



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

July 18, 2017

MEMORANDUM

TO: Department Heads, Chief Fiscal Officers, Chief Information Officers

FROM: Charles Perusse, State Budget Director
Eric Boyette, Secretary and State Chief Information Officer

Charles Perusse
J. E. Boyette

SUBJECT: FY 2017-19 Internal Service Fund Rates

The Office of State Budget and Management (OSBM) has recently completed its review of the Department of Information Technology’s (DIT) final FY 2017-19 Internal Service Fund rate proposal. OSBM approves the Internal Service Fund rates for FY 2017-18 and will work with DIT to refine rates for FY 2018-19.

OSBM and DIT are working together to hold agencies harmless in FY 2017-18 due to the projected impact of statewide rate changes. A summary of credits to agency information technology bills and subscription charges is outlined below.

Organization	Annual Rate Impact	Annual Subscription Impact
Community College Campuses	\$ -	\$ 235,760.85
Community College System	\$ -	\$ 18,675.89
Department of Revenue	\$ -	\$ 259,029.62
Department of Transportation	\$ -	\$ 925,704.52
Office of State Controller	\$ -	\$ 131,726.08
Fayetteville State University	\$ -	\$ 8,177.33
Elizabeth City State University	\$ -	\$ 135.78
Department of Agriculture	\$ 47,795.31	\$ 76,455.00
Admin Office of the Courts	\$ 195,288.82	\$ 70,458.00
State Auditor	\$ 6,556.20	\$ 9,459.00
Information Technology Services	\$ 484,012.27	\$ -
Military and Veterans Affairs	\$ 17,475.01	\$ 3,141.00
Natural and Cultural Resources	\$ 26,403.98	\$ 228,507.00
Department of Administration	\$ 201,812.60	\$ 114,004.00
Work Force Solutions	\$ 137,397.11	\$ 106,233.00
Employment Security	\$ 433,885.94	\$ 196,780.00

Organization	Annual Rate Impact	Annual Subscription Impact
Department of Insurance	\$ 35,473.26	\$ 27,519.00
Department of Justice	\$ 100,128.28	\$ 41,618.00
Department of Labor	\$ 32,577.92	\$ 24,628.00
Department of Public Instruction	\$ 75,265.45	\$ 934,017.00
Department of Public Safety	\$ 664,056.98	\$ 1,098,348.00
General Assembly	\$ 22,378.57	\$ 12,386.00
Governor's Office and OSBM	\$ 18,521.97	\$ 41,761.00
Lieutenant Governor's Office	\$ 1,042.70	\$ 1,071.00
NC Education Lottery	\$ 9,080.85	\$ 8,495.00
NC Wildlife Resource Commission	\$ 32,732.61	\$ 39,262.00
Office of Admin Hearings	\$ 13,112.52	\$ 10,744.00
State Board of Elections	\$ 53,661.79	\$ 8,638.00
Secretary of State	\$ 4,515.35	\$ 13,742.00
State Treasurer	\$ 31,422.98	\$ 33,266.00
North Carolina Central University	\$ 98.71	\$ 17,163.44
UNC Wilmington	\$ 484.86	\$ 389.40
UNC Greensboro	\$ 664.84	\$ 673.96
Western Carolina University	\$ 789.64	\$ 3,624.39
UNC Charlotte	\$ 1,066.37	\$ 2,351.36
North Carolina State University	\$ 1,125.53	\$ 7,069.06
UNC Asheville	\$ 1,500.32	\$ 5,391.66
NC School of Science and Math	\$ 2,905.85	\$ -
UNC Chapel Hill	\$ 4,873.66	\$ 9,794.84
UNC Pembroke	\$ 8,785.32	\$ 5,017.24
Winston Salem State University	\$ 10,893.51	\$ 12,760.26
East Carolina University	\$ 22,151.14	\$ 7,758.00
Appalachian State University	\$ 82,592.28	\$ 41,306.09

The total rate and subscription credits listed above will be applied to agencies' July DIT invoices which will be distributed in August 2017. If the initial credit is larger than your July invoice, then agencies should also reduce future payments by the excess amount until you have exhausted your agency credits.

Agencies not listed above are projected to have a significant financial benefit from rate reductions, therefore the agency will not receive a credit from DIT.

Please contact Trevor Minor in DIT at 919-754-6521 if you have any questions or need additional information.

Enclosure: FY 2017-18 Rate Schedule (Additional information will be posted on DIT's website)

cc: OSBM Assistant State Budget Officers and Budget Analysts
State Controller Linda Combs