,152 was transferred to General Fund availability - Budget Code 19978.

c) Fiscal Years 2002 and 2003 amounts were appropriated and certified to Budget Code 14301.

**Post Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 2**  
**Total Authorized North Carolina State Budget, 1968-69 to 2002-03**  
**(In Millions)**

<b>Fiscal Year</b>	<b>Operating</b>	<b>Capital Improvements</b>	<b>Local Tax Reimb. and Other</b>	<b>Budget Stabilization</b>	<b>Total</b>
1968-69	\$ 1,318.6	\$ -	\$ -	\$ -	\$ 1,318.6
1969-70	1,686.8	129.8	-	-	1,816.6
1970-71	1,772.4	-	-	-	1,772.4
1971-72	2,089.8	148.4	-	-	2,238.2
1972-73	2,217.2	-	-	-	2,217.2
1973-74	2,635.7	242.2	-	-	2,877.9
1974-75	2,983.5	97.4	-	-	3,080.9
1975-76	3,205.7	41.9	-	-	3,247.6
1976-77	3,409.8	54.0	-	-	3,463.8
1977-78	3,901.7	75.6	-	-	3,977.3
1978-79	4,280.8	130.1	-	-	4,410.9
1979-80	4,877.9	153.8	-	-	5,031.7
1980-81	5,332.4	110.7	-	-	5,443.1
1981-82	5,720.9	31.8	-	-	5,752.8
1982-83	5,915.0	72.4	-	-	5,987.4
1983-84	6,602.9 1)	116.0	-	-	6,718.9
1984-85	7,203.6	234.1	-	-	7,437.7
1985-86	8,102.5	298.0	-	-	8,400.5
1986-87	8,622.3 2)	334.1 2)	-	-	8,956.4
1987-88	9,467.1	257.1	-	-	9,724.2
1988-89	10,093.5	316.9	-	-	10,410.4
1989-90	11,387.1	377.6	231.7	-	11,996.4
1990-91	12,027.2	294.6 3)	476.8	141.0	12,939.6
1991-92	12,892.7	242.6 4)	474.6	0.4	13,610.3
1992-93	13,997.3	274.6	236.8	-	14,508.7
1993-94	16,130.8 5)	374.0 6)	236.8	-	16,741.6
1994-95	17,320.5 5)	412.6	236.8	-	17,969.9
1995-96	17,600.6	456.0	-	-	18,056.6
1996-97 7)	18,662.2	1,118.0	-	-	19,780.2
1997-98 8)	19,923.4	1,201.4	-	-	21,124.8
1998-99 8)	21,300.7	883.5	447.4	-	22,631.6
1999-00 9)	22,784.3	877.1	629.0	-	24,290.4
2000-01 10)	23,927.7	424.0	30.0 13)	120.0	24,501.7
2001-02 11)	25,763.0	762.9	40.0 13)	0.0	26,565.9
2002-03 12)	26,514.7	850.0	70.0 13)	0.0	27,434.7

- 1) Includes \$25.8 million transferred from the General Fund to the Highway Fund.
- 2) Includes emergency appropriation for the Department of Correction.
- 3) Includes \$75 million from legislative bonds.
- 4) Includes \$45 million from legislative bonds and \$112.5 million from prison bonds.
- 5) Includes \$214.2 million for June 1994 payroll restoration 1993-94/\$120 million for teacher payroll restoration 1994-95.
- 6) Includes \$87.5 million from prison bonds.
- 7) Includes \$4.7 million for community colleges from the 1997 Session of the General Assembly.
- 8) Includes public school bonds and highway bonds (\$700.0 million in 1997-98 and \$450.0 million in 1998-99).
- 9) Includes \$450.0 million for public schools bonds in 1999-00 and \$200 million for Clean Water and Natural Gas Bonds.
- 10) Includes \$300 million for Clean Water and Natural Gas Bonds.
- 11) Includes \$250 million for Clean Water and Natural Gas Bonds, \$55 million for Public School Bonds, and \$300 for University and Community College Bonds.
- 12) Includes \$250 Clean Water and Natural Gas Bonds and \$ 600 University and Community College Bonds.
- 13) Clean Water Management Trust Fund Appropriation.

Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 3A  
Total North Carolina State Budget by Function,  
Department, and Source of Funds  
2001-02

General		General	Highway Trust/ Highway Fund	Other	Federal	Total
Budget Code	Function	Fund	Fund			
11000	General Assembly	\$ 39,383,848	\$ -	\$ 403,000	\$ -	\$ 39,786,848
12000	Judicial	305,491,140	-	252,519	-	305,743,659
12001	Judicial - Indigent Defense	70,181,601	-	6,875,555	-	77,057,156
	Total Judicial	\$ 375,672,741	-	\$ 7,128,074	-	\$ 382,800,815
<b><u>General Government:</u></b>						
13200	Secretary of State	\$ 8,556,776	\$ -	\$ 384,577	\$ -	\$ 8,941,353
13300	State Auditor	11,864,673	-	50	-	11,864,723
13410	State Treasurer	7,216,817	-	648,053	-	7,864,870
13412	St.Treasurer-Special Cont.	10,301,897	-	-	-	10,301,897
13600	Justice	73,142,775	-	6,884,637	1,167,825	81,195,237
13100	Lieutenant Governor	669,545	-	-	-	669,545
18210	Office of Admin.Hearings	2,795,155	-	83,514	-	2,878,669
18300	Rules Review Comm.	325,795	-	-	-	325,795
13000	Governor's Office	5,442,905	-	215,482	-	5,658,387
13085	OSBM Res. for Special Appropriations	39,635,000	-	-	-	39,635,000
13005	OSBM	5,458,547	-	26,020	-	5,484,567
13006	Flood Mapping & Surveying	-	-	-	-	-
13010	NC Housing Finance	5,300,000	-	100,000	37,242,359	42,642,359
14700	Revenue	77,100,467	4,038,525	1,000	-	81,139,992
14800	Cultural Resources	60,227,419	-	2,250,726	4,788,585	67,266,730
14802	Cultural Resources-Roanoke Isl.	1,859,463	-	-	-	1,859,463
14100	Dept. of Administration	61,856,313	-	5,372,541	8,480,877	75,709,731
14160	OSC	11,523,868	-	30,945	-	11,554,813
	Total General Government	\$ 383,277,415	\$ 4,038,525	\$ 15,997,545	\$ 51,679,646	\$ 454,993,131
<b><u>Public Safety and Regulation:</u></b>						
13800	Labor	\$ 15,517,906	\$ -	\$ 3,651,953	\$ 5,736,496	\$ 24,906,355
13900	Insurance	23,750,037	-	26,187,625	338,858	50,276,520
13901	Insurance - GF Direct	1,050,000	-	-	-	1,050,000
14600	Commerce	59,280,374	-	31,981,069	193,991,235	285,252,678
14601	Commerce-St.Aid to Nonstate Entities	16,486,523	-	-	-	16,486,523
14660	Information Tech. Svc.	-	-	-	-	-
14900	CC & PS	33,649,131	131,697,852	6,222,675	13,402,334	184,971,992
18025	State Board of Elections	3,186,269	-	2,500	-	3,188,769
28101-07	Special Boards & Commissions	-	-	3,450,648	-	3,450,648
	Total Public Safety & Regulation	\$ 152,920,240	\$ 131,697,852	\$ 71,496,470	\$ 213,468,923	\$ 569,583,485
14500	Correction	\$ 923,995,281	\$ -	\$ 9,280,008	\$ -	\$ 933,275,289
14060	Juvenile Justice	140,800,030	-	6,595,544	-	147,395,574

Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 3A  
Total North Carolina State Budget by Function,  
Department, and Source of Funds  
2001-02

General		General	Highway Trust/ Highway Fund	Other	Federal	Total
Budget Code	Function	Fund				
<b><u>Education:</u></b>						
13510	DPI	\$ 5,996,982,529	\$ 29,101,069	\$ 2,886,501	\$ 606,524,524	\$ 6,635,494,623
16800	Community Colleges	643,695,459	-	115,589,384	12,818,209	772,103,052
16010	UNC - GA	40,280,589	-	7,500	-	40,288,089
16011	UNC - Institutional Programs	40,997,754	-	30,864,857	-	71,862,611
16012	UNC - Related Education Programs	103,637,912	-	-	550,000	104,187,912
16020	UNC - CH Academic Affairs	199,610,018	-	95,155,595	246,671	295,012,284
16021	UNC - CH Health Affairs	154,439,887	-	20,879,424	-	175,319,311
16022	UNC - CH Area Health Education	46,072,336	-	800	-	46,073,136
16030	NCSU - Academic	265,376,229	-	83,814,816	556,312	349,747,357
16031	NCSU - Agri. Research Svcs.	46,704,489	-	1,989,950	7,897,634	56,592,073
16032	NCSU - Agri. Extension Svcs.	37,434,400	-	434,200	17,164,767	55,033,367
16040	UNC - Greensboro	93,245,204	-	28,029,787	63,291	121,338,282
16050	UNC - Charlotte	95,659,924	-	33,998,019	80,000	129,737,943
16055	UNC - Asheville	25,479,187	-	4,900,521	10,400	30,390,108
16060	UNC - Wilmington	59,584,977	-	23,268,278	71,575	82,924,830
16065	ECU - Academic	120,720,504	-	44,086,465	145,900	164,952,869
16066	ECU - Health Svcs.	46,062,074	-	1,865,600	-	47,927,674
16070	NC A & T	59,512,768	-	17,956,068	58,714	77,527,550
16075	Western Carolina	51,888,048	-	12,037,356	173,874	64,099,278
16080	Appalachian State	85,231,527	-	26,286,272	77,725	111,595,524
16082	UNC - Pembroke	24,591,556	-	3,658,565	24,818	28,274,939
16084	Winston Salem State	28,095,527	-	3,851,939	74,805	32,022,271
16086	Elizabeth City State	21,649,628	-	3,131,811	48,400	24,829,839
16088	Fayetteville State	30,796,571	-	6,104,572	127,793	37,028,936
16090	NC Central	44,381,352	-	11,323,825	108,431	55,813,608
16092	NC School of Arts	16,408,836	-	6,333,174	9,550	22,751,560
16094	NCSSM	11,487,156	-	572,905	-	12,060,061
16095	UNC Hospitals	<u>40,587,322</u>	-	<u>503,056,572</u>	-	<u>543,643,894</u>
	Total University	\$ 1,789,935,775	\$ -	\$ 963,608,871	\$ 27,490,660	\$ 2,781,035,306
	Total Education	<u>\$ 8,430,613,763</u>	<u>\$ 29,101,069</u>	<u>\$ 1,082,084,756</u>	<u>\$ 646,833,393</u>	<u>\$ 10,188,632,981</u>
14222	Transportation	\$ 10,030,000	\$ 1,949,380,510	\$ 38,917,668	\$ 809,950,673	\$ 2,808,278,851
<b><u>Health and Human Services:</u></b>						
14410	DHHS - Central Admin.	\$ 48,108,705	\$ -	\$ 702,139	\$ 45,791,814	\$ 94,602,658
14411	DHHS - Aging	29,531,910	-	8,325,087	27,184,040	65,041,037
14420	DHHS - Child Development	289,058,396	-	56,000	265,983,079	555,097,475
14424	DHHS - Education Services	69,581,525	-	722,102	2,084,639	72,388,266
14430	DHHS - Health	108,919,083	437,623	6,309,304	245,109,551	360,775,561
14440	DHHS - Social Services	188,690,237	-	458,456,225	613,662,392	1,260,808,854
14445	DHHS - Medical Assistance	1,981,484,290	-	353,034,891	3,834,235,114	6,168,754,295
14446	DHHS - Child Health	\$ 32,987,142	\$ -	\$ -	\$ 92,341,899	\$ 125,329,041
14450	DHHS - Blind & Deaf/HH	10,168,115	-	1,412,781	13,635,814	25,216,710



Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 3A  
Total North Carolina State Budget by Function,  
Department, and Source of Funds  
2001-02

General		General	Highway Trust/ Highway Fund	Other	Federal	Total
Budget Code	Function	Fund	Highway Fund	Other	Federal	Total
14460	DHHS - DMH/D/SAS	581,394,627	-	40,125,152	83,390,079	704,909,858
14470	DHHS - Facility Services	15,246,969	-	506,774	11,631,660	27,385,403
14480	DHHS - Vocational Rehab.	42,768,956	-	2,226,176	62,199,726	107,194,858
	Total Health & Human Services	\$ 3,397,939,955	\$ 437,623	\$ 871,876,631	\$ 5,297,249,807	\$ 9,567,504,016
14300	DENR	\$ 159,072,700	\$ 846,102	\$ 69,945,279	\$ 40,802,151	\$ 270,666,232
13700	Agriculture & Consumer Services	55,468,040	3,659,405	18,904,748	6,316,584	84,348,777
	<b>Debt Service:</b>					
19420	St. Treasurer-General Debt Service	250,822,092	-	50,606,598	-	301,428,690
19425	St. Treasurer-Federal Debt Service	1,155,948	-	-	-	1,155,948
	Total Debt Service	\$ 251,978,040	\$ -	\$ 50,606,598	\$ -	\$ 302,584,638
	<b>Reserves:</b>					
19001	Contingency & Emergency	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
19003	Compensation Increase Reserve	76,499,835	7,200,000	-	-	83,699,835
19004	Salary Adjustment	500,000	-	-	-	500,000
19027	ITS Rate Reduction	(4,000,000)	-	-	-	(4,000,000)
19043	Health Plan Reserve	114,000,000	7,000,000	-	-	121,000,000
19039	Reserve to Implement HIPPA	15,000,000	-	-	-	15,000,000
19047	Retirement Rate Adjustment	(243,267,720)	(12,304,320)	-	-	(255,572,040)
19049	Reserve for Mental Health Reform	47,525,675	-	-	-	47,525,675
	Total Reserves	\$ 11,257,790	\$ 1,895,680	\$ -	\$ -	\$ 13,153,470
19600	Capital Improvement	\$ 32,936,000	\$ -	\$ -	\$ -	\$ 32,936,000
19945	Repair & Renovation	125,000,000	-	-	-	125,000,000
14301	Clean Water Mgmt	40,000,000	-	-	-	40,000,000
19943	Savings Reserve	-	-	-	-	-
	Total Current Operation	\$ 14,530,345,843	\$ 2,121,056,766	\$ 2,243,236,321	\$ 7,066,301,177	\$ 25,960,940,107
	General Obligation Bonds	605,000,000	-	-	-	605,000,000
	<b>Grand Total</b>	<b>\$ 15,135,345,843</b>	<b>\$ 2,121,056,766</b>	<b>\$ 2,243,236,321</b>	<b>\$ 7,066,301,177</b>	<b>\$ 26,565,940,107</b>

Note: The Highway Fund and Highway Trust Fund is exclusive of transfers to the General Fund of \$184,500,000.  
(G.S. 105-187.9 provides information relative to this transfer)

Note: The legislative increase related to the Department of Public Instruction (\$117,342,165 for FY 2002) is included in the appropriation amount.

Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 3B  
Total North Carolina State Budget by Function,  
Department, and Source of Funds  
2002-03

General Budget		General	Highway Trust/		Federal	Total
Code	Function	Fund	Highway Fund	Other		
11000	General Assembly	\$ 39,553,848	\$ -	\$ 403,000	\$ -	\$ 39,956,848
12000	Judicial	305,465,135	-	252,519	-	305,717,654
12001	Judicial - Indigent Defense	68,867,771	-	6,875,555	-	75,743,326
	Total Judicial	\$ 374,332,906	\$ -	\$ 7,128,074	\$ -	\$ 381,460,980
<b><u>General Government:</u></b>						
13200	Secretary of State	\$ 8,286,850.00	\$ -	\$ 384,577.00	\$ -	\$ 8,671,427.00
13300	State Auditor	11,864,673	-	50	-	11,864,723
13410	State Treasurer	7,216,817	-	648,053	-	7,864,870
13412	St.Treasurer-Special Cont.	12,379,780	-	-	-	12,379,780
13600	Justice	73,785,584	-	6,800,637	1,167,825	81,754,046
13100	Lieutenant Governor	669,545	-	-	-	669,545
18210	Office of Admin.Hearings	2,795,155	-	83,514	-	2,878,669
18300	Rules Review Comm.	325,795	-	-	-	325,795
13000	Governor's Office	5,442,905	-	215,482	-	5,658,387
13085	OSBM Special Appropriations	3,080,000	-	-	-	3,080,000
13005	OSBM	5,354,938	-	26,020	-	5,380,958
13006	Flood Mapping & Surveying	-	-	-	-	-
13010	NC Housing Finance	5,300,000	-	100,000	37,242,359	42,642,359
14700	Revenue	77,955,704	4,038,525	1,000	-	81,995,229
14800	Cultural Resources	59,427,419	-	2,250,726	4,788,585	66,466,730
14802	Cultural Resources-Roanoke Isl.	1,859,463	-	-	-	1,859,463
14100	Dept. of Administration	61,563,497	-	5,372,541	8,480,877	75,416,915
14160	OSC	11,523,868	-	30,945	-	11,554,813
	Total General Government	\$ 348,831,993	\$ 4,038,525	\$ 15,913,545	\$ 51,679,646	\$ 420,463,709
<b><u>Public Safety and Regulation:</u></b>						
13800	Labor	\$ 15,117,906	\$ -	\$ 4,051,953	\$ 5,736,496	\$ 24,906,355
13900	Insurance	23,527,552	-	26,188,256	338,858	50,054,666
13901	Insurance - GF Direct	4,500,000	-	-	-	4,500,000
14600	Commerce	44,280,374	-	31,981,069	192,960,018	269,221,461
14601	Commerce-St.Aid to Nonstate Entities	16,561,217	-	-	-	16,561,217
14660	Information Tech. Svc.	-	-	-	-	-
14900	CC & PS	28,493,506	133,098,294	6,349,175	13,402,334	181,343,309
18025	State Board of Elections	3,186,269	-	2,500	-	3,188,769
28101-07	Special Boards & Commissions	-	-	3,569,720	-	3,569,720
	Total Public Safety & Regulation	\$ 135,666,824	\$ 133,098,294	\$ 72,142,673	\$ 212,437,706	\$ 553,345,497
14500	Correction	\$ 930,964,916	\$ -	\$ 9,300,008	\$ -	\$ 940,264,924
14060	Juvenile Justice	142,554,017	-	6,595,544	-	149,149,561

Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 3B  
Total North Carolina State Budget by Function,  
Department, and Source of Funds  
2002-03

General Budget		General	Highway Trust/			
Code	Function	Fund	Highway Fund	Other	Federal	Total
<b>Education:</b>						
13510	DPI	\$ 6,039,530,711	\$ 30,353,964	\$ 2,886,501	\$ 606,524,524	\$ 6,679,295,700
16800	Community Colleges	643,195,459	-	115,589,384	12,818,209	771,603,052
16010	UNC - GA	41,276,013	-	7,500	-	41,283,513
16011	UNC - Institutional Programs	41,847,754	-	30,864,857	-	72,712,611
16012	UNC - Related Education Programs	103,637,912	-	-	550,000	104,187,912
16020	UNC - CH Academic Affairs	200,119,532	-	95,155,595	246,671	295,521,798
16021	UNC - CH Health Affairs	156,170,103	-	20,879,424	-	177,049,527
16022	UNC - CH Area Health Education	46,072,336	-	800	-	46,073,136
16030	NCSU - Academic	265,861,181	-	83,814,816	556,312	350,232,309
16031	NCSU - Agri. Research Svcs.	46,678,373	-	1,989,950	7,897,634	56,565,957
16032	NCSU - Agri. Extension Svcs.	37,434,400	-	434,200	17,164,767	55,033,367
16040	UNC - Greensboro	93,322,528	-	28,029,787	63,291	121,415,606
16050	UNC - Charlotte	96,131,150	-	33,998,019	80,000	130,209,169
16055	UNC - Asheville	25,635,286	-	4,900,521	10,400	30,546,207
16060	UNC - Wilmington	59,936,359	-	23,268,278	71,575	83,276,212
16065	ECU - Academic	121,983,572	-	44,086,465	145,900	166,215,937
16066	ECU - Health Svcs.	46,062,074	-	1,865,600	-	47,927,674
16070	NC A & T	59,512,768	-	17,956,068	58,714	77,527,550
16075	Western Carolina	52,156,307	-	12,037,356	173,874	64,367,537
16080	Appalachian State	85,494,527	-	26,286,272	77,725	111,858,524
16082	UNC - Pembroke	24,532,869	-	3,658,565	24,818	28,216,252
16084	Winston Salem State	28,519,116	-	3,851,939	74,805	32,445,860
16086	Elizabeth City State	21,649,628	-	3,131,811	48,400	24,829,839
16088	Fayetteville State	30,796,571	-	6,104,572	127,793	37,028,936
16090	NC Central	44,381,352	-	11,323,825	108,431	55,813,608
16092	NC School of Arts	16,682,455	-	6,333,174	9,550	23,025,179
16094	NCSSM	11,839,342	-	572,905	-	12,412,247
16095	UNC Hospitals	40,587,322	-	518,404,604	-	558,991,926
	Total University	\$ 1,798,320,830	\$ -	\$ 978,956,903	\$ 27,490,660	\$ 2,804,768,393
	Total Education	\$ 8,481,047,000	\$ 30,353,964	\$ 1,097,432,788	\$ 646,833,393	\$ 10,255,667,145
14222	Transportation	\$ 13,393,341	\$ 1,957,325,461	\$ 38,617,668	\$ 825,448,590	\$ 2,834,785,060
<b>Health and Human Services:</b>						
14410	DHHS - Central Admin.	\$ 48,008,705	\$ -	\$ 702,139	\$ 45,791,814	\$ 94,502,658
14411	DHHS - Aging	29,531,910	-	8,325,087	27,184,040	65,041,037
14420	DHHS - Child Development	289,058,396	-	56,000	265,983,079	555,097,475
14424	DHHS - Education Services	69,581,525	-	722,102	2,084,639	72,388,266
14430	DHHS - Health	107,434,083	437,623	6,309,304	245,109,551	359,290,561
14440	DHHS - Social Services	194,763,531	-	463,434,387	618,968,783	1,277,166,701
14445	DHHS - Medical Assistance	2,219,446,892	-	395,589,948	4,140,380,415	6,755,417,255
14446	DHHS - Child Health	\$ 37,487,142	\$ -	\$ -	\$ 104,093,498	\$ 141,580,640
14450	DHHS - Services for the Blind	10,168,115	-	1,412,781	13,635,814	25,216,710

Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 3B  
Total North Carolina State Budget by Function,  
Department, and Source of Funds  
2002-03

General Budget		General	Highway Trust/		Federal	Total
Code	Function	Fund	Highway Fund	Other	Federal	Total
14460	DHHS - DMH/D/SAS	581,068,627	-	40,125,152	83,390,079	704,583,858
14470	DHHS - Facility Services	15,442,236	-	506,774	11,631,660	27,580,670
14480	DHHS - Vocational Rehab.	42,088,956	-	2,226,176	62,199,726	106,514,858
	Total Health & Human Services	\$ 3,644,080,118	\$ 437,623	\$ 919,409,850	\$ 5,620,453,098	\$ 10,184,380,689
14300	DENR	\$ 158,722,700	\$ 846,102	\$ 69,945,279	\$ 40,802,151	\$ 270,316,232
13700	Agriculture & Consumer Services	55,268,040	3,586,465	18,895,298	6,312,784	84,062,587
	<b>Debt Service:</b>					
19420	St. Treasurer-General Debt Service	\$ 352,266,860	\$ -	\$ 8,750,000	\$ -	\$ 361,016,860
19425	St. Treasurer-Federal Debt Service	1,155,948	-	-	-	1,155,948
	Total Debt Service	\$ 353,422,808	\$ -	\$ 8,750,000	\$ -	\$ 362,172,808
	<b>Reserves:</b>					
19001	Contingency & Emergency	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
19003	Compensation Increase Reserve	76,499,835	7,200,000	-	-	83,699,835
19043	State Health Plan Reserve	200,000,000	9,000,000	-	-	209,000,000
19004	Salary Adjustment	500,000	-	-	-	500,000
19027	ITS Rate Reduction	(4,000,000)	-	-	-	(4,000,000)
19047	Retirement Rate Adjustment	(243,267,720)	(12,304,320)	-	-	(255,572,040)
	Total Reserves	\$ 34,732,115	\$ 3,895,680	\$ -	\$ -	\$ 38,627,795
19600	Capital Improvement	\$ -	\$ -	\$ -	\$ -	\$ -
19600	Repair & Renovation	-	-	-	-	-
14301	Clean Water Mgmt	70,000,000	-	-	-	70,000,000
19943	Savings Reserve	-	-	-	-	-
	Total Current Operation	\$ 14,782,570,626	\$ 2,133,582,114	\$ 2,264,533,727	\$ 7,403,967,368	\$ 26,584,653,835
	General Obligation Bonds	850,000,000	-	-	-	850,000,000
	<b>Grand Total</b>	<b>\$ 15,632,570,626</b>	<b>\$ 2,133,582,114</b>	<b>\$ 2,264,533,727</b>	<b>\$ 7,403,967,368</b>	<b>\$ 27,434,653,835</b>

Note: The Highway Fund and Highway Trust Fund is exclusive of transfers to the General Fund of \$185,300,000.  
(G.S. 105-187.9 provides information relative to this transfer)

Note: The legislative increase related to the Department of Public Instruction (\$117,342,165 for FY 2002) is included in the appropriation amount.

**Post-Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 4**  
**Trends in the Total State Budget**  
**1977-78 to 2002-03**  
**(In Millions)**

<b>Fiscal Year</b>	<b>Public Education</b>	<b>Higher Education</b>	<b>Community Colleges</b>	<b>Human Resources</b>	<b>Transportation</b>	<b>Correction</b>
1977-78	\$1,192.3	\$540.1	\$136.3	\$902.5	\$536.2	\$95.3
1978-79	1,307.5	584.5	161.4	1,007.9	571.3	106.1
1979-80	1,487.9	644.3	165.2	1,213.2	595.8	123.5
1980-81	1,655.8	727.4	195.3	1,315.2	611.4	144.8
1981-82	1,768.2	821.0	219.4	1,411.2	617.4	162.7
1982-83	1,798.5	856.4	232.0	1,462.2	626.8	176.1
1983-84	1,906.6	944.4	261.7	1,601.3	864.3	190.5
1984-85	2,170.4	1,058.9	288.2	1,719.6	893.4	212.7
1985-86	2,501.4	1,219.8	304.7	1,945.6	908.1	244.3
1986-87	2,660.6	1,300.7	337.1	2,032.8	1,005.7	261.7
1987-88	2,939.7	1,414.4	358.9	2,251.2	1,086.1	306.0
1988-89	3,230.8	1,483.2	364.7	2,435.8	1,111.7	343.1
1989-90	3,468.2	1,662.2	403.2	2,695.5	1,399.1	380.8
1990-91	3,672.0	1,700.0	433.5	3,012.3	1,378.5	428.0
1991-92	3,688.6	1,647.3	410.7	3,661.6	1,512.3	484.8
1992-93	3,829.0	1,728.9	476.8	4,244.2	1,614.3	517.2
1993-94	4,128.2	1,850.9	504.0	5,289.4	1,727.9	577.4
1994-95	4,417.1	1,932.9	534.6	5,616.5	1,850.1	732.5
1995-96	4,477.5	2,035.1	546.1	5,910.1	1,917.5	815.4
1996-97	4,783.6	2,121.3	576.6	6,324.4	1,987.6	833.3
1997-98	5,191.6	2,262.6	610.6	6,955.9	2,106.4	831.0
1998-99	5,549.9	2,321.1	659.9	7,604.9	2,125.4	859.0
1999-00	6,033.2	2,473.6	681.5	7,814.7	2,492.9	899.2
2000-01	6,366.8	2,555.3	724.1	8,213.6	2,635.8	883.0
2001-02	6,635.5	2,781.0	772.1	9,567.5	2,808.3	933.3
2002-03	6,679.3	2,804.8	771.6	10,184.4	2,834.8	940.3

<b>Fiscal Year</b>	<b>General Government</b>	<b>Debt Service</b>	<b>Reserves *</b>	<b>Capital</b>	<b>Other</b>	<b>Total</b>
1977-78	419.1	76.7	3.1	75.6	-	3,977.2
1978-79	450.2	82.7	9.3	130.1	-	4,411.0
1979-80	545.6	84.9	8.2	153.8	-	5,022.4
1980-81	594.5	92.5	5.8	110.7	-	5,453.4
1981-82	610.5	99.2	8.8	31.8	-	5,750.2
1982-83	640.7	114.2	11.4	72.4	-	5,990.7
1983-84	698.4	117.8	2.9	116.0	-	6,703.9
1984-85	755.1	114.5	6.3	234.1	-	7,453.2
1985-86	843.4	114.2	21.1	298.0	-	8,400.6
1986-87	909.9	98.2	15.8	334.0	-	8,956.5
1987-88	972.4	111.9	18.7	265.3	-	9,724.6
1988-89	1,012.7	108.9	2.6	316.9	-	10,410.4
1989-90	1,270.4	107.6	-	377.6	231.8	11,996.4
1990-91	1,289.8	108.7	147.3	292.5	476.8	12,939.5
1991-92	1,375.7	117.9	0.9	242.6	468.0	13,610.4
1992-93	1,437.0	127.0	(5.4)	274.5	232.4	14,508.7
1993-94	1,701.9	129.6	221.5	910.1	236.8	17,277.7
1994-95	1,859.3	142.5	235.0	592.6	236.8	18,149.9
1995-96	1,735.0	157.0	6.9	456.0	-	18,056.6
1996-97	1,764.2	135.4	135.6	1,118.0	#	19,780.2
1997-98	1,693.5	167.2	104.6	1,201.4	#	21,124.8
1998-99	1,759.0	200.4	221.1	883.5	# 447.4	22,631.6
1999-00	1,922.5	244.1	222.6	877.1	# 629.0	24,290.4
2000-01	1,904.8	270.0	494.3	424.0	# 30.0	24,501.7
2001-02	1,949.5	302.6	13.2	762.9	40.0	26,565.9
2002-03	1,898.7	362.2	38.6	850.0	70.0	27,434.7

\* Includes funds transferred to the Reserve for Budget Stabilization.

# Includes General Obligation Bonds

Note: Other include Local Government Transfer and Appropriated Reserves (Repair and Renovation is included under capital).

**Post Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 5**  
**Total Authorized State Budget by Source of Funds**  
**1974-75 to 2002-03**  
**(In Millions)**

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Federal Revenue Sharing</u>	<u>Highway Fund</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
1974-75	\$ 1,734.6	\$ 57.2	\$ 392.7	\$ 648.6	\$ 247.8	\$ 3,080.9
1975-76	1,733.2	51.7	422.8	747.6	292.3	3,247.6
1976-77	1,922.4	67.1	414.6	776.8	282.9	3,463.8
1977-78	2,158.0	66.9	433.1	967.9	351.4	3,977.3
1978-79	2,515.4	62.5	461.8	1,042.7	328.5	4,410.9
1979-80	2,787.7	57.0	497.6	1,240.5	448.8	5,031.7
1980-81	3,216.4	28.4	506.1	1,296.5	395.7	5,443.1
1981-82	3,435.0	-	535.0	1,312.7	470.0	5,752.8
1982-83	3,623.6	-	555.6	1,322.3	485.9	5,987.4
1983-84	3,872.6	-	664.0	1,597.4	584.9	6,718.9
1984-85	4,516.6	-	713.6	1,655.8	551.7	7,437.7
1985-86	5,130.5	-	735.5	1,838.1	696.4	8,400.5
1986-87	5,531.3	-	839.4	1,887.4	698.3	8,956.4
1987-88	5,977.9	-	882.4	2,026.8	837.1	9,724.2
1988-89	6,586.1	-	918.7	2,117.4	788.2	10,410.4
1989-90	7,360.0	-	1,236.6	2,366.8	1,033.0	11,996.4
1990-91	8,149.6 1)	-	1,223.8	2,616.8	949.4	12,939.6
1991-92	7,983.0 1)	-	1,323.3	3,127.8	1,176.2	13,610.3
1992-93	8,209.5	-	1,318.4	3,617.6	1,363.2	14,508.7
1993-94	9,405.4	-	1,363.3	4,516.4	1,456.5	16,741.6
1994-95	10,268.4	-	1,480.9	4,639.9	1,580.7	17,969.9
1995-96	10,055.5	-	1,553.4	4,664.4	1,783.3	18,056.6
1996-97	11,252.6 2)	-	1,622.5	4,917.3	1,987.8	19,780.2
1997-98	12,015.3 3)	-	2,025.5	5,220.4	1,863.6	21,124.8
1998-99	13,561.6 3)	-	1,807.6	5,465.3	1,797.1	22,631.6
1999-00	14,561.7 3)	-	1,878.8	5,951.1	1,898.8	24,290.4
2000-01	14,350.1 3)	-	2,058.8	6,134.4	1,958.4	24,501.7
2001-02	15,135.3 3)	-	2,121.1	7,066.3	2,243.2	26,565.9
2002-03	15,632.6 3)	-	2,133.6	7,404.0	2,264.5	27,434.7

1) Includes legislative bonds for capital improvements.

2) Includes \$4.7 million from the 1997 Session of the General Assembly and general obligation bonds.

3) Includes general obligation bonds.

Post-Legislative Budget Summary, 2001-03  
Appendix - Continued

Appendix Table 6  
Highway Fund State Tax and Nontax Revenue  
1974-75 to 2002-03  
(In Millions)

Fiscal Year	Motor Fuel Taxes	Licenses, Fees, and Other Revenue	Treasurer's Investments	Total Revenue	Annual Percentage Change
1974-75	\$ 265.8	\$ 95.2	\$ 23.9	\$ 384.9	10.0%
1975-76	286.4	103.8	15.1	405.4	5.3%
1976-77	298.3	106.5	11.9	416.6	2.8%
1977-78	312.0	114.2	9.9	436.2	4.7%
1978-79	322.8	120.5	21.7	465.0	6.6%
1979-80	304.0	125.7	17.9	447.6	-3.7%
1980-81	291.2	130.0	13.9	435.1	-2.8%
1981-82	380.8	151.7	22.3	554.8	27.5%
1982-83	388.6	161.1	28.5	578.2	4.2%
1983-84	411.8	200.0	30.2	642.0	11.0%
1984-85	421.7	212.7	33.3	667.7	4.0%
1985-86	438.7	219.7	26.5	684.9	2.6%
1986-87	569.3	234.3	26.2	829.8	21.2%
1987-88	612.2	250.5	33.9	896.6	8.1%
1988-89	625.8	257.2	30.7	913.7	1.9%
1989-90	619.7	257.9	26.6	904.2	-1.0%
1990-91	629.4	252.6	21.4	903.4	-0.1%
1991-92	650.6	273.6	19.6	943.8	4.5%
1992-93	648.8	275.9	17.6	942.3	-0.16%
1993-94	677.6	283.8	18.4	979.8	4.0%
1994-95	681.1	295.6	19.7	996.5	1.7%
1995-96	709.2	320.4	19.7	1,049.3	5.3%
1996-97	742.8	320.2	13.1	1,076.1	2.6%
1997-98	774.5	328.4	10.1	1,113.0	3.4%
1998-99	775.5	340.0	15.5	1,131.0	1.6%
1999-00	793.5	352.5	18.6	1,164.6	3.0%
2000-01	880.8	364.3	15.4	1,260.5	8.2%
2001-02 1]	911.1	376.0	16.2	1,303.3	3.4%
2002-03 1]	908.9	386.2	16.7	1,311.8	0.7%

(1) Authorized

Post-Legislative Budget Summary, 2001-2003  
Appendix - Continued

Appendix Table 7  
Highway Trust Fund Tax and Nontax Revenue  
1989-90 to 2002-03  
(In Millions)

<u>Fiscal Year</u>	<u>Gasoline Tax</u>	<u>Highway Use Tax</u>	<u>Other Revenue</u>	<u>Treasurer's Investments</u>	<u>Total Revenue</u>	<u>Annual Percentage Change</u>
1989-90	\$ 184.9	\$ 164.7	\$ 51.5	\$ 7.4	\$ 408.5	-
1990-91	206.6	231.1	55.4	20.8	513.9	25.8%
1991-92	213.4	242.4	58.4	23.1	537.3	4.6%
1992-93	212.4	273.3	62.2	24.1	572.0	6.5%
1993-94	222.0	330.5	68.1	22.5	643.1	12.4%
1994-95	223.0	364.6	77.1	28.7	693.4	7.8%
1995-96	232.7	396.0	76.7	32.7	738.1	6.4%
1996-97	243.7	407.6	85.7	35.7	772.7	4.7%
1997-98	254.6	453.3	87.0	40.9	835.8	8.2%
1998-99	254.7	489.5	90.3	39.3	873.8	4.5%
1999-00	260.7	545.3	93.2	37.4	936.6	7.2%
2000-01	289.6	545.2	90.6	41.4	966.8	3.2%
2001-02 (1)	299.3	570.3	94.0	24.9	988.5	2.2%
2002-03 (1)	298.5	614.8	96.8	22.2	1,032.3	4.4%

1] Authorized



**Post Legislative Budget Summary, 2001-2003**  
**Appendix - Continued**

**Appendix Table 8**  
**General Fund Tax and Nontax Revenue**  
**1974-75 to 2002-03**  
**(In Millions)**

**(Excludes Federal Revenue Sharing and Federal Anti-Recession Funds)**

<b>Fiscal Year</b>	<b>Tax Revenues</b>	<b>Percent Increase Over Previous Year</b>	<b>Tax and Nontax Revenues</b> <sup>1)</sup>	<b>Percent Increase</b>
1974-75	\$ 1,451.2	6.85%	\$ 1,544.1	\$ 7.99%
1975-76	1,571.8	8.31%	1,648.1	6.74%
1976-77	1,870.0	18.97%	1,952.6	18.48%
1977-78	2,060.5	10.19%	2,134.8	9.33%
1978-79	2,337.2	13.43%	2,430.3	13.84%
1979-80	2,639.2	12.92%	2,785.3	14.61%
1980-81	2,846.0	7.84%	2,995.4	7.54%
1981-82	3,077.7	8.14%	3,229.5	7.82%
1982-83	3,279.0	6.54%	3,403.8	5.40%
1983-84	3,814.4	16.33%	3,957.3	16.26%
1984-85	4,336.7	13.69%	4,527.1	14.40%
1985-86	4,694.5	8.25%	4,910.9	8.48%
1986-87	5,180.6	10.35%	5,392.1	9.80%
1987-88	5,551.3	7.16%	5,804.5	7.65%
1988-89	5,928.5	6.79%	6,154.5	6.03%
1989-90	6,561.4	10.68%	6,988.4	13.55%
1990-91	6,692.5	2.00%	7,207.8	3.14%
1991-92	7,438.4	11.15%	7,817.0	8.45%
1992-93	7,883.0	5.98%	8,292.8	6.09%
1993-94	8,516.8	8.04%	9,102.3	9.76%
1994-95	9,365.8	9.97%	9,969.9	9.53%
1995-96	9,458.8	0.99%	10,090.3	1.21%
1996-97	10,239.1	8.25%	10,933.9	8.36%
1997-98	11,092.4	8.33%	11,727.1	7.25%
1998-99	11,965.3	7.87%	12,753.3	8.75%
1999-00	12,391.0	3.56%	13,135.0	2.99%
2000-01	12,573.1	1.47%	13,391.3	1.95%
2001-02 <sup>(2)</sup>	13,956.1	11.00%	14,713.0	9.87%
2002-03 <sup>(2)</sup>	14,707.8	5.39%	15,439.5	4.94%

1) Nontax revenue includes transfers from the Highway Fund and Highway Trust Fund and Capital Ir returned to the General Fund.

2) Authorized

Post Legislative Budget Summary, 2001-2003  
Appendix-Continued

Appendix Table 9  
Authorized  
General Fund Appropriations  
1968-69 to 2002-03  
(In Millions)

(Including Federal Revenue Sharing and Anti-Recession Revenues)

<u>Fiscal Year</u>	<u>Operating</u>	<u>Percent Change</u>	<u>Total</u>	<u>Percent Change</u>
1968-69	\$ 735.1	8.2	\$ 735.1	(7.1)
1969-70	894.0	21.6	969.6	31.9
1970-71	961.4	7.5	961.4	(0.8)
1971-72	1,087.1	13.1	1,152.0	19.8
1972-73	1,173.6	8.0	1,173.6	1.9
1973-74	1,520.7	29.6	1,712.5	45.9
1974-75	1,698.4	11.7	1,791.8	4.6
1975-76	1,756.2	3.4	1,784.9	(0.4)
1976-77	1,944.4	10.7	1,989.5	11.5
1977-78	2,193.5	12.8	2,224.9	11.8
1978-79	2,451.9	11.8	2,577.9	15.9
1979-80	2,760.3	12.6	2,844.7	10.3
1980-81	3,140.9	13.8	3,244.8	14.1
1981-82	3,404.8	8.4	3,435.0	5.9
1982-83	3,557.8	4.5	3,623.6	5.5
1983-84	3,797.8 1)	6.7	3,857.6	6.5
1984-85	4,304.0	13.3	4,516.6	17.1
1985-86	4,877.0	13.3	5,130.5	13.6
1986-87 2)	5,233.7	7.3	5,531.6	7.8
1987-88	5,813.1	11.1	5,977.9	8.1
1988-89	6,302.4	8.4	6,561.1	9.8
1989-90	6,883.0	9.2	7,360.0	12.2
1990-91	7,249.5	5.3	8,074.6	9.7
1991-92	7,350.5	1.0	7,825.5	(3.1)
1992-93	7,877.5	7.0	8,209.5	4.9
1993-94	8,674.5	10.1	9,317.9	13.5
1994-95	9,662.2	11.4	10,268.4	10.2
1995-96	9,793.1	1.4	10,031.6	(2.3)
1996-97 3)	10,450.4	6.7	10,607.6	5.7
1997-98 4)	11,258.5	7.7	11,585.8	9.2
1998-99	12,333.5	9.5	13,111.6	13.2
1999-00	13,055.6	5.9	13,911.7	6.1
2000-01	13,785.1	5.6	14,050.1	1.0
2001-02	14,332.4	4.0	14,530.3	3.4
2002-03	14,712.6	2.7	14,782.6	1.7

1) Includes \$25.8 million transferred to the Highway Fund.

2) Includes \$240,101 for Department of Correction emergency appropriation for operating budget and \$15,125,690 for capital improvements.

3) Includes \$4.7 million for Department of Community Colleges appropriation for operating budget.

4) Includes \$20.5million - SIPS for Year 2000.

**Appendix Table 10**  
**North Carolina State General Fund Operating Appropriation**  
**For Public Schools, Community Colleges, and Higher Education**  
**(Including Carry-Forwards for Encumbrances)**  
**1969-70 to 2002-03**

Year	General Fund Total Current Operations#		Public Schools		Community Colleges		Higher Education		Percent of Total Education	Other	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent			
1969-70	\$ 876,169,359		\$ 459,814,709	52.5	\$ 41,431,965	4.7	\$ 130,344,741	14.9	72.1	\$ 244,577,944	
1970-71	981,127,808		510,055,771	52.0	44,935,256	4.6	147,326,678	15.0	71.6	278,810,103	
1971-72	1,073,289,571		533,536,652	49.7	55,958,450	5.2	163,331,175	15.2	70.1	320,463,294	
1972-73	1,187,443,130		575,012,350	48.4	63,193,535	5.3	179,910,706	15.2	68.9	369,326,539	
1973-74	1,520,694,407		718,947,864	47.3	99,582,404	6.5	222,838,796	14.7	68.5	479,325,343	
1974-75	1,698,417,672		789,391,908	46.5	109,218,752	6.4	280,638,400	16.5	69.4	519,168,612	
1975-76	1,737,659,496		800,937,335	46.1	105,465,494	6.1	270,526,549	15.6	67.7	560,730,118	
1976-77	1,962,976,606		899,151,043	45.8	116,481,854	5.9	307,123,340	15.6	67.4	640,220,369	
1977-78	2,193,405,714		997,654,527	45.5	114,065,103	5.2	357,790,592	16.3	67.0	723,895,492	
1978-79	2,452,011,095		1,098,173,958	44.8	139,794,869	5.7	394,767,166	16.1	66.6	819,275,102	
1979-80	2,750,988,834		1,230,099,474	44.7	145,243,264	5.3	436,949,552	15.9	65.9	938,696,544	
1980-81	3,150,963,479		1,390,907,313	44.1	174,996,965	5.6	515,255,082	16.4	66.0	1,069,804,119	
1981-82	3,401,694,904		1,495,263,953	44.0	194,452,082	5.7	567,573,821	16.7	66.4	1,144,405,048	
1982-83	3,561,142,890		1,515,742,033	42.6	205,585,837	5.8	599,235,054	16.8	65.2	1,240,579,966	
1983-84	3,812,808,921		1,620,044,340	42.5	232,195,091	6.1	653,091,405	17.1	65.7	1,307,478,085	
1984-85	4,319,568,173		1,886,700,077	43.7	259,101,105	6.0	746,998,910	17.3	67.0	1,426,768,081	
1985-86	4,877,060,744		2,185,803,123	44.8	281,875,727	5.8	840,311,094	17.2	67.8	1,569,070,800	
1986-87	5,233,578,633		2,346,139,866	44.8	307,102,490	5.9	909,134,150	17.4	68.1	1,671,202,127	
1987-88	5,805,245,729		2,639,237,658	45.5	326,296,294	5.6	980,746,492	16.9	68.0	1,858,965,285	
1988-89	6,302,733,865		2,930,643,886	46.5	332,064,381	5.3	1,039,510,499	16.5	68.3	2,000,515,099	
1989-90	6,883,003,393		3,134,428,205	45.5	365,537,274	5.3	1,109,917,895	16.1	67.0	2,273,120,019	
1990-91	7,249,549,110		3,329,171,720	45.9	387,611,956	5.3	1,143,216,957	15.8	67.0	2,389,548,477	
1991-92	7,350,501,134		3,293,699,663	44.8	344,131,858	4.7	1,121,976,740	15.3	64.8	2,590,692,873	
1992-93	7,881,908,182		3,435,634,234	43.6	398,689,471	5.1	1,170,947,533	14.9	63.5	2,876,636,944	
1993-94	8,674,510,752	a)	3,632,087,114	41.9	423,253,702	4.9	1,229,449,670	14.2	60.9	3,389,720,266	
1994-95	9,595,509,023	a)	3,962,959,317	b)	41.3	455,651,184	4.7	1,296,558,991	13.5	59.6	3,880,339,531
1995-96	9,793,062,378		3,998,978,216	40.8	470,880,697	4.8	1,301,040,079	13.3	58.9	4,022,163,386	
1996-97	10,450,411,229		4,301,626,282	41.2	501,802,184	4.8	1,385,611,961	13.3	59.2	4,261,370,802	
1997-98	11,258,582,548		4,697,892,305	41.7	534,873,175	4.8	1,489,866,397	13.2	59.7	4,535,950,671	
1998-99	12,327,025,974		5,068,634,951	41.1	587,542,475	4.8	1,628,888,154	13.2	59.1	5,041,960,394	
1999-00	c) 13,441,610,285		5,497,075,780	40.9	589,634,008	4.4	1,682,143,914	12.5	57.8	5,672,756,583	
2000-01	d) 13,785,142,760		5,851,733,197	f)	42.4	651,456,631	4.7	1,778,278,150	12.9	60.1	5,503,674,782
2001-02	e) 14,309,884,168		5,922,505,768	f)	41.4	650,089,707	4.5	1,802,904,395	12.6	58.5	5,934,384,298
2002-03	e) 14,782,570,626		6,005,415,512	f)	40.6	652,559,135	4.4	1,818,292,330	12.3	57.3	6,306,303,649

Note: Figures in all categories include compensation increases.  
 # Operating budget excludes capital and local government appropriations.  
 a) 1993-94 and 1994-95 excludes \$214 million (1993-94) and \$120 million (1994-95) for payroll restoration.  
 b) 1994-95 includes \$42 million for education technology equipment.  
 c) 1999-00 includes all appropriation as of June 30, 2000.  
 d) Amounts include Compensation Increase Reserve.  
 e) Amounts include Compensation Increase, Health Plan Increase, and Retirement Rate Reduction Decrease.  
 f) Encumbrance carryforwards for 11th and 12th month are no longer included.

Post-Legislative Budget Summary, 2001-2003  
Appendix-Continued

Appendix Table 11  
North Carolina's Bond Indebtedness  
1968-69 to 2000-01

Fiscal Year	Bond Indebtedness*			Per Capita
	General Fund	Highway Fund	Total	
1968-69	\$ 210,270,000	\$ 189,200,000 a)	\$ 399,470,000	\$ 79.80
1969-70	198,740,000	282,200,000 b)	480,940,000	95.56
1970-71	186,910,000	253,000,000	439,910,000	86.12
1971-72	174,780,000	240,000,000	414,780,000	79.74
1972-73	208,360,000	217,000,000	425,360,000	80.30
1973-74	194,995,000	199,000,000	393,995,000	73.17
1974-75	215,370,000	181,000,000	396,370,000	72.54
1975-76	305,870,000	163,000,000	468,870,000	84.66
1976-77	418,900,000	145,000,000	563,900,000	100.73
1977-78	530,600,000	127,000,000	657,600,000	115.90
1978-79	507,200,000	164,000,000	671,200,000	116.82
1979-80	533,300,000	201,000,000	734,300,000	126.43
1980-81	574,750,000	179,000,000	753,750,000	128.19
1981-82	544,200,000	219,000,000	763,200,000	128.15
1982-83	582,700,000	323,000,000	905,700,000	150.48
1983-84	630,900,000	306,500,000	937,400,000	154.25
1984-85	589,200,000	290,000,000	879,200,000	142.62
1985-86	548,500,000	272,500,000	821,000,000	131.26
1986-87	508,000,000	254,000,000	762,000,000	120.51
1987-88	525,500,000	250,000,000	775,500,000	121.06
1988-89	481,410,000	226,750,000	708,160,000	109.23
1989-90	457,698,902	202,730,000	660,428,902	100.54
1990-91	412,038,903	175,965,000	588,003,903	88.66
1991-92	441,378,903	148,635,000	590,013,903	87.44
1992-93	548,678,902	118,695,000	667,373,902	97.67
1993-94	493,678,902	87,055,000	580,733,902	83.59
1994-95	936,191,005	55,285,000	991,476,005	140.40
1995-96	990,245,681	29,445,000	1,019,690,681	141.90
1996-97	940,252,373	4,895,000	945,147,373	129.32
1997-98	1,508,215,259	0	1,508,215,259	202.97
1998-99	1,867,480,343	250,000,000	2,117,480,343	280.56
1999-00	2,212,108,040	233,325,000	2,445,433,040	319.64
2000-01	2,286,848,925	216,650,000	2,503,498,925	309.63

\*The State Treasurer's Annual Report and Official Statement of the State Treasurer as if June 30 for the following fiscal year.

a) Includes \$60 million from bond anticipation notes.

b) Includes \$120 million from bond anticipation notes.

Post-Legislative Budget Summary, 2001-2003  
Appendix-Continued

Appendix Table 12  
Total North Carolina Budget for Debt Services  
1968-69 to 2002-03

Fiscal Year	Authorized Budget			Per Capita*
	General Fund	Highway Fund	Total	
1968-69	\$ 17,780,948	\$ 34,106,500	\$ 51,887,448	\$ 10.37
1969-70	17,774,223	40,401,067	58,175,290	11.56
1970-71	17,757,503	25,599,500	43,357,003	8.49
1971-72	18,631,260	32,617,500	51,248,760	9.85
1972-73	21,466,030	25,749,000	47,215,030	8.91
1973-74	48,147,042	25,083,000	73,230,042	13.60
1974-75	-	24,415,500	24,415,500	4.47
1975-76	34,870,615	23,776,500	58,647,115	10.59
1976-77	40,024,500	23,156,000	63,180,500	11.29
1977-78	49,202,210	27,522,500	76,724,710	13.52
1978-79	53,000,000	29,596,000	82,596,000	14.38
1979-80	55,341,050	29,292,661	84,633,711	14.57
1980-81	62,173,700	30,329,757	92,503,457	15.73
1981-82	65,062,550	30,062,040	95,124,590	15.97
1982-83	75,020,500	38,772,567	113,793,067	18.91
1983-84	79,525,500	38,288,000	117,813,500	19.39
1984-85	76,077,250	38,401,500	114,478,750	18.57
1985-86	75,781,250	38,445,500	114,226,750	18.26
1986-87	64,506,250	38,445,500	102,951,750	16.28
1987-88	73,929,627	32,453,812	106,383,439	16.61
1988-89	71,636,370	37,295,105	108,931,475	16.80
1989-90	69,083,445	38,491,163	107,574,608	16.38
1990-91	71,259,383	37,392,600	108,651,983	16.10
1991-92	79,683,770	38,227,230	117,911,000	17.47
1992-93	89,020,478	38,018,250	127,038,728	18.59
1993-94	92,263,558	37,359,875	129,623,433	18.66
1994-95	114,837,478	27,631,295	142,468,773	20.17
1995-96	131,836,603	25,133,780	156,970,383	21.84
1996-97	129,326,640	4,978,215	134,304,855	18.38
1997-98	165,973,573	-	165,973,573	22.34
1998-99	199,286,633	28,357,925	227,644,558	30.16
1999-00	242,910,930	27,607,550	270,518,480	41.66
2000-01	268,834,550	26,857,175	295,691,725	38.17
2001-02	301,428,690	26,106,800	327,535,490	40.51
2002-03	361,016,860	25,356,425	386,373,285	47.79

\* Based on July 1 population estimates.