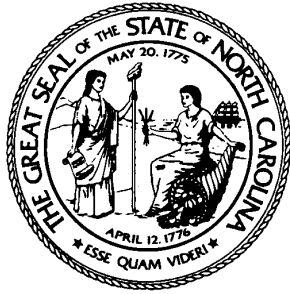


# **The North Carolina State Budget**



Michael F. Easley  
Governor

**2002-2003  
Post Legislative Budget Summary**

*The North Carolina State Budget 2002-2003 Post Legislative Budget Summary*

Prepared by  
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*The North Carolina State Budget 2002-2003 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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December 2002

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## Post-Legislative Budget Summary, 2002-03

### I. Overview of the Revised Budget

#### Total Budget

The General Assembly enacted a revised state budget for fiscal year 2002-03 totaling \$27.2 billion. This amount 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	\$ 15.2 billion	Tax collections, investment earnings, and other nontax revenues
Federal Funds	7.7 billion	Federal monies allocated to North Carolina
Highway Fund/ Trust Fund	1.9 billion	Funds from motor fuels tax, licenses/fees, investments, and sales/use of motor vehicles
Other Funds	2.4 billion	Receipts collected from tuition, fees, and other charges

Total support is distributed as 56% from general fund tax and nontax sources; 28.3% federal funds; 7% highway fund tax and nontax; and 8.7 % other receipts and charges. This level of funding represents a \$0.6 billion, or a 2.2%, increase over fiscal year 2001-02. The budget includes funding to continue existing programs, implement new programs authorized by the General Assembly, and increase compensation for teachers.

For fiscal year 2002-03, current operations comprise 99.3% of the total state budget, while the remaining 0.7% of monies is budgeted for capital improvements and other nonrecurring items.

**Post-Legislative Budget Summary, 2002-03  
Overview of the Revised Budget - Continued**

**General Fund Budget**

The part of the total budget supported by the General Fund for fiscal year 2002-03 is \$14.35 billion, representing a decrease of \$427.5 million or 2.9%, from the original budget passed last session. The distribution of resources for the General Fund budget is as follows:

<u>Program Area</u>	<u>Total Budget</u>	<u>Percent</u>
Education – public schools, community colleges, and universities	\$ 8.3 billion	58%
Health and Human Services	3.6 billion	25%
Justice and Public Safety – prisons, court system and other public safety agencies	1.5 billion	10%
General Government – environment and other regulatory agencies	0.6 billion	4%
Statewide Reserves and Capital – debt service, health plan, and compensation increases	0.3 billion	2%

Agency reductions totaled \$763 million, of which \$532.5 million were recurring and \$230.6 million were nonrecurring. Additional reductions in the retirement system and debt service requirements were \$242.3 million, bringing total statewide reductions to over \$1 billion.

The majority of funding increases were for education, human services, and public safety. Specific increases included:

Education Enrollment	\$ 162.2 million
ABC Bonuses	101.0 million
Teacher Step Increase	51.9 million
Medicaid	81.8 million
More at Four Pre-K Program	28.1 million
Class Size Reductions in 1 <sup>st</sup> Grade	26.8 million
Child Care Subsidy	15.0 million
Prison Operations	19.1 million

The General Assembly adopted a compensation package that included an average 1.84% increase for teachers and an average 2.00% increase for principals and assistant principals.

While nonrecurring availability was limited due to measures implemented to balance the fiscal year 2001-02 budget deficit, the General Assembly did authorize an additional \$8 million to the Mental Health Trust Fund and \$31.2 million to match federal and local funds for water resources development projects.

**Post-Legislative Budget Summary, 2002-03  
Overview of the Revised Budget - Continued**

**Transportation Budget**

The fiscal year 2002-03 budget for the Department of Transportation totals almost \$3.2 billion. The budget is supported from four primary sources of revenue including:

<u>Source of Funding</u>	<u>Total Amount</u>	<u>Percent of Total</u>
Motor Fuel Taxes	\$ 1,162 million	37%
Vehicle and Driver Taxes and Fees	1,063 million	34%
Federal Funds	825 million	26%
General Fund and Other Sources	<u>117 million</u>	3%
<b>Total</b>	<b>\$ 3,167 million</b>	

These total funds are distributed to the Highway Fund and the Highway Trust Fund on a formula basis. Appropriations to the Highway Fund total \$1.3 billion and represent 41% of the total Transportation budget, while Highway Trust Fund appropriations of \$1 billion comprise 31% of the total Transportation budget. The budgeted resources are allocated in the following manner:

<u>Budgeted Uses of Funding</u>	<u>Total Amount</u>	<u>Percent of Total</u>
Highway Construction	\$ 1,451 million	46%
Highway Maintenance/Municipal Aid	707 million	22%
General Fund Agencies	570 million	18%
DOT Management and Support	125 million	4%
Non-Highway Transportation	159 million	5%
Division of Motor Vehicles	112 million	4%
Reserves/Other	<u>43 million</u>	1%
<b>Total</b>	<b>\$ 3,167 million</b>	

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

**Post-Legislative Budget Summary, 2002-2003**  
**Total State Budget - Continued**

**Table 1**  
**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	\$ 36,899,614	\$ -	\$ 403,000	\$ -	\$ 37,302,614
Judicial	371,923,070	-	7,653,074	-	379,576,144
General Government	326,024,049	4,038,525	16,040,550	51,679,646	397,782,770
Public Safety & Regulation	128,667,981	133,098,294	73,640,377	212,514,805	547,921,457
Correction	880,054,808	-	10,560,008	-	890,614,816
Juvenile Justice	128,984,633	-	7,545,544	-	136,530,177
<b>Education:</b>					
Public Education	5,894,553,493	30,590,073	2,886,501	606,524,524	6,534,554,591
Community Colleges	669,281,390	-	143,508,211	12,818,209	825,607,810
Universities	1,768,097,109	-	1,018,554,382	27,490,660	2,814,142,151
<b>Subtotal Education</b>	<b>8,331,931,992</b>	<b>30,590,073</b>	<b>1,164,949,094</b>	<b>646,833,393</b>	<b>10,174,304,552</b>
Transportation	10,902,500	1,723,537,238	38,617,668	825,448,590	2,598,505,996
Health and Human Svcs.	3,596,428,649	437,623	915,408,435	5,892,263,585	10,404,538,292
Environment and Natural Resources	148,818,587	846,102	71,783,449	41,472,289	262,920,427
Agriculture and Consumer Services	50,445,582	3,586,465	18,945,298	6,282,919	79,260,264
Debt Service	255,672,808	-	45,500,000	-	301,172,808
Reserves and Transfers #	(9,316,811)	3,895,680	-	-	(5,421,131)
<b>Total Current Operations</b>	<b>14,257,437,462</b>	<b>1,900,030,000</b>	<b>2,371,046,497</b>	<b>7,676,495,227</b>	<b>26,205,009,186</b>
Capital Improvement - App	31,158,000	-	-	-	31,158,000
Capital Improvement R&R	-	-	-	-	-
Savings Reserve	-	-	-	-	-
Clean Water Mgmt Trust	66,500,000	-	-	-	66,500,000
<b>Total Appropriations</b>	<b>14,355,095,462</b>	<b>1,900,030,000</b>	<b>2,371,046,497</b>	<b>7,676,495,227</b>	<b>26,302,667,186</b>
General Obligation Bonds	850,000,000	-	-	-	850,000,000
<b>Grand Total</b>	<b>\$ 15,205,095,462</b>	<b>\$ 1,900,030,000</b>	<b>\$ 2,371,046,497</b>	<b>\$ 7,676,495,227</b>	<b>\$ 27,152,667,186</b>

\*\* 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 \$377.4 million transferred from the Highway Trust Fund to the General Fund.

## Post-Legislative Summary, 2002-03

### II. General Fund

#### A. Revenue

In determining the General Fund revenue forecast for 2002-03, a significant decision was made to assume 0% growth in the underlying state economic base. This conservative assumption recognized the many uncertainties facing the North Carolina economy during 2002-03, including the potential for further terrorist attacks and the unsteady United States financial markets. Actual General Fund baseline (under state tax law as of January 1, 2002) revenue collections are expected to increase by 2.3% in 2002-03, reflecting the annualization of the revenue enhancements enacted by the 2001 Session of the General Assembly.

In order to increase budget availability for 2002-03, the 2002 Session adopted a revenue package which provided an additional \$866 million for the General Fund. The complete list of 2002 revenue enhancements is shown on Table 3. The most significant increase came from the accelerated repeal of the local government reimbursements, which added \$333.4 million to 2002-03 budget availability. The annual transfer from the Highway Trust Fund was increased by \$205.0 million for 2002-03, of which \$80.0 million was recurring. North Carolina law was changed to conform to the federal definition of business income, providing an estimated \$70.0 million to the General Fund in 2002-03. Overall, General Fund revenue is estimated to increase by 8.9% in 2002-03, including the 2002 Session revenue enhancements.

	<u>2001-02</u>	<u>2002-03</u>	<u>Percent</u>
	<u>(\$Millions)</u>		<u>Change</u>
Revenue based on Existing Tax Structure*	\$13,157.8	\$13,464.0	2.3%
Adjustments to Availability: 2002 Session		<u>866.2</u>	
Total General Fund Revenue	\$13,157.8	\$14,330.2	8.9%

\* Excludes funds generated by budgetary actions to balance the 2001-02 budget

**Post-Legislative Summary, 2002-03**  
**General Fund - Continued**

**Table 2**  
**General Fund Revenue**

	<u>2000-01</u> <u>Actual</u>	<u>2001-02</u> <u>Actual</u>	<u>2002-03</u> <u>Projected</u>
<b>Tax Revenue:</b>			
Inheritance	\$ 123,165,443	\$ 104,750,885	\$ 104,000,000
License	2,953,654	26,579,102	45,800,000
Cigarette	42,025,877	41,531,347	45,650,000
Soft Drink	51,202	1,855	0
Franchise	508,431,850	446,270,680	405,930,000
Income Tax:			
Individual	\$ 7,391,342,524	\$ 7,134,629,832	\$ 7,270,200,000
Corporate	460,315,086	409,322,540	822,870,000
Subtotal	\$ 7,851,657,610	\$ 7,543,952,372	\$ 8,093,070,000
Sales and Use			
Beverage	\$ 3,435,558,577	\$ 3,705,769,832	\$ 4,016,800,000
Gift	172,698,910	174,644,725	172,300,000
Freight Car Lines	20,254,465	13,390,362	10,670,000
Insurance	497,560	518,887	450,000
Piped Natural Gas	305,791,331	340,785,358	379,900,000
Miscellaneous	37,212,997	40,949,924	39,700,000
	756,029	5,515,685	650,000
<b>Total Tax Revenue</b>	<b>\$ 12,573,059,411</b>	<b>\$ 12,444,661,014</b>	<b>\$ 13,314,920,000</b>
<b>Nontax Revenue:</b>			
Investment Income	\$ 170,899,624	\$ 132,591,631	\$ 115,971,618
Judicial Fees	109,261,029	110,381,204	136,180,000
Disproportionate Share Receipts	109,142,641	110,404,184	107,000,000
Insurance Department	43,608,410	46,370,190	50,472,586
Miscellaneous*	262,289,859	479,337,169	212,955,143
<b>Total Nontax Revenue</b>	<b>\$ 695,201,563</b>	<b>\$ 879,084,378</b>	<b>\$ 622,579,347</b>
<b>Transfers:</b>			
Highway Fund	\$ 13,600,000	\$ 14,560,000	\$ 15,300,000
Highway Trust Fund	170,000,000	171,700,000	377,400,000
<b>Total General Fund Revenue</b>	<b>\$ 13,451,860,974</b>	<b>\$ 13,510,005,392</b>	<b>\$ 14,330,199,347</b>

\* In both 2000-01 and 2001-02, miscellaneous nontax revenue includes funds generated by budgetary actions to balance the General Fund budget.

**Post-Legislative Summary, 2002-03  
General Fund - Continued**

**Table 3  
2002 Session Adjustments to Revenue Availability  
(\$Millions)**

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
<b><u>General Fund Increase/Decrease</u></b>				
Delay of Individual Income Tax Breaks	\$51.70	\$47.50	\$0.00	\$0.00
Business Income Conformity	70.00	50.00	53.70	59.50
LLC Franchise Tax Correction	20.00	21.20	22.50	23.80
Gift Tax Indexing Conformity	(0.23)	(0.23)	(0.23)	(0.23)
Low Income Housing Credit	(2.20)	(2.20)	(2.20)	(2.20)
Internal Revenue Code Conformity	15.80	36.70	(44.80)	(82.30)
Repeal of Local Government Reimbursements*	333.40	0.00	0.00	0.00
Project Collect Tax - NCDOR	32.50	0.00	0.00	0.00
Highway Trust Fund Transfer - Recurring	80.00	83.20	86.50	90.00
Highway Trust Fund Transfer - One Time	125.00	0.00	0.00	0.00
Tobacco Settlement - Divert Trust Fund	38.00	38.00	38.00	38.00
Tobacco Settlement - Divert Health and Well.	40.00	0.00	0.00	0.00
Cash Transfers -Trust and Special Funds	20.44	0.00	0.00	0.00
Adjustment - Insurance Reg. Fund	0.60	0.60	0.60	0.60
Unauthorized Substance Tax Div. Reimb.	0.89	0.89	0.89	0.89
Nontax Revenue Offset - State Treasurer	0.67	0.67	0.67	0.67
Increase Coll. Rate - Offender Fees	1.16	1.16	1.16	1.16
Fee Increases	38.18	47.42	47.57	47.72
Securities Fraud Enforcement	<u>0.27</u>	<u>0.27</u>	<u>0.27</u>	<u>0.27</u>
<b>TOTAL GENERAL FUND</b>	<b>\$866.18</b>	<b>\$325.18</b>	<b>\$204.63</b>	<b>\$177.88</b>

\* Included in the baseline revenue forecast in 2003-04 and beyond

**B. Condition of the General Fund**  
**Table 4**  
**Fiscal Year's 2001-02 and 2002-03**

<b>Description</b>	<b>2001-02 Authorized</b>	<b>2001-02 Actual</b>	<b>2002-03 Authorized</b>
<b>Unreserved Credit Balance</b>	\$ -	\$ -	\$ 25,000,000
<b>Reserved Credit Balance</b>			
Budget Stabilization Reserve	339,272,049	247,522,048	-
Repair and Renovations Reserve	-	-	-
Clean Water Management Trust Fund Reserve	-	-	-
Disproportionate Share Receipts	1,170,396	1,170,396	-
Work First Reserve	-	-	-
Intangible Tax Reserve	-	-	-
Railroad Dividends	-	-	-
Easley Executive Order #22	-	-	296,020,587
Easley Executive Order #3	178,472,174	178,472,173	-
Disaster Relief	448,608,263	448,608,263	-
<b>Total Reserved Credit Balance</b>	<b>967,522,882</b>	<b>875,772,880</b>	<b>296,020,587</b>
<b>Revenue</b>			
Tax Revenue	13,956,100,000	12,444,661,014	13,314,920,000
Nontax Revenue	421,300,000	374,591,385	495,141,088
Highway Fund Transfer	14,500,000	14,560,000	15,300,000
Highway Trust Fund Transfer	171,700,000	171,700,000	377,400,000
Disproportionate Share Receipts	107,000,000	110,404,184	107,000,000
<b>Total Revenue</b>	<b>14,670,600,000</b>	<b>13,115,916,584</b>	<b>14,309,761,088</b>
<b>Direct Authorized Transfers to Availability</b>			
Cash Transfers to General Fund Availability	42,400,000	41,966,323	20,438,259
Easley Executive Order #3	-	-	-
Disaster Relief	-	-	-
Easley Executive Order #19 (BC 19936)	-	440,915,625	-
FY 2002 Shortfall Cash Transfers (BC 19979)	-	347,763,108	-
Capital Improvement Cash Transfers (BC 19973)	-	4,359,377	-
<b>Direct Authorized Transfer from Availability</b>			
Savings Reserve	(181,750,000)	(90,000,000)	-
<b>Total Availability</b>	<b>15,498,772,882</b>	<b>14,736,693,897</b>	<b>14,651,219,934</b>
<b>Appropriations</b>			
<b>Continuation Budget</b>	14,325,840,827	13,688,999,020	14,684,912,626
Adjustments to Continuation Budget	(738,825,345)	-	(1,005,322,064)
Expansion Budget	745,394,361	-	577,846,900
<b>Total Operating Budget</b>	<b>14,332,409,843</b>	<b>13,688,999,020</b>	<b>14,257,437,462</b>
<b>Capital Improvement - Direct Appropriation</b>	32,936,000	32,936,000	31,158,000
<b>Other Direct Appropriations</b>			
Repair and Renovation	125,000,000	-	-
Clean Water Management Trust Fund	40,000,000	19,200,000	66,500,000
<b>Total Appropriations</b>	<b>14,530,345,843</b>	<b>13,741,135,020</b>	<b>14,355,095,462</b>
<b>Direct Authorized Transfer from Reserves</b>	474,621,175	674,538,290	-
<b>Ending Balance</b>	<b>493,805,864</b>	<b>321,020,587</b>	<b>296,124,472</b>
<b>Ending Reserved Balance</b>			
Budget Stabilization Reserve	339,272,049	-	-
Clean Water Management Trust Fund	-	-	-
Repair and Renovations	-	-	-
Disproportionate Share Receipts	1,170,396	-	-
Intangible Tax Reserve	-	-	-
Railroad Dividends	-	-	-
Easley Executive Order #22	-	-	296,020,587
Easley Executive Order #3	-	-	-
Easley Executive Order #19	-	-	-
Disaster Relief	152,459,262	317,234,590	-
<b>Total Reserved Balance</b>	<b>492,901,707</b>	<b>317,234,590</b>	<b>296,020,587</b>
<b>Ending Unreserved Balance</b>	<b>\$ 904,157</b>	<b>\$ 3,785,997</b>	<b>\$ 103,885</b>

**Table 5**  
**Summary of Authorized Changes to the FY 2002-2003 General Fund Budget**

Line #	General Budget Code	Function	FY 2002-03				Expansion		Net Changes	FY 2002-03	
			Beginning Certified Appropriation	Reductions Recurring	N/R	Recurring	N/R	Revised Appropriation		Position Changes	
1		<u>Health and Human Services:</u>									
2	14410	DHHS - Central Admin.	\$ 48,008,705	\$ (8,289,072)	\$ -	\$ 28,065,300	\$ -	\$ 19,776,228	\$ 67,784,933	(24.00)	
3	14411	DHHS - Aging	29,531,910	(926,000)	-	-	-	(926,000)	28,605,910	-	
4	14420	DHHS - Child Development	68,384,075	(687,225)	-	-	15,000,000	14,312,775	82,696,850	(6.00)	
5	"	Smart Start	220,674,321	(21,540,810)	-	-	-	(21,540,810)	199,133,511	-	
6	14424	DHHS - Education Services	69,581,525	(4,104,503)	-	-	-	(4,104,503)	65,477,022	(74.25)	
7	14430	DHHS - Public Health	107,434,083	(10,045,770)	-	-	3,450,000	(6,595,770)	100,838,313	(12.45)	
8	14440	DHHS - Social Services	194,763,531	(12,833,025)	(5,400,000)	-	4,050,000	(14,183,025)	180,580,506	(44.00)	
9	14445	DHHS - Medical Assistance	2,219,446,892	(67,636,793)	(43,747,538)	81,751,234	-	(29,633,097)	2,189,813,795	(2.00)	
10	14446	DHHS - Child Health	37,487,142	(168,964)	-	-	7,740,000	7,571,036	45,058,178	-	
11	14450	DHHS - Services for the Blind	10,168,115	(643,013)	-	-	-	(643,013)	9,525,102	(1.00)	
12	14460	DHHS - DMH/D/SAS	581,068,627	(9,487,015)	-	-	1,780,000	(7,707,015)	573,361,612	(95.75)	
13	14470	DHHS - Facility Services	15,442,236	(748,170)	-	-	-	(748,170)	14,694,066	(4.00)	
14	14480	DHHS - Vocational Rehab.	42,088,956	(3,230,105)	-	-	-	(3,230,105)	38,858,851	(25.00)	
15		<b>Total Health &amp; Human Services</b>	<b>3,644,080,118</b>	<b>(140,340,465)</b>	<b>(49,147,538)</b>	<b>109,816,534</b>	<b>32,020,000</b>	<b>(47,651,469)</b>	<b>3,596,428,649</b>	<b>(288.45)</b>	
16		<u>Natural and Economic Resources:</u>									
17	13700	Agriculture & Consumer Services	55,268,040	(4,677,739)	(344,719)	-	200,000	(4,822,458)	50,445,582	(67.50)	
18	14600	Commerce	44,280,374	(10,150,110)	(700,000)	-	500,000	(10,350,110)	33,930,264	(19.91)	
19	14601	Commerce-St.Aid to Nonstate Entities	16,561,217	4,284,102	(250,000)	-	-	4,034,102	20,595,319	-	
20	14300	Environment and Natural Resources	158,722,700	(9,994,113)	-	-	90,000	(9,904,113)	148,818,587	(114.84)	
21	14301	Clean Water Mgmt	70,000,000	-	(3,500,000)	-	-	(3,500,000)	66,500,000	-	
22	13010	NC Housing Finance	5,300,000	(540,600)	-	-	-	(540,600)	4,759,400	-	
23	13800	Labor	15,117,906	(951,725)	-	-	-	(951,725)	14,166,181	(9.38)	
24		<b>Total Natural and Economic Resources</b>	<b>365,250,237</b>	<b>(22,030,185)</b>	<b>(4,794,719)</b>	<b>-</b>	<b>790,000</b>	<b>(26,034,904)</b>	<b>339,215,333</b>	<b>(211.63)</b>	
25		<u>Justice and Public Safety:</u>									
26	14500	Correction	930,964,916	(39,442,052)	(30,582,586)	16,838,810	2,275,720	(50,910,108)	880,054,808	(366.40)	
27	14900	CC & PS	28,493,506	(4,113,318)	-	3,400,000	-	(713,318)	27,780,188	(16.00)	
28	12000	Judicial	305,465,135	(10,128,667)	(800,299)	-	100,000	(10,828,966)	294,636,169	(55.00)	
29	12001	Judicial - Indigent Defense (hold harmless)	68,867,771	2,944,130	-	525,000	4,950,000	8,419,130	77,286,901	61.00	
30	13600	Justice	73,785,584	(1,456,276)	(1,391,115)	-	-	(2,847,391)	70,938,193	(19.00)	
31	14060	Juvenile Justice	142,554,017	(13,357,423)	(347,811)	-	135,850	(13,569,384)	128,984,633	(190.50)	
32		<b>Total Justice and Public Safety</b>	<b>1,550,130,929</b>	<b>(65,553,606)</b>	<b>(33,121,811)</b>	<b>20,763,810</b>	<b>7,461,570</b>	<b>(70,450,037)</b>	<b>1,479,680,892</b>	<b>(585.90)</b>	
33		<u>General Government:</u>									
34	14100	Dept. of Administration	61,563,497	(5,620,309)	-	-	-	(5,620,309)	55,943,188	(77.80)	
35	13300	State Auditor	11,864,673	(795,965)	-	-	-	(795,965)	11,068,708	(5.00)	
36	14800	Cultural Resources	59,427,419	(4,794,666)	-	-	1,184,453	(3,610,213)	55,817,206	(35.44)	
37	14802	Cultural Resources-Roanoke Isl.	1,859,463	(151,222)	-	-	-	(151,222)	1,708,241	-	
38	11000	General Assembly	39,553,848	(2,654,234)	-	-	-	(2,654,234)	36,899,614	(10.00)	
39	13000	Governor's Office	5,442,905	(504,595)	-	-	-	(504,595)	4,938,310	(8.00)	
40	13900	Insurance	23,527,552	-	-	-	3,272,586	3,272,586	26,800,138	(4.56)	
41	13901	Insurance - GF Direct	4,500,000	-	(2,500,000)	-	-	(2,500,000)	2,000,000	-	
42	13100	Lieutenant Governor	669,545	(53,280)	-	-	-	(53,280)	616,265	(1.00)	
43	18210	Office of Admin.Hearings	2,795,155	(233,742)	-	-	-	(233,742)	2,561,413	(3.00)	
44	14700	Revenue	77,955,704	(2,384,400)	-	-	-	(2,384,400)	75,571,304	(21.00)	
45	18300	Rules Review Comm.	325,795	(9,981)	-	-	-	(9,981)	315,814	-	

**Table 5**  
**Summary of Authorized Changes to the FY 2002-2003 General Fund Budget**

Line #	General Budget Code	Function	FY 2002-03				Expansion		Net Changes	FY 2002-03	
			Beginning Certified Appropriation	Reductions Recurring	N/R	Reductions Recurring	N/R	Revised Appropriation		Position Changes	
46	13200	Secretary of State	8,286,850	(345,281)	-	151,125	15,990	(178,166)	8,108,684	(3.00)	
47	18025	State Board of Elections	3,186,269	(40,378)	-	-	250,000	209,622	3,395,891	-	
48	13005	OSBM	5,354,938	(300,057)	-	-	-	(300,057)	5,054,881	(4.00)	
49	13085	OSBM Special Appropriations	3,080,000	-	-	-	100,000	100,000	3,180,000	-	
50	14160	Office of State Controller	11,523,868	(1,101,040)	-	-	-	(1,101,040)	10,422,828	(5.00)	
51	13410	State Treasurer	7,216,817	(577,345)	-	1,248,963	-	671,618	7,888,435	(2.00)	
52	13412	St.Treasurer-Special Cont.	12,379,780	(5,248,601)	-	-	-	(5,248,601)	7,131,179	-	
53		<b>Total General Government</b>	<b>340,514,078</b>	<b>(24,815,096)</b>	<b>(2,500,000)</b>	<b>1,400,088</b>	<b>4,823,029</b>	<b>(21,091,979)</b>	<b>319,422,099</b>	<b>(179.80)</b>	
54	14222	Transportation	13,393,341	(1,143,341)	(1,347,500)	-	-	(2,490,841)	10,902,500	-	
55		<u>Education</u>									
56	13510	Public Schools	5,868,676,303	(70,464,406)	(117,225,726)	62,013,309	101,000,000	(24,676,823)	5,843,999,480	507.30	
57	"	DPI-Administration	53,512,243	(2,958,230)	-	-	-	(2,958,230)	50,554,013	(36.00)	
58	16800	Community Colleges	610,262,261	(24,071,531)	(2,309,234)	53,148,813	200,000	26,968,048	637,230,309	-	
59	"	CC-System Office	32,933,198	(882,117)	-	-	-	(882,117)	32,051,081	(11.00)	
60	160xx	UNC System	1,757,044,817	(91,011,167)	(4,854,533)	80,667,247	2,666,533	(12,531,920)	1,744,512,897	-	
61	16010	UNC-General Administration	41,276,013	(2,463,801)	(15,228,000)	-	-	(17,691,801)	23,584,212	-	
62		<b>Total Education</b>	<b>8,363,704,835</b>	<b>(191,851,252)</b>	<b>(139,617,493)</b>	<b>195,829,369</b>	<b>103,866,533</b>	<b>(31,772,843)</b>	<b>8,331,931,992</b>	<b>460.30</b>	
63	19420	General Debt Service	352,266,860	(36,750,000)	(61,000,000)	-	-	(97,750,000)	254,516,860	-	
64	19425	Federal Reimbursement	1,155,948	-	-	-	-	-	1,155,948	-	
65		<b>Total Debt Service</b>	<b>353,422,808</b>	<b>(36,750,000)</b>	<b>(61,000,000)</b>	<b>-</b>	<b>-</b>	<b>(97,750,000)</b>	<b>255,672,808</b>	<b>-</b>	
66		<u>Reserves &amp; Adjustments</u>									
67	19001	Contingency and Emergency Reserve	5,000,000	-	-	-	-	-	5,000,000	-	
68	19003	Compensation Increase Reserve	193,842,000	(4,247,868)	-	53,917,967	-	49,670,099	243,512,099	-	
69	19004	Salary Adjustment Reserve	500,000	-	-	-	-	-	500,000	-	
70	19027	ITS Rate Reduction Reserve	(4,000,000)	(3,414,318)	-	-	-	(3,414,318)	(7,414,318)	-	
71	19043	Health Plan Reserve	200,000,000	(12,621,872)	-	-	-	(12,621,872)	187,378,128	-	
72	19047	Retirement Rate Reduction Reserve	(243,267,720)	(144,525,000)	-	-	-	(144,525,000)	(387,792,720)	-	
73	19026	Governor's Efficiency Reserve	-	(25,000,000)	-	-	-	(25,000,000)	(25,000,000)	-	
74	19035	Management Flexibility Reserve	-	(41,500,000)	-	-	-	(41,500,000)	(41,500,000)	-	
75	19042	Severance/DCR Reserve	-	-	-	-	5,000,000	5,000,000	5,000,000	-	
76	19039	HIPPA Reserve	-	-	-	-	2,000,000	2,000,000	2,000,000	-	
77	19049	Mental Hlth./DD/SAS Reserve	-	-	-	-	8,000,000	8,000,000	8,000,000	-	
78	19048	Ruth Easterling TF for Special Needs Children	-	-	-	-	1,000,000	1,000,000	1,000,000	-	
79		<b>Total Reserves &amp; Adjustments</b>	<b>152,074,280</b>	<b>(231,309,058)</b>	<b>-</b>	<b>53,917,967</b>	<b>16,000,000</b>	<b>(161,391,091)</b>	<b>(9,316,811)</b>	<b>-</b>	
80		<u>Capital</u>									
81	19600	Capital Improvement	-	-	-	-	31,158,000	31,158,000	31,158,000	-	
82		Repair & Renovation	-	-	-	-	-	-	-	-	
83		<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,158,000</b>	<b>31,158,000</b>	<b>31,158,000</b>	<b>-</b>	
84		<b>Total General Fund Budget</b>	<b>\$ 14,782,570,626</b>	<b>\$ (713,793,003)</b>	<b>\$ (291,529,061)</b>	<b>381,727,768</b>	<b>196,119,132</b>	<b>(427,475,164)</b>	<b>\$ 14,355,095,462</b>	<b>(805.48)</b>	

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education**

**C. Appropriation 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, and Natural and Economic Resources.

**Public Education**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 5,922,188,546
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(27,635,053)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 5,894,553,493</u>

**Continuation Budget:**

**2002-03**

**1. Revise Average Daily Membership**

Positions, textbooks, instructional equipment, and supplies allocated to the public schools are budgeted on the basis of average daily membership (ADM) of students in the classroom. Budgeted ADM was 1,301,048 for 2001-02 and 1,318,170 for 2002-03. The revised budgeted ADM for 2002-03 is 1,326,865, which is an 8,695 net increase. Budgeted ADM for 2002-03 is based on the higher of 2001-02 actual ADM or 2002-03 projected ADM by local school system. This ADM increase will fund an additional 461.9 positions.

Receipts from the Highway Fund to be transferred to the Department of Public Instruction for the Driver Education program are adjusted by \$236,109 due to a projected increase in ADM in the ninth grade.

Requirements	\$ 30,093,413
Receipts	<u>236,109</u>
Appropriation	\$ 29,857,304

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education - Continued**

**Continuation Budget:**

**2002-03**

**2. Average Annual Salary Adjustment**

An adjustment of \$22,788,638 was necessary to revise the budgeted average annual salaries including principals and assistant principals using actual 2001-02 sixth pay period (December) salaries as the base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel. Typically, because of turnover in these positions, the actual salaries are lower than budgeted salaries and a reduction is made accordingly. This adjustment does not reduce any salary paid to certified personnel.

\$ (22,788,638)

**3. Additional Adjustment to Average Salary Projection**

An analysis of more recent certified payroll data by the Department of Public Instruction identified an additional reduction in average projected salaries for 2002-03.

(5,964,427)

**4. Adjustment for Unutilized Position Allotments**

A nonrecurring reduction in the appropriation for the Public School Fund was made based upon the estimated utilization of position allotments.

Appropriation – Nonrecurring

(5,361,201) NR

**5. Adjust Inflationary Factor - Classroom Materials, Instructional Supplies, and Equipment**

The inflationary increase for classroom materials, instructional supplies, and equipment was reduced from the 5% growth rate used in the continuation budget to 3%. This change is reflective of the Consumer Price Index (CPI). After this adjustment, the Instructional Supply allotment for 2002-03 will be \$41.45 per ADM.

(2,273,979)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education - Continued**

**Continuation Budget:**

**2002-03**

**6. Transportation Inventory Adjustment**

The 2001 Session of the General Assembly reduced the transportation inventory budget by \$4 million on a nonrecurring basis. Inventory levels of oil, tires, and parts at local administrative units were reviewed. It was determined that additional supply needs continue to be minimal. Therefore the \$4 million nonrecurring adjustment was continued in the 2002-03 fiscal year on a recurring basis. An additional reduction of \$1.8 million was made for lower anticipated fuel costs.

\$ (5,800,000)

**7. School Bus Replacement**

The school bus replacement budget was reduced on a nonrecurring basis. The Department of Public Instruction will implement a lease/purchase process to allow for payment of school buses over a three-year period. (2002 Session Laws, Chapter 126, Sec. 7.14)

Appropriation – Nonrecurring

(19,600,000) NR

**8. Redirect Public School Capital Funds**

The 1987 Session of the General Assembly established the Public School Building Capital Fund (G.S. 115C-546) and the Critical School Facility Needs Fund (G.S. 115C-489) to assist county governments in meeting their public school building capital needs. For the 2002-03 fiscal year, the corporate tax revenues normally deposited into the Public School Building Capital Fund and the Critical School Facility Needs Fund shall be transferred to the State Public School Fund as a receipt to temporarily offset the cost of public school operations. The appropriation to the State Public School Fund was reduced on a nonrecurring basis by the amount scheduled to be transferred to the capital accounts. The six staff members in the Department of Public Instruction's School Planning Division shall continue to be supported by these funds in the amount of \$450,224. (2002 Session Laws, Chapter 126, Sec. 7.16)

Appropriation – Nonrecurring

(44,549,776) NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Public Education - Continued**

**Continuation Budget:**

**2002-03**

- 9. Adjust Conversion Rate for Visiting International Faculty**  
State Board of Education policy allows local school administrative units to convert teaching positions to dollars to contract for visiting international faculty. The conversion to dollars shall be based on an allotted average teacher salary of \$45,016 (with benefits) reduced by 2.963%. This will adjust the conversion amount to \$43,682. The reduction is based upon 2001-02 program enrollment of approximately 750 teachers.
- \$ (1,000,000)
- 10. Revise Headcount for Children with Special Needs**  
The continuation budget was adjusted to reflect the actual April 1, 2002 headcount of children with special needs.
- (4,768,604)
- 11. Adjust Central Office Administration Allotment**  
The Central Office Administration allotment was frozen at the 2001-02 level, resulting in a \$1,574,452 reduction in the continuation budget. Each 2001-02 allotment was reduced by 1.75%, resulting in a savings of \$1,764,441. The new allotment formula for Central Office Administration developed by the State Board of Education shall not be implemented in 2002-03. This adjustment resulted in a reduction of 50.0 positions.
- (3,338,893)
- 12. Adjust School Building Administration Allotment**  
The allotment formula for Assistant Principals was adjusted from the 2001-02 formula of one ten-month position for every 725.18 ADM to one ten-month position for every 761.44 ADM. This adjustment resulted in a reduction of 87.1 ten-month Assistant Principal positions.
- (4,627,564)
- 13. Regional Education Service Alliances**  
State funding distributed to local school administrative units to support the Regional Education Service Alliances (RESA) was eliminated. RESA funds not expended prior to July 1, 2002 shall remain available for the 2002-03 fiscal year in the staff development line item. (2002 Session Laws, Chapter 126, Sec. 7.12)
- (3,017,317)

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>14. Uniform Education and Reporting System (UERS)</b>	
The current implementation schedule for NC WISE resulted in a one-time reduction in funding of \$5 million.	
Appropriation – Nonrecurring	\$ (5,000,000) NR
<b>15. Department of Public Instruction Reduction</b>	
The Department of Public Instruction budget was reduced \$2,750,000 and 36 positions were eliminated. The Department of Public Instruction may use salary reserve funds and other funds within the budget to transfer and reclassify positions as necessary to implement the reduction in force for 2002-03. The State Board of Education may reorganize the Department and transfer funds within the departmental budget to the extent necessary to implement the reorganization. (2002 Session Laws, Chapter 126, Sec. 7.13)	
Number of Positions	(2,750,000) (36.0)
<b>16. Noninstructional Support Allotment</b>	
The Noninstructional Support allotment is used to employ custodians and school clerical support and to pay for substitute teachers. The 2002 General Assembly reduced this funding category by 3.3%. Approximately 90% of the Noninstructional Support budget funds clerical and custodial support positions. The reduction will not impact the funds available for substitute teachers. This Noninstructional Support allotment adjustment resulted in a reduction of 412.0 positions.	
	(10,000,000)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education - Continued**

**Continuation Budget:**

2002-03

**17. Restrict Mentor Pay**

The Excellent Schools Act provided support for beginning teachers by requiring the State Board of Education to “develop a mentor program to provide ongoing support for teachers entering the profession.” The General Assembly first appropriated funding for mentors in the 1997 Session. Nonrecurring funds provided mentors for newly certified teachers and three additional days of employment for orientation and classroom preparation for new teachers.

In the 1998 Session, the General Assembly continued support for the newly certified teachers and extended the program to provide mentors for second year teachers and first year instructional support personnel who had not previously been teachers. Each mentor is compensated at the rate of \$100 per month for each month he or she serves as a mentor, for a maximum of 10 months, with an an additional \$100 for serving as a mentor for a first year teacher for one day prior to the beginning of the school year.

The 2002 Session of the General Assembly restricted funds paid to mentors to those assigned to state funded first and second year teachers and first-year instructional support positions. (2002 Session Laws, Chapter 126, Sec. 7.10)

\$ (3,134,984)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Public Education - Continued**

**Continuation Budget:**

2002-03

**18. Eliminate State Payments for Forfeited Vacation**

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). Teachers are allowed to have excess annual leave over 30 days either converted to sick leave or paid at the end of the year. The payment option was established since the amount of sick leave allowed to be converted to employment credit at retirement was restricted to the amount earned over the employee's term of employment. The 2001 Session of the General Assembly eliminated the sick leave conversion maximum. By eliminating this maximum, teachers can now convert all sick leave earned towards retirement credit. The 2002 Session of the General Assembly eliminated the payment option, since it was no longer needed. (2002 Session Laws, Chapter 126, Sec. 7.11)

\$ (3,750,000)

**19. Non-Public School Agencies**

The recurring appropriations for non-public school agencies, including Public School Forum, Cities/Communities in Schools, NC Network, Teacher Cadet, and Schools Attuned, were reduced by 10% for a total reduction of \$208,230.

The 2001 Session of the General Assembly eliminated recurring funding for several non-public school agencies, including At Schools, ExplorNet, Total Quality Education (TQE), Geographic Alliance, Cued Speech Center, and Global Curriculum, and funded these programs on a nonrecurring basis in 2001-02 with 50% of the original continuation budget amounts. The 2002 Session appropriated recurring funds in the amount of \$100,000 for ExplorNet and \$50,000 for TQE.

(58,230)

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education - Continued**

**Continuation Budget:**

2002-03

**20. Local Education Agency Discretionary Reduction**

State Aid to the local education agencies (LEAs) received a nonrecurring budget reduction of \$42 million. The State Board of Education shall distribute the local education agency discretionary reduction based upon average daily membership. The State Board shall review the first month average daily membership information for each local school administrative unit and reduce allotments to local school administrative units that received planning allotments based on 500 or more students than were in the actual first month's average daily membership. The amount reduced shall be applied to the total Reserve for Local Education Agency Discretionary Reduction prior to determining the amount of the reduction for each unit. Allotment reductions shall occur within 30 days of budget passage. (2002 Session Laws, Chapter 126, Sec. 7.26)

Appropriation – Nonrecurring

\$ (42,613,922) NR

**21. Staff Development Reduction**

The staff development budget for LEAs was reduced on a nonrecurring basis.

Appropriation – Nonrecurring

(100,827) NR

**Recommended Recurring Reductions**

\$ (73,422,636)

**Recommended Nonrecurring Reductions**

\$ (117,225,726) NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Public Education - Continued**

**Expansion Budget:**

**2002-03**

**22. 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. 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 1999. The 1999 General Assembly provided \$140 million for 1999-00 awards.

The 1999 General Assembly directed the State Board of Education to establish a pilot program in five school districts beginning in the 2000-01 school year using disaggregated data to determine whether revisions in the present school accountability model under the ABCs are likely to result in more students demonstrating mastery of the grade level curriculum. If a school achieves the pilot program goals, all certified personnel assigned to the school shall receive up to \$750 and teacher assistants up to \$325 (these awards are in addition to the standard ABC bonuses). Pilot LEAs not eligible for low wealth or small county supplemental funding must contribute 25% of the cost of the bonuses.

The 2001 General Assembly provided \$93 million for the ABC bonuses and \$4.6 million for the ABC pilot program for awards earned in the 2000-01 school year and paid in 2001. For ABC bonuses and ABC pilot program awards earned in the 2001-02 school year and paid in Fall 2002, the legislature appropriated \$101 million. (2002 Session Laws, Chapter 126, Sec. 7.7)

Appropriation – Nonrecurring

\$ 101,000,000 NR

NR - Nonrecurring

Post-Legislative Budget Summary, 2002-03  
**General Fund – Public Education - Continued**

**Expansion Budget:**

	<u>2002-03</u>
<b>23. Information Highway Line Charges</b> State funding was continued for Information Highway connectivity for school sites previously funded.	\$ 1,200,000
<b>24. Low Wealth Supplemental Funding</b> Additional funding was appropriated to provide supplemental funds in low wealth counties for the enhancement of instructional programs and student achievement. The Low Wealth school system allocation is for counties in which the county wealth as a percentage of the state average wealth is less than 100%. The funds are used only for instructional positions, instructional support positions, teacher assistants, school computer technicians, clerical positions, instructional supplies and equipment, staff development, and textbooks. Funds are allocated to each eligible school system based on average daily membership. These funds are to supplement, not supplant, existing state and local funding for public schools. This category was first funded in the 1991 Session and has been increased in every session since 1991. The total budget for Low Wealth for 2002-03, revised to include this appropriation, is \$92.5 million.	3,000,000
<b>25. Small County Supplemental Funding</b> Funding for small school systems was first provided by the 1991 Session of the General Assembly and with this appropriation, totals \$31.1 million for 2002-03. The small school allocation is for county systems with less than 3,175 students and for county systems with 3,175 to 4,000 students if the county adjusted property tax base per student is below the average state adjusted property tax base per student, and the student membership in all systems within the county combined is 3,175 to 4,000. These funds are to supplement, not supplant, existing state and local funding for public schools.	1,000,000

**Post-Legislative Budget Summary, 2002-03  
General Fund – Public Education - Continued**

**Expansion Budget:**

	<b>2002-03</b>
<p><b>26. First Grade Class Size Reduction</b>            The 2001 Session of the General Assembly provided funds to reduce the kindergarten teacher to student ratio to 1:18 in 2002-03 (down from 1:19 in 2001-02). Funds were provided in the 2002 Short Session to reduce the first grade class size allotment ratio to 1:18 (down from 1:20). The reduced ratio added an additional 594.5 first grade teacher positions. (2002 Session Laws, Chapter 126, Sec. 7.25)</p>	\$ 26,806,005
<p><b>Recommended Recurring Expansion</b></p>	\$ 62,013,309
<p><b>Recommended Nonrecurring Expansion</b></p>	\$ 101,000,000 NR

**Other Provisions:**

- 27. Litigation Reserve**  
 The State Board of Education may expend up to \$500,000 for the 2002-03 fiscal year from unexpended certified employee salaries to pay litigation expenses. (2002 Session Laws, Chapter 126, Sec. 7.3)
- 28. Funds for Testing and Implementation of the New Student Information System**  
 The State Board of Education may transfer up to \$1 million of funds appropriated for the Uniform Education Reporting System for 2002-03 to lease or purchase equipment necessary for testing and implementation of NC WISE, the new student information system for public schools. (2002 Session Laws, Chapter 126, Sec. 7.6)
- 29. Revision of Reading and Writing Assessments**  
 The State Board of Education may use up to \$1 million of funds appropriated to State Aid to Local School Administrative Units for 2002-03 to revise the reading and writing assessments. (2002 Session Laws, Chapter 126, Sec. 7.8)

NR - Nonrecurring

Post-Legislative Budget Summary, 2002-03  
**General Fund – Public Education - Continued**

**Other Provisions:**

2002-03

**30. Discrepancies Between Anticipated and Actual ADM**

If the State Board of Education does not have sufficient resources within the ADM Contingency Reserve budget to make allotment adjustments, the State Board of Education may use funds appropriated to State Aid for Public Schools for this purpose. If the first-month ADM in a local school administrative unit is at least 2% or 100 students lower than the anticipated ADM used for allotments for the unit, the State Board shall reduce the allotments for the unit by one-half of the overestimated number of students. (2002 Session Laws, Chapter 126, Sec. 7.20)

**31. Step Increase for Teachers and Principals in Public Schools**

Funds in the reserve for step increases for teachers and principals in public schools shall be used for experience step increases for employees paid on the teacher salary schedule or the principal and assistant principal salary schedule in schools operated by a local board of education, the Department of Health and Human Services, the Department of Correction, or the Department of Juvenile Justice and Delinquency Prevention. Funds to provide the teaching faculty at the North Carolina School of Science and Mathematics an annual average salary increase of 1.84% shall be transferred to the Board of Governors of The University of North Carolina. (2002 Session Laws, Chapter 126, Sec. 7.45)

**Net Changes for Public Education**

<b>Appropriation – Recurring</b>	\$ (11,409,327)	
<b>Appropriation – Nonrecurring</b>	\$ (16,225,726)	NR
<b>Positions</b>	(36.0)	
<b>Positions – State Aid</b>	507.3	

<b>Revised 2002-03 Certified Appropriation</b>	<b>\$ 5,894,553,493</b>
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NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Community Colleges**

**Community Colleges**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 643,195,459
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>26,085,931</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 669,281,390</u>

**Continuation Budget:**

**2002-03**

**1. System Office Operating Efficiencies**

In the Executive Division, 2.5 positions totaling \$109,356 and operating line items totaling \$30,650 were eliminated. Two vacant and three filled positions (\$180,522) and operating line items (\$262,096) were reduced in the Administration Division. A vacant processing assistant position (\$29,026) and operating line items (\$43,697) were eliminated in the Business and Finance Division. In the Academic and Student Services Division, two positions (\$98,862) and operating line items (\$67,034) were eliminated. In the Economic and Workforce Development Division, one-half position totaling \$32,110 and operating line items totaling \$28,694 were reduced.

\$ (882,117)  
(11.0)

Number of Positions

**2. Systemwide Projects**

The appropriation used to pay for the printing of G.S.115D was eliminated. Since the NC General Statutes are available on-line, the printing was no longer necessary.

(27,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Community Colleges - Continued**

**Continuation Budget:**

2002-03

**3. Public Radio Subsidy**

The appropriation for public radio operations at Isothermal Community College was reduced by 10% from \$149,912 to \$134,921. Isothermal is the only college receiving a public radio subsidy that offers a degree program in broadcasting and production technology. The recurring appropriation for Craven Community College’s public radio station was eliminated and a nonrecurring \$100,000 appropriation was provided in 2002-03. A nonrecurring \$100,000 appropriation was provided for Gaston Community College’s public radio station.

Appropriation - Recurring	\$ (164,903)	
Appropriation – Nonrecurring	200,000	NR

**4. Special Allotments**

Special allotments are provided to community colleges that have programs designated by the General Assembly as high cost. The appropriation for the sawmill program and Haywood Community College was reduced by 50%, and all other special allotment programs (robotics, truck driving, heavy equipment, and marine technology) were reduced by 10%.

(230,397)

**5. Faculty Upgrade**

The appropriation for professional development programs was reduced by 50%, from \$1,014,135 to \$507,068.

(507,067)

**6. Equipment**

The college equipment budget was reduced by \$1 million, from \$16,319,732 to \$15,319,732. Colleges may utilize other unexpended equipment funds, including the equipment reserve and the Employment Security Commission Employment and Training Account equipment balance.

(1,000,000)

**7. Academic Support Supplement**

Funds previously appropriated in the curriculum formula for academic support shall be transferred to a separate line item in the budget and reduced by \$3 million, from \$11,886,683 to \$8,886,683.

(3,000,000)

NR – Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Community Colleges - Continued**

**Continuation Budget:**

		<u><b>2002-03</b></u>
<b>8. Over-Realized Receipts</b>		
The budgeted amount for tuition and continuing education fees was increased to more accurately reflect anticipated receipts.		
Requirements	\$	-
Receipts - Recurring		3,299,824
Receipts - Nonrecurring		<u>2,309,234</u> NR
Appropriation - Recurring	\$	(3,299,824)
Appropriation – Nonrecurring	\$	(2,309,234) NR
<b>9. State Board of Community Colleges Discretionary Reduction</b>		
A \$5 million reduction was appropriated to the State Board of Community Colleges. The State Board has the flexibility to identify specific reduction items within the Community College System budget. (2002 Session Laws, Chapter 126, Sec. 8.14)		
		(5,000,000)
<b>Recommended Recurring Reductions</b>	\$	(14,111,308)
<b>Recommended Nonrecurring Reductions</b>	\$	(2,109,234) NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Community Colleges - Continued**

**Expansion Budget:**

2002-03

**10. Enrollment Changes**

Funds were appropriated for the estimated 15,939 increase in full time equivalent (FTE) students above the 2001-02 budgeted enrollment of 153,985 FTE. The 2002-03 budgeted enrollment is 169,924 FTE, a 10% increase over 2001-02. It is estimated that there will be 12,654 additional FTE enrolled in curriculum programs, a 10.5% increase; 1,426 additional FTE enrolled in continuing education programs or an increase of 8%; and an increase of 1,859 FTE enrolled in basic skills programs, an 11.8% increase.

Requirements	\$ 63,403,942
Receipts	<u>11,555,129</u>
Appropriation	\$ 51,848,813

**11. Curriculum Tuition**

For 2002-03, resident tuition increased by \$3.25 per semester credit hour, from \$31.00 to \$34.25. For 2002-03, nonresident tuition increased by \$17.50 from \$173.25 to \$190.75 per semester credit hour. Both resident and nonresident tuition were last increased by \$3.50 per semester credit hour in 2001-02. The semester hour limit for summer term curriculum tuition was raised from 9 hours to 16 hours. It is anticipated that for most students, federal and state financial assistance programs will offset this increase.

Requirements	\$ -
Receipts	<u>10,754,640</u>
Appropriation	\$ (10,754,640)

**Post-Legislative Budget Summary, 2002-03  
General Fund – Community Colleges - Continued**

**Expansion Budget:**

2002-03

**12. Need-Based Financial Aid**

In 1999 the General Assembly appropriated \$5,000,000 on a recurring basis for a North Carolina Community Colleges 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 ten percent of the appropriation be targeted to students who enroll in low-enrollment programs that prepare students for high-demand occupations. The 2002 General Assembly increased funding for need-based financial aid from \$6,062,806 to \$7,062,806 using Escheats Fund receipts. The Director of the Budget shall include General Fund appropriations in the 2003-05 continuation budget for this amount on a recurring basis. (2002 Session Laws, Chapter 126, Sec. 9.19)

Requirements	\$	1,000,000	
Receipts		<u>1,000,000</u>	
Appropriation	\$	-	NR

**13. NC Information Highway Line Charges**

Funds were provided to continue the operation of the NC Information Highway at 45 colleges.

1,212,300

**Recommended Recurring Expansion** \$ 42,306,473

**Recommended Nonrecurring Expansion** \$ - NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Community Colleges - Continued**

**Other Provisions:**

**2002-03**

**14. Haywood Regional High Technology Center**

Funds budgeted in the special allotments line item for the Haywood Regional High Technology Center shall be transferred to a new line item entitled “Haywood Regional High Technology Center.” (2002 Session Laws, Chapter 126, Sec. 8.4)

**15. Realignment of Funding**

Funding for the academic support supplement shall no longer be included as part of the curriculum instruction formula, but shall be allocated from a separate line item in State Aid fund code 1600. The State Board of Community Colleges shall allocate up to \$200,000 from excess overrealized receipts for the Fayetteville Technical Community College Botanical Laboratory. (2002 Session Laws, Chapter 126, Sec. 8.5)

**16. Flexibility to Implement Budget Reductions**

The State Board of Community Colleges may transfer funds within the budget of the Community Colleges System Office to the extent necessary to implement the base budget reductions and to reorganize the System Office to maintain management efficiencies. (2002 Session Laws, Chapter 126, Sec. 8.8)

**17. Hosiery Center Funds**

All fees collected by the Hosiery Technology Center of Catawba Valley Community College for the testing of hosiery products shall be retained by the Center and used for operations of the Center. (2002 Session Laws, Chapter 126, Sec. 8.10)

**Post-Legislative Budget Summary, 2002-03  
General Fund – Community Colleges - Continued**

**Other Provisions:**

**2002-03**

**18. Scholarships for Prospective Teachers**

Upon the receipt of \$1 million from the Glaxo Smith Kline Foundation, the State Board may use up to \$1 million of funds appropriated in the 2002-03 fiscal year for a nonrecurring grant to the North Carolina Community College Foundation. These funds shall be used to match the Glaxo Smith Kline Foundation challenge grant creating an endowment for a new scholarship program for prospective teachers enrolled in baccalaureate completion programs at State community colleges and for the development of teacher preparation courses. (2002 Session Laws, Chapter 126, Sec. 8.13)

**Net Changes for Community Colleges**

**Appropriation – Recurring**

\$ 28,195,165

**Appropriation – Nonrecurring**

\$ (2,109,234) NR

**Positions**

(11.0)

**Revised 2002-03 Certified Appropriation**

\$ 669,281,390

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – University of North Carolina**

**The University of North Carolina**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 1,798,320,830
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(30,223,721)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 1,768,097,109</u>

**Continuation Budget:**

**Campus Reductions**

	<u>2002-03</u>
<b>1. Reserves for Operating New Facilities</b>	
As a result of adjustments to schedules in constructing or renovating facilities at the constituent institutions throughout the University System and the North Carolina School of Science and Mathematics (NCSSM), funds that had been appropriated for facilities operations in 2002-03 were reduced.	
Appropriation - Nonrecurring	\$ (2,666,533) NR
Number of Positions	(97.0)
<b>2. Tuition Surcharges</b>	
The 2002 Session of the General Assembly budgeted an increase in receipts for a 25% surcharge for tuition for students taking more than 110% of the required credit hours for a degree.	(800,000)
<b>3. Campus Flexibility Reserve</b>	
The budgets of all campuses and related budget codes were reduced by 2.88%. This reduction was made at the campus or operating level and did not apply to the NCSSM.	(50,245,059)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – University of North Carolina - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>4. Center for Alcohol Studies</b>		
The appropriation to the endowment for the Center for Alcohol Studies was reduced by \$250,000 for one year.		
Appropriation – Nonrecurring	\$ (250,000)	NR
<b>Related Educational Programs</b>		
<b>5. Scholarships</b>		
Unused scholarship trust fund balances in the Principal Fellows Program, the Nursing Fellows Program, the Nursing Need-Based Program, and dormant Social Work Scholarship Funds were reduced.		
Appropriation - Nonrecurring	(1,938,000)	NR
<b>UNC-General Administration</b>		
<b>6. Budget Reduction</b>		
Appropriations to the UNC General Administration and its programs were reduced by 5%. The Board of Governors was given the authority to allocate the reduction. However, no more than 5% could be taken from any component program of the Center for School Leadership.	(2,063,801)	
<b>7. MCNC Contract</b>		
Funds were reduced for the Microelectronics Center for North Carolina (MCNC). MCNC may charge a fee for service to UNC institutions for MCNC usage, or MCNC may provide services for less cost.	(400,000)	
<b>Recommended Recurring Reductions</b>	<b>\$ (53,508,860)</b>	
<b>Recommended Nonrecurring Reductions</b>	<b>\$ (4,854,533)</b>	<b>NR</b>

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**2002-03**

**8. 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.

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 2002-03 over the currently budgeted 141,272 full-time equivalent (FTE) students. Based upon the Board’s estimate, enrollment in the University was projected to increase by 5,506 FTE or 3.9% to 146,778 FTE in 2002-03. This represents an increase in student credit hours (SCHs) from 3,743,204 in 2001-02 to 3,897,328 in 2002-03. The increase of \$54,554,262 supports enrollment growth after accounting for an expected increase in receipts of \$16,796,576. This enrollment increase also includes \$1,262,688 to hold-harmless the campuses (UNCA, ECSU and WSSU) losing enrollment.

Requirements	\$ 71,350,838
Receipts	<u>16,796,576</u>
Appropriation	\$ 54,554,262
Number of Positions	449.5

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

**2002-03**

**Line 1a - Enrollment Changes**

**Distance Education Enrollment Increase**

Enrollment projections from the Board of Governors indicated an increase in distance education enrollment for 2002-03 over the current budgeted student credit hours (SCHs). Additional funds of \$12,248,880 were provided to support enrollment growth in distance education programs. This growth represents an increase in funded distance education student credit hours from 97,610 in 2001-02 to 126,402 in 2002-03. This is the appropriation needed after accounting for an expected increase in receipts of \$1,988,675 in 2002-03.

Requirements	\$ 14,237,555
Receipts	<u>1,988,675</u>
Appropriation	\$ 12,248,880
Number of Positions	92.9

**Line 1b – Tuition Increase**

The UNC Board of Governors approved an 8% tuition increase for in-state students and a 12% increase for out-of-state students at the 16 University of North Carolina campuses. The percentage increases apply to total tuition, including campus-initiated increases and increases for campus enhancements that have been approved in the past.

Requirements	\$ -
Receipts	<u>39,966,108</u>
Appropriation	\$ (39,966,108)

**Post-Legislative Budget Summary, 2002-03  
General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

**2002-03**

**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 \$8.9 million in 2001-02, \$1.3 million appropriated in 1999-2000, and \$5 million in 2000-01. The program during the 2001-02 year made grants to qualifying freshmen, sophomores, and some juniors. The program requires that eligibility requirements for the new grants include a “self-help” expectation of at least \$4,500 per student and that federal Pell grants and tax credits be used first to meet students’ needs. The 2002 Session of the General Assembly provided an additional \$4,497,000 in need-based student financial aid from the Escheats Fund. The General Assembly also made a nonrecurring funding shift from General Fund appropriations to fund \$15,228,000 in student financial aid with funds from the Escheats Fund for one year.

Appropriation - Nonrecurring

\$ (15,228,000) NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – University of North Carolina - Continued**

**Expansion Budget:**

**Schedule of Priorities - Continued**

**2002-03**

**Line 1e – Focused Growth Institutions Special Needs**

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 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 2002 Session of the General Assembly appropriated \$11,000,000 in recurring funds and \$2,666,533 in nonrecurring funds for special needs at the focused growth institutions in the UNC System. Ten million dollars of the recurring funds were to be allocated in equal dollar amounts to the seven focused growth campuses. 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.

Appropriation - Recurring	\$ 11,000,000	
Appropriation - Nonrecurring	2,666,533	NR

**Line 3 – K-16 Initiatives (NC TEACH)**

Funds were provided to continue the NC TEACH program. NC TEACH (Teachers of Excellence for All Children) is a statewide lateral entry teacher licensure program for talented professionals from diverse fields, such as industry, government, the military, or human services, who want to make a career change into the field of teaching. NC TEACH participants complete licensure requirements through an accelerated one-year program, take 12 to 18 semester hours, receive a stipend to help offset program costs, have enhanced mentor support, and are provided licensure testing preparation seminars.

500,000

NR - Nonrecurring

Post-Legislative Budget Summary, 2002-03  
**General Fund – University of North Carolina - Continued**

**Expansion Budget:**

2002-03

**9. Aid to Students Attending Private Colleges and Universities**

The program “Aid to Students Attending Private Colleges and Universities” is composed of: 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; the money is credited directly to 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 2002 Session of the General Assembly appropriated \$2,249,105 to provide additional funding for additional students attending private colleges in North Carolina. The LTG was increased by \$1,560,946 and the SCSF was increased by \$688,159.

\$ 2,249,105

**10. North Carolina School of Science and Mathematics: Inflationary Increases**

The 2002 Session of the General Assembly provided funds for inflationary increases for the operating budget of the North Carolina School of Science and Mathematics.

115,000

**Recommended Recurring Expansion**

\$ 40,701,139

**Recommended Nonrecurring Expansion**

\$ (12,561,467) NR

**Net Changes for the University of North Carolina**

**Appropriation - Recurring**

\$ (12,807,721)

**Appropriation - Nonrecurring**

\$ (17,416,000) NR

**Revised 2002-03 Certified Appropriation**

\$1,768,097,109

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Administration**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 61,563,497
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>5,620,309</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 55,943,188</u>

**Continuation Budget:**

**2002-03**

**Secretary's Office**

**1. Personnel and Operating Budget Reductions**

The miscellaneous contractual services line item was reduced by \$16,129 along with the salaries and fringe benefits for an Information Community Specialist II (\$31,161); Statistician (\$47,247); and an Administrative Assistant (\$38,507). The General Assembly also changed the Chief of Local Regional Affairs position from appropriation to receipts supported, reducing the need for appropriation by \$73,020.

Number of Positions	\$ (206,064)
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(4.00)

**Fiscal Management**

**2. Personnel and Operating Reductions**

A Processing Assistant V position (\$40,296) and an Accounting Clerk V position (\$35,722) were eliminated, along with office supplies of \$1,839.

Number of Positions	(77,857)
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(2.00)

**Human Resources Management**

**3. Personnel Reductions**

The salaries and fringe benefits for a Staff Development Specialist III (\$53,286) and a Personnel Analyst II (\$54,751) were eliminated.

Number of Positions	(108,037)
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(2.00)

**Post-Legislative Budget Summary, 2002-03  
General Fund - General Government - Administration - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Management Information Systems</b>	
<b>4. Operating Budget Reductions</b>	
An operating budget reduction was taken for “other employee education expenses.”	\$ (2,250)
<b>Agency for Public Telecommunications</b>	
<b>5. Program and Personnel Reductions</b>	
The General Assembly eliminated six positions and reduced the operating budget by a total of \$424,631. An additional three positions were changed from appropriation to support by receipts, reducing the need for appropriation by \$107,573. A total of nine appropriated positions were eliminated and three receipt-supported positions were established.	(532,204)
Number of Positions (appropriated)	(9.00)
<b>Mail Service Center</b>	
<b>6. Operating Reductions</b>	
The Mail Service Center had a reduction of its information technology line item.	(18,368)
<b>Office of State Personnel (OSP)</b>	
<b>7. Personnel and Operating Reductions</b>	
The General Assembly eliminated a number of positions from the Department, which included an Executive Assistant I, Applications Analyst Programmer I and II, Office Assistant IV and V, HR Media Program Consultant, Personnel Assistant IV, and 8.30 Human Resource Partners. The Total reduction of positions and fringe benefits was \$781,618. In addition to the positions reductions, OSP’s operating budget was also reduced by \$46,235.	(827,853)
Number of Positions	(15.30)

**Post-Legislative Budget Summary, 2002-03  
 General Fund - General Government - Administration - Continued**

**Continuation Budget:**

**2002-03**

**8. Program and Personnel Transfer**

The salary, fringe benefits and operating costs associated with the HR Partner for Industrial Hygiene were transferred to the Department of Labor to consolidate industrial hygiene services to state agencies and universities.

\$ (69,949)  
(1.00)

Number of Positions

**State Construction**

**9. Personnel and Operating Reductions**

The salaries and fringe benefits associated with five positions were eliminated; an Office Assistant IV, Building Engineer III, Chief Design Review, and two Building System Engineer positions for a total of \$318,681. The operating budget for this Division was also reduced by \$42,352.

(361,033)

Number of Positions

(5.00)

**State Property**

**10. Personnel and Operating Reductions**

The salaries and fringe benefits for a Processing Assistant IV and Applications Programmer II were eliminated for a total of \$78,911. Operational costs of \$12,000 were also reduced from the budget.

(90,911)

Number of Positions

(2.00)

**Building Commission**

**11. Operating Reductions**

The Commission is required by G.S. 143-135.25(d) to meet at least four times a year, however, the Commission was meeting every month. By moving to a quarterly meeting schedule, operating costs associated with the monthly meetings can be saved and the Commission will still comply with general statutes.

(18,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - General Government - Administration - Continued**

**Continuation Budget:**

2002-03

**Facilities Management**

**12. Personnel Reductions**

Ten vacant positions were eliminated. These included three Housekeeper positions, an Electrician I and II, an Office Assistant, a Plumber II, a Carpenter and a Housekeeping Supervisor.

\$ (294,401)  
(10.00)

Number of Positions

**13. Operating Reductions**

Due to savings from energy efficiency measures the utilities budget along with some other line items were reduced.

(1,430,860)

**Purchase and Contracts**

**14. Personnel and Operating Reductions**

The General Assembly eliminated two Processing Specialist II's and a Processing Specialist III, a Chief of Purchasing and an Assistant IV. The operating budget for this Division was also reduced by \$143,136.

(428,303)  
(5.00)

Number of Positions

**Council for Women**

**15. Personnel Reductions**

One Social Research Associate I position was eliminated.

(45,953)

Number of Positions

(1.00)

**Displaced Homemakers**

**16. Personnel Reductions and Change in Funding**

One Social Research Associate position was eliminated (\$43,149). Also the source of funding for \$26,508 in the operating budget was changed from appropriation to receipt-support.

(69,657)

Number of Positions

(1.00)

**Post-Legislative Budget Summary, 2002-03  
 General Fund - General Government - Administration - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Human Relations</b>	
<b>17. Personnel Reductions</b>	
An Assistant V position's salary and fringe benefits were eliminated.	\$ (31,618)
Number of Positions	(1.00)
<b>MLK Commission</b>	
<b>18. Operating Budget Reductions</b>	
The operating budget for office equipment was reduced.	(5,234)
<b>Youth Involvement Office</b>	
<b>19. Personnel Reductions</b>	
One Office Assistant V position was eliminated.	(35,505)
Number of Positions	(1.00)
<b>20. Program Reductions</b>	
The summer internship program was reduced by 25%.	(81,403)
<b>Veterans Affairs</b>	
<b>21. Scholarship Reductions</b>	
Funding for the veterans scholarship program was reduced.	(250,000)
<b>22. Personnel Reductions</b>	
The following positions were eliminated: an Office Assistant, both a Processing Assistant III and IV, and two Veteran Service Officers.	(170,247)
Number of Positions	(5.00)

**Post-Legislative Budget Summary, 2002-03  
 General Fund - General Government - Administration - Continued**

**Continuation Budget:**

	<u><b>2002-03</b></u>
<b>Ethics Board</b>	
<b>23. Operating Reductions</b>	
The board had an operating budget reduction in the "other expense" line item.	\$ (11,000)
<b>Governor's Advocacy Council for Persons with Disabilities (GACPD)</b>	
<b>24. Personnel Reductions</b>	
An Attorney II's salary and fringe benefits were eliminated.	(62,643)
Number of Positions	(1.00)
<b>Indian Affairs</b>	
<b>25. Personnel Reductions</b>	
Funding was eliminated for the salary and benefits of a Processing Assistant III.	(29,779)
Number of Positions	(1.00)
<b>Department Wide</b>	
<b>26. Personnel Reductions</b>	
The following positions were eliminated: one-half FTE Administrative Secretary, a Plant Maintenance Supervisor I, four General Utility Workers, a Plumber II, two HVAC Mechanics, a HVAC Technician, a Processing Assistant IV, and a Human Service Coordinator II.	(361,180)
Number of Positions	(11.50)
<b>Net Changes for the Department of Administration</b>	
<b>Appropriation - Recurring</b>	\$ (5,620,309)
<b>Number of Positions</b>	(77.80)
<b>Revised 2002-03 Certified Appropriation</b>	\$ 55,943,188

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of Administrative Hearings**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 2,795,155
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(233,742)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 2,561,413</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Personnel and Operating Budget Reductions for Administration and Operations</b>	
Salaries and benefits were eliminated for three vacant positions. These positions were an Administrative Assistant, an Administrative Officer and an Administrative Law Judge. The operating budget was reduced for printing and library and learning resources.	\$ (211,242)
Number of Positions	(3.0)
<b>2. Receipts – Federal Reimbursement</b>	
Federal receipts were increased.	(22,500)
 <b>Net Changes for the Office of Administrative Hearings</b>	
<b>Appropriation – Recurring</b>	\$ (233,742)
<b>Number of Positions</b>	(3.0)

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of State Auditor**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 11,864,673
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(795,965)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 11,068,708</u>

**Continuation Budget:**

**General Services**

	<u>2002-03</u>
<b>1. Operating Budget Reduction for General Services</b>	
The budget was reduced for printing Single Audit reports and for staff training.	\$ (\$28,830)

**Field Audit**

<b>2. Reduction in Contract Audit Funds</b>	
The funding was reduced for contract services for financial, performance, investigative and information system audits.	(500,000)
<b>3. Personnel Reductions</b>	
Salaries and fringe benefits were eliminated for five vacant positions. One Processing Assistant IV, two Assistant State Auditor I's and two Assistant State Auditor II's.	(246,140)
Number of Positions	(5.0)
<b>4. Operating Reduction</b>	
The budget was reduced for the replacement of computer equipment.	(20,995)

**Net Changes for the Office of State Auditor**

<b>Appropriation – Recurring</b>	\$ (795,965)
<b>Number of Positions</b>	(5.0)

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of State Controller**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 11,523,868
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(1,101,040)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 10,422,828</u>

**Continuation Budget:**

**2002-03**

**1. Personnel and Operating Budget Reductions**

Five vacant positions were eliminated, a Processing Assistant III, two State Management Analysts, an Accounting Specialist and an Applications Analyst Programmer I. In addition one Its position was converted to OSC responsibilities. Operating support reductions were made also.

Number of Positions

\$ (1,101,040)  
(5.0)

**Net Changes for the Office of State Controller**

**Appropriation – Recurring  
Number of Positions**

\$ (1,101,040)  
(5.0)

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Department of Cultural Resources**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 59,427,419
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(3,610,213)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 55,817,206</u>

**Continuation Budget:**

**2002-03**

**Office of the Secretary**

**1. Personnel Reductions**

The salaries and fringe benefits were eliminated for an Administrative Officer I and II, and a Personnel Supervisor I for a total reduction of \$187,622. Additionally, the miscellaneous contractual budget was reduced by \$11,853.

Number of Positions

\$ (199,475)  
(3.00)

**Historical Resources Administration**

**2. Operating Reductions**

A reduction in appropriation was made for temporary salaries and matching social security contribution (\$6,352), First Flight Centennial Commission (\$65,339), and several other operating line items (\$23,420).

(95,111)

**Scholarly Publications**

**3. Personnel and Operating Reductions**

The salary and fringe benefits for an Accounting Clerk III (\$26,220) were eliminated. The Division also lost operational funding in several line items that totaled \$32,876.

Number of Positions

(59,096)  
(1.00)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Cultural Resources - Continued**

**Continuation Budget:**

**2002-03**

**Archives and Records Management**

**4. Personnel and Operating Reductions**

The salaries and fringe benefits for the following positions were eliminated: an Archivist Supervisor, a part-time Archivist (.175 FTE), and two Processing Assistant IV's for a total of \$118,278. The Division also had operational budget reductions that totaled \$150,914 in several line items.

Number of Positions

\$ (269,192)  
(3.175)

**State Historic Sites**

**5. Personnel and Operating Reductions**

The salaries and fringe benefits for a Historic Sites Specialist I, and a Historic Interpreter I and II were eliminated for a total of \$103,055. The Division also had operational reductions in several line items totaling \$483,142.

Number of Positions

(586,197)  
(3.00)

**Tryon Palace**

**6. Personnel and Operating Reductions**

Salaries and fringe benefits for a Museum Security Guard, two Museum Specialists, and a General Utility Worker were taken out of the budget for a total of \$118,727. Tryon Palace also had operational reductions of \$22,930.

Number of Positions

(141,657)  
(4.00)

**Capitol/Visitor Center**

**7. Personnel and Operating Reductions**

A quarter FTE of salary and fringe benefits for a Museum Specialist was taken out of the budget for a total reduction of \$8,308. The Division also had operational budget reductions of \$31,542.

Number of Positions

(39,850)  
(.25)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Cultural Resources - Continued**

**Continuation Budget:**

**2002-03**

**NC Maritime Museum**

**8. Personnel and Operating Reductions**

The salaries and benefits for a Natural Science Curator I (.25 FTE) and a Curator/Boat Building Technician were eliminated (\$57,659). The Division also had operational reductions of \$29,383.

\$ (87,042)  
(1.25)

Number of Positions

**Historic Preservation**

**9. Personnel and Operating Reductions**

The salaries and fringe benefits for a Historic Preservation/Restoration Supervisor and a Preservation/Restoration Specialist II were eliminated for a total of \$103,166. In addition, operational reductions of \$15,026 were made.

(118,192)  
(2.00)

Number of Positions

**Western Office**

**10. Personnel Reductions**

A Historic/Restoration Specialist I position was eliminated.

(42,878)  
(1.00)

Number of Positions

**Museum of Art**

**11. Personnel and Operating Reductions**

The salaries and fringe benefits for a Museum Curator, Office Assistant (.5 FTE), Computer Support Technician, three Security Officer I's and a Museum Security Guard were eliminated for a total of \$228,466. The Division also had a reduction in its Art and Artifacts budget line item of \$85,965.

(314,431)  
(6.50)

Number of Positions

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Cultural Resources - Continued**

**Continuation Budget:**

2002-03

**North Carolina Arts Council**

**12. Operating Reductions**

Funding for the NC Arts Council's art funding was reduced for Basic Art Grants (\$284,309), Grassroots Arts Programs (\$130,500), The Lost Colony (\$20,312) and the Shakespeare Festival (\$20,312). In addition to the reduction for artistic programs, the Division had reductions in the operating budget for travel, printing and postage that totaled \$39,744.

\$ (495,177)

**North Carolina Symphony**

**13. Personnel Reductions**

An Office Assistant III position was eliminated.  
 Number of Positions

(29,284)  
 (1.00)

**Grants-in-Aid to the Arts**

**14. Operational Reductions**

The grant budget for Vagabond School of Drama (\$3,788), the North Carolina State Art Society (\$606) and the North Carolina Symphony Society, Inc. (\$164,008) were reduced.

(168,402)

**State Library Services**

**15. Personnel and Operating Reductions**

The following positions were eliminated: two Library Assistants, a part-time Library Clerk II (.950 FTE), a Processing Unit Supervisor V and a Processing Assistant II, for a total of \$149,808. The Division also incurred \$224,074 in operational reductions in several line items.

(373,882)  
 (4.95)

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Cultural Resources - Continued**

**Continuation Budget:**

2002-03

**State Library Statewide Programs**

**16. Operating Reductions**

Aid to county libraries was reduced by \$1,184,453. The Division also had a reduction in its telecommunications data line item of \$144,720. \$ (1,329,173)

**Museum of History**

**17. Personnel and Operating Reductions**

The salaries and fringe benefits for a part-time Museum Curator (.025 FTE), and two Associate Museum Curators, a part-time Office Assistant IV (.275) and a full time Assistant IV, a part-time Housekeeper (.025), and a General Utility Worker were eliminated totaling \$145,710. The Division incurred reductions of \$299,917 in several budget line items throughout its operational support budget. (445,627)  
Number of Positions (4.32)

**Expansion Budget:**

**State Library Statewide Programs**

**1. Aid to Counties**

Funding was provided to maintain the level of State support to county libraries for 2002-03.  
Appropriation - Nonrecurring \$ 1,184,453 NR

**Net Changes for the Department of Cultural Resources**

Appropriation - Recurring \$ (4,794,666)  
Appropriation - Nonrecurring \$ 1,184,453 NR  
Positions (35.45)

**Revised 2002-03 Certified Appropriation \$ 55,817,206**

NR-Nonrecurring

**General Fund – General Government - Cultural Resources - Continued**

**Department of Cultural Resources –  
Roanoke Island Commission**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 1,859,463
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(151,222)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 1,708,241</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Roanoke Island Commission – Operating Reductions</b>	
The amount of appropriation transferred from Cultural Resources to the Roanoke Island Commission was reduced by 8.13 %.	(151,222)
 <b>Net Changes for the Department of Cultural Resources – Roanoke Island Commission</b>	
<b>Appropriation - Recurring</b>	\$ (151,222)
 <b>Revised 2002-03 Certified Appropriation</b>	 \$ 1,708,241

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**State Board of Elections**

<u>Original 2002-03 General Fund Appropriation:</u>	\$	3,186,269
<u>Net Changes Enacted in 2002 Regular Session:</u>		<u>209,622</u>
<u>Revised 2002-03 Certified Appropriation:</u>	\$	<u>3,395,891</u>

**Continuation Budget:**

		<u>2002-03</u>
<b>1. Administration - Operating Reductions</b>		
The Board of Elections' "Other Administrative Supplies" budget line item was reduced.	\$	(40,378)

**Expansion Budget:**

<b>2. Campaign Reporting</b>			
The General Assembly provided \$250,000 for grants to counties providing one-stop voting. Funding was provided to help offset the counties' cost.		250,000	NR

**Net Changes for the State Board of Elections**

<b>Appropriation - Recurring</b>	\$	(40,378)	
<b>Appropriation - Nonrecurring</b>	\$	250,000	NR
<b>Revised 2002-03 Certified Appropriation</b>	\$	3,395,891	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**General Assembly**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 39,553,848
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(2,654,234)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 36,899,614</u>

**Continuation Budget:**

**2002-03**

**1. Personnel and Operating Budget Reductions**

The salaries and benefits were eliminated for six vacant positions and four additional vacant positions (unbudgeted) in the Senate President Pro Tempore's Office and in the House of Representatives. In addition, temporary wages and fringe benefits were reduced based on a 24-week session instead of 28 weeks.

Total Appropriation	\$ (1,514,904)
Number of Positions	(10.0)

**2. Operating Budget Support Reductions**

A reduction was made in operating support based on a 24-week session rather than a 28-week session. Reductions were made for member subsistence, and member and staff travel and subsistence.

Total Appropriation	(574,450)
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**3. Additional Operating Budget Reductions**

Reductions were made in the central temporary staff work schedule and agency reserves budgets.

(564,880)

**Net Changes for the General Assembly**

<b>Appropriation</b>	<b>\$ (2,654,234)</b>
<b>Number of Positions</b>	<b>(10.0)</b>

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of the Governor**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 5,442,905
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(504,595)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 4,938,310</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>Administration</b>	
<b>1. Personnel Reductions</b>	
The salaries and fringe benefits of an Executive Assistant, two Administrative Assistants, Public Information Assistant, and a Policy Assistant were eliminated.	\$ (206,585)
Number of Positions	(5.00)
<b>2. Dues to National Associations</b>	
A reduction was taken for dues to national associations, which are paid out of the Governor's budget.	(168,001)
<b>3. Intergovernmental Relations</b>	
The salaries and fringe benefits for an Administrative Assistant and a Military Liaison were eliminated.	(97,817)
Number of Positions	(2.00)
<b>4. Raleigh Executive Residence</b>	
The Governor's office had the salary and fringe benefits for a Receptionist position eliminated from the budget.	(32,192)
Number of Positions	(1.00)
<b>Net Changes for the Office of the Governor</b>	
<b>Appropriation - Recurring</b>	\$ (504,595)
<b>Number of Positions</b>	(8.00)
<b>Revised 2002-03 Certified Appropriation</b>	\$ 4,938,310

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of State Budget and Management**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 5,354,938
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(300,057)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 5,054,881</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Operating Reductions</b>	
Operational budget reductions were made in contractual services (\$50,000) and equipment (\$10,000) budget line items.	\$ (60,000)
<b>2. Personnel and Operating Support Reductions</b>	
The salaries and fringe benefits for an Economist II, Application Analysis Programmer, Management Analyst, and Program Assistant V were eliminated. The operational budget was also reduced by \$13,000.	(240,057)
Number of Positions	(4.00)
<b>Net Changes for the Office of State Budget and Management</b>	
Appropriation – Recurring	\$ (300,057)
Number of Positions	(4.00)
<b>Revised 2002-03 Certified Appropriation</b>	<b>\$ 5,054,881</b>

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of State Budget and Management- Special Appropriations**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 3,080,000
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>100,000</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u><u>\$ 3,180,000</u></u>

**Expansion Budget:**

	<u>2002-03</u>	
<b>1. Special Appropriations – NC Humanities Council</b>		
The General Assembly provided additional non-recurring funding for the programs of the North Carolina Humanities Council, a non-profit corporation.	\$ 100,000	NR
<b>Net Changes for the Office of State Budget and Management- Special Appropriations</b>		
<b>Appropriation - Nonrecurring</b>	\$ 100,000	NR
<b>Revised 2002-03 Certified Appropriation</b>	\$ 3,180,000	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**North Carolina Housing Finance Agency**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 5,300,000
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(540,600)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 4,759,400</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Reduce HOME Program Matching Funds</b>	
A reduction was made in the HOME Program Matching Funds.	\$ (540,600)
<b>Net Change for the N.C. Housing Finance Agency</b>	<b>\$ (540,600)</b>

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Department of Insurance**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 23,527,552
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>3,272,586</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 26,800,138</u>

**Continuation Budget:**

**2002-03**

- 1. Reimbursement of Expenses Incurred by Department of Justice**  
Reimbursements to the General Fund by the Insurance Regulatory Fund were increased by \$600,000 for expenses incurred by the Department of Justice in representing the Department of Insurance.

Requirements	\$ 600,000
Receipts	<u>600,000</u>
Appropriation	\$ 0

**Expansion Budget:**

- 1. Continuing Education Program**

House Bill 1105 (Session Law 2002-144) changed the funding for the Continuing Education Program. This Program had been receipt-supported, but now all receipts are deposited into the Insurance Regulatory Fund. The Program now receives an appropriation of \$901,184, all of which is reimbursed by the Insurance Regulatory Fund. Any additional receipts remain in the Insurance Regulatory Fund. Because the Continuing Education Program now receives an appropriation, all requirements and positions have been moved from Budget Code 23901 to 13900, the General Fund budget code for the Department of Insurance.

Appropriation – Nonrecurring	901,184	NR
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NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Department of Insurance - Continued**

**Expansion Budget:**

2002-03

**2. State Manufactured Housing**

House Bill 1105 (Session Law 2002-144) changed the funding for State Manufactured Housing. State Manufactured Housing had been receipts-supported, but now all receipts are deposited into the Insurance Regulatory Fund. State Manufactured Housing now receives an appropriation of \$682,472, all of which is reimbursed by the Insurance Regulatory Fund. Any additional receipts remain in the Insurance Regulatory Fund. Because State Manufactured Housing now receives an appropriation, all requirements and positions have been moved from Budget Code 23901 to 13900, the General Fund code for the Department of Insurance.

Appropriation – Nonrecurring	\$	682,472	NR
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**3. Code Book Sales**

House Bill 1105 (Session Law 2002-144) changed the funding for printing of the North Carolina State Building Code. Requirements for printing the Code Book had been funded directly through receipts from Code Book sales, but now all receipts are deposited into the Insurance Regulatory Fund. Requirements for this printing are now supported through an appropriation of \$1,688,930, all of which is reimbursed by the Insurance Regulatory Fund. Any additional receipts remain in the Insurance Regulatory Fund.

Appropriation – Nonrecurring	\$	1,688,930	NR
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**Net Changes for the Department of Insurance**

Appropriation – Nonrecurring	\$	3,272,586	NR
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<b>Revised 2002-03 Certified Appropriation</b>	<b>\$</b>	<b>26,800,138</b>	
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NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Department of Insurance – Volunteer Safety Worker’s Compensation Fund**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 4,500,000
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(2,500,000)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 2,000,000</u>

**Continuation Budget:**

	<u>2002-03</u>	
<b>1. Reduction in Worker’s Compensation for Volunteer Firemen</b>		
The General Fund appropriation was reduced for the Volunteer Safety Worker’s Compensation Fund for 2002-03.	\$ (2,500,000)	NR
 <b>Net Changes for the Department of Insurance – Volunteer Safety Worker’s Compensation Fund</b>		
<b>Appropriation – Nonrecurring</b>	\$ (2,500,000)	NR
 <b>Revised 2002-03 Certified Appropriation</b>	\$ 2,000,000	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Office of Lieutenant Governor**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 669,545
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(53,280)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 616,265</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Administration – Personnel Reductions</b>	
The salary and fringe benefits for a Special Assistant/Constituent Affairs position were eliminated. Additionally, there was also a reduction of salary for a vacant Assistant for Research and Policy position.	\$ (53,280)
Number of Positions	(1.0)
<b>Net Changes for the Office of Lieutenant Governor</b>	
<b>Appropriation - Recurring</b>	\$ (53,280)
<b>Number of Positions</b>	(1.0)
<b>Revised 2002-03 Certified Appropriation</b>	\$ 616,265

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Department of Revenue**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 77,955,704
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(2,384,400)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 75,571,304</u>

**Continuation Budget:**

**2002-03**

**Information Technology Services**

**1. Operating Reductions**

The department has not purged any data from the Integrated Tax Administration System (ITAS) since its implementation. A structured purge will significantly reduce the ITS disk storage requirements and reduce monthly storage costs producing a savings of \$500,000. The department will also improve the processing of ITAS application software. Computer programs will be rewritten in order to process jobs more efficiently and require fewer computers run time. The frequency in which jobs are run will be reduced, and jobs/reports that are no longer required will be eliminated. These measures will produce a savings of \$200,000.

\$ (700,000)

**Taxpayer Assistance**

**2. Personnel Reductions**

The salaries and fringe benefits for the following positions were eliminated: three Processing Assistant III's, a Processing Assistant IV and a V, and two Revenue Tax Auditor I's.

(228,295)

Number of Positions

(7.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Revenue - Continued**

**Continuation Budget:**

**2002-03**

**Project Collect Tax**

**3. Operating Reductions**

A reduction was taken in the information and technology budget line item. \$ (600,000)

**Administrative Services**

**4. Operating Reductions**

Reductions were taken in rent/leasing; telephone service, postage, and the general office supply line items. There was also a reduction taken in the printing of tax forms. (387,850)

**Documents and Payments Processing**

**5. Personnel Reductions**

Nine Processing Assistant III's, two Data Entry Specialists and one Revenue Administrative Officer III positions were eliminated. (384,592)  
 Number of Positions (12.00)

**Utilities Franchise**

**6. Change of Funding**

The source of funding for two positions responsible for collecting and distributing taxes collected on utilities for municipalities in the Examination and Collection Division were transferred from appropriation to receipts-supported. The two positions include a Revenue Tax Auditor I and an Information Processing Technician. (83,663)  
 Number of Positions (2.00)

**Net Changes for the Department of Revenue**

**Appropriation – Recurring** \$ (2,384,400)  
**Number of Positions** (21.00)

**Revised 2002-03 Certified Appropriation** \$ 75,571,304

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Rules Review Commission**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 325,795
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(9,981)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 315,814</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Operating Budget Reductions</b>	
The Commission's operating support budget was reduced for the following: travel, subsistence, telephone, postage, registration fees, office furniture and equipment, and other areas.	
Total Appropriation	\$ (9,981)
 <b>Net Changes for the Rules Review Commission</b>	
<b>Appropriation – Recurring</b>	<b>\$ (9,981)</b>

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Department of Secretary of State**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 8,286,850
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(178,166)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 8,108,684</u>

**Continuation Budget:**

2002-03

**Administration**

**1. Operating Budget Reductions**

The operating budget was reduced by \$29,053 for systems implementation and by \$596 for computer/data processing services. \$ (29,649)

Publications

**2. Personnel and Operating Budget Reductions for Publications**

The salary and fringe benefits (\$24,478) were eliminated for a filled Mail Clerk II position. The operating budget for printing and binding was reduced by \$40,000. (64,478)

Number of Positions (1.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Secretary of State - Continued**

**Continuation Budget:**

**2002-03**

**Corporations**

**3. Personnel Reductions**

The salaries and fringe benefits were eliminated for two filled Processing Assistant IV positions.

(52,224)

Number of Positions

(2.0)

**4. Personnel and Operating Budget Reductions**

The salary and fringe benefits (\$26,112) were eliminated for one Data Control Clerk IV. The operating budget was reduced by \$39,414 for systems implementation and by \$71,621 for computer/data processing.

\$ (137,147)

Number of Positions

(1.0)

**Uniform Commercial Code**

**5. Personnel and Operating Budget Reductions**

The operating budget was reduced by \$2,734 for communication and data processing. The salaries and fringe benefits were eliminated for one filled Mail Clerk II and one vacant Processing Assistant V.

(55,817)

Number of Positions

(2.0)

**Notary Public**

**6. Operating Budget Reduction**

The operating budget was reduced for computer/data processing services.

(5,766)

**Land Records**

**7. Operating Budget Reduction**

The operating budget was reduced for computer/data processing services.

(200)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - Secretary of State - Continued**

**Expansion Budget:**

	<u><b>2002-03</b></u>	
<b>1. Securities Investigator Positions</b>		
The appropriation for the Securities Division was increased by \$167,115 for three new unsworn securities investigators.		
Appropriation – Recurring	\$ 151,125	
Appropriation – Nonrecurring	15,990	NR
Number of Positions	3.0	
<b>Net Changes for the Department of Secretary of State</b>		
<b>Appropriation – Recurring</b>	<b>\$ (194,156)</b>	
<b>Appropriation – Nonrecurring</b>	<b>\$ 15,990</b>	<b>NR</b>
<b>Number of Positions</b>	<b>(3.0)</b>	
<b>Revised 2002-03 Certified Appropriation</b>	<b>\$ 8,108,684</b>	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - Continued**

**Department of State Treasurer**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 7,216,817
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>671,618</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 7,888,435</u>

**Continuation Budget:**

**2002-03**

**Investment Management**

**1. Personnel and Operating Budget Reductions**

The salary and fringe benefits were eliminated for a vacant office assistant position, and the operating budget was reduced for financial/audit services.

\$ (476,548)  
(1.0)

Number of Positions

**Local Government Operations**

**2. Operating Budget Reductions**

The budget was reduced for the rent and computer/data processing services.

(75,413)

Appropriation

**Banking**

**3. Personnel Reduction**

The salary and fringe benefits were eliminated for a vacant Accounting Clerk III position.

(25,834)

Number of Positions

(1.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - State Treasurer - Continued**

**Expansion Budget:**

2002-03

**1. Budget Adjustments**

The budget was adjusted for administrative services and computer/data processing to the amounts needed to fund the requirements in the Department's three internal service funds (Fund 1110 – General Administration, Fund 1520 – Financial Operations/Accounting, and Budget Code 73410 – Computer Center). The three internal service funds provide services to the five operating funds (Investment Management, Local Government Operations, Banking, Escheats Fund Administration, and Retirement Operations) and are supported by receipts from those funds. In prior years, continuation and expansion budget adjustments were made in the requirements and receipts for the internal services funds without the necessary adjustments being made in the five operating funds, cumulatively causing an imbalance of \$2,048,671 between the budgeted requirements/receipts in the three internal service funds and the funding available in the five operating funds to pay the internal service funds for billed services. The adjustments below align the requirements in the operating funds with the receipts budgeted in the internal service funds:

General Fund-Supported Operating Funds

	Account 532800	Account 532170
1210 Investment Management	(\$66,993)	\$485,485
1310 Local Government	\$73,196	(\$215,437)
1510 Banking	\$849,732	\$122,980

Receipt-Supported Operating Funds

1130 Escheats	(\$175,959)	(\$15,793)
1410 Retirement	\$837,453	\$154,007

Receipts were decreased by \$191,752 due to the reduction in receipts-supported requirements for Escheats. Also receipts were increased by \$991,460 to support the additional receipts-supported requirements for Retirement Operations.

Requirements	\$ 2,048,671
Receipts	<u>799,708</u>
Appropriation	\$ 1,248,963

**Post-Legislative Budget Summary, 2002-03  
General Fund – General Government - State Treasurer - Continued**

**Expansion Budget:**

	<b>2002-03</b>
<b>2. Increase in Requirements and Receipts for the Retirement Systems Division</b>	
Requirements and receipts for the Retirement Systems Division were increased by \$247,713 for 2002-03 and 2003-04 to fund eight two-year time-limited positions to implement the provisions of Senate Bill 1238 (S.L. 2002-153), as modified by Senate Bill 1217 (S.L. 2002-159).	
Requirements	\$ 247,713
Receipts	247,713
Appropriation	\$ 0
Number of Positions	8.0
 <b>Net Changes for the Department of State Treasurer</b>	
<b>Appropriation – Recurring</b>	\$ 671,618
<b>Number of Positions</b>	6.0

**Department of State Treasurer – Firemen’s Pension Fund**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 12,379,780
<u>Net Changes Enacted in 2002 Regular Session:</u>	5,248,601
<u>Revised 2002-03 Certified Appropriation:</u>	\$ 7,131,179

**Continuation Budget:**

<b>1. Reduction in Contribution to the Firemen’s Pension Fund</b>	
The General Fund contribution to the Firemen’s Pension Fund was reduced. Based on the fund’s valuation report, the fund can sustain a reduction at this level and also support a benefit enhancement.	\$ (5,248,601)
 <b>Net Changes for the Department of State Treasurer – Firemen’s Pension Fund</b>	
<b>Appropriation – Recurring</b>	\$ (5,248,601)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – General Government - State Treasurer - Continued**

**Expansion Budget:**

	<u>2002-03</u>	
<b>1. Securities Investigator Positions</b>		
The appropriation for the Securities Division was increased by \$167,115 for three new unsworn securities investigators (SB 1455(S.L.2002-189).		
Appropriation - Recurring	\$ 151,125	
Appropriation - Non-recurring	15,990	NR
Number of Positions	(3.0)	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**

**Department of Health and Human Services**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 3,644,080,118
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(47,651,469)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 3,596,428,649</u>

**Central Administration**

**Continuation Budget:**

**2002-03**

**1. Aid for Clinic Construction**

The Governor recommended and the General Assembly approved reducing Aid for Clinic Construction which is administered through the Office of Research, Demonstrations and Rural Health Development. The program has enabled the office to assist communities with building and equipping primary medical practices throughout under served rural areas. To support these activities \$350,000 will remain available.

\$ (75,000)

**2. Loan Repayment Incentive Funds**

The Governor recommended and the General Assembly approved the reduction to the Loan Repayment Incentive Funding administered through the Office of Research, Demonstrations, and Rural Health Development. To participate in this program, primary care physicians, such as dentists, must work in state and federally funded centers in Health Professional Shortage Areas. These Areas are scored to determine eligibility of physicians for federal loan repayment.

Requirements	\$ (810,811)
Receipts	<u>(210,811)</u>
Appropriation	\$ (600,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Central Administration - Continued**

**Continuation Budget:**

	<b>2002-03</b>
<b>3. Community Primary Care Grant Program</b>	
The Governor recommended and the General Assembly approved reducing funding for the Primary Care Grant Program administered by the Office of Research, Demonstrations, and Rural Health Development. This grant program was established to develop after-hours primary health care for Medicaid recipients.	
Requirements	\$ (160,000)
Receipts	(41,600)
Appropriation	\$ (118,400)
<b>4. Rural Health Center Operational Funding</b>	
The Governor recommended and the General Assembly approved a 5.4% reduction of operational funding for rural health clinics administered through the Office of Research, Demonstration, and Rural Health Development. These funds are used to reimburse rural health centers for the care of uninsured medically indigent patients and to cover operational losses in small rural health centers.	(150,000)
<b>5. Administrative Costs</b>	
The Governor recommended and the General Assembly approved reduced expenditures for travel, supplies and equipment in the Office of Research, Demonstrations, and Rural Health Development.	
Requirements	\$ (76,243)
Receipts	(28,134)
Appropriation	\$ (48,109)
<b>6. Position Elimination Reserve</b>	
The General Assembly authorized reduced funding in Central Management and Support by position elimination, vacant or filled, reduced management layers and the related operating expenses throughout the Department of Health and Human Services.	(4,122,467)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Central Administration - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>7. IT Contractual Services</b>	
The General Assembly authorized a 15% reduction in funding for information technology convenience contractors. The Governor had a similar recommendation to reduce funding by \$ 1,759,485.	\$ (2,402,718)
<b>8. North Carolina Child Advocacy Institute Grant-in-Aid</b>	
The General Assembly authorized a grant-in aid reduction to the North Carolina Child Advocacy Institute.	(25,000)
<b>9. Position Elimination – Division of Information Resource Management (DIRM), Controller’s Office and Central Administration</b>	
The General Assembly authorized the elimination of positions as follows:	
• DIRM - 13.0 positions (11 vacant, 2 filled)	
• HHS Controller’s Office – 2.0 positions (vacant)	
• Central Administration – 3.0 positions (filled)	(700,721)
Number of Positions	(18.0)
<b>10. Print Shop Elimination</b>	
The General Assembly authorized the elimination of the Print Shop in the Office of Public Affairs. This elimination included six positions. The Department of Health and Human Services will contract for printing services with the Department of Corrections.	(46,657)
Number of Positions	(6.0)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Division of Aging**

**Continuation Budget:**

**13. Funds for Senior Tarheel Legislature**

The North Carolina Senior Tarheel Legislature was created by the General Assembly in 1993 to provide information to older persons on the legislative process, promote citizen involvement and advocacy concerning aging issues and provide a forum to assess the legislative needs of older citizens. Each of the 100 counties is represented. The General Assembly reduced the funding for three meetings per year from \$9,000 to \$3,000.

\$ (6,000)

**14. Governor's Advisory Council on Aging**

The Governor's Advisory Council on Aging makes recommendations to the Governor and the Secretary of the Department of Health and Human Services. Council responsibilities include promoting public understanding of the problems of the aging, consideration of new programs in the field of aging, the prevention of duplication and overlapping programs for older adults, and advising the development of the State Plan for services provided to older persons in North Carolina. The General Assembly reduced the funding for meetings of the Governor's Advisory Council on Aging.

(4,000)

**15. Central Office Administration**

The General Assembly reduced the operating budget for the Division of Aging.

Requirements	\$	-
Receipts		<u>165,000</u>
Appropriation	\$	(165,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Aging - Continued**

**Continuation Budget:**

2002-03

**16. Senior Centers**

Senior Centers are multipurpose community facilities that provide a variety of services that include but are not limited to information and referral, in-home assistance, home delivered meals, legal assistance, and transportation, as well as group services and activities such as cultural events, health education sessions and wellness activities. There are currently 158 senior centers in 95 of 100 counties. The General Assembly reduced the funding for Senior Center Development and Outreach. These funds support senior center staff and activities.

The Governor recommended a comparable reduction in senior center funding in the amount of \$200,000.

Requirements	\$ (423,333)
Receipts	<u>(42,333)</u>
Appropriation	\$ (381,000)

**17. Area Agency on Aging Administration**

Area Agencies on Aging (AAAs) are offices authorized by the Older Americans Act that facilitate the development of programs to address the needs of older adults. In North Carolina AAAs are located within the regional Councils of Government. The General Assembly reduced funding for planning and administration for the 17 Area Agencies on Aging across the state.

(370,000)

**Division of Child Development**

**18. Early Head Start Funds**

The Governor recommended and the General Assembly approved the elimination of state funding for the Early Start Program. Early Start is a federally funded program for children birth-to-two years of age. Program funding is used for subsidy and parental support activities. The General Assembly reduced funding for Early Start by \$549,478 in the 2001 legislative session. Only \$56,286 remained in the FY 2002 certified budget. The Division of Child Development did not expend any of the remaining funds in FY 2001-02.

(56,286)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Child Development - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>19. Smart Start Evaluation</b> The General Assembly eliminated funding for the Smart Start evaluation previously conducted by the Frank Porter Graham Child Development Center at UNC-Chapel Hill. The Governor recommended a reduction of \$37,500.	\$ (500,000)
<b>20. Smart Start Professional Development Funds</b> Smart Start professional development funds are used to help childcare employees improve their educational qualifications without increasing the cost of childcare. The 2001 General Assembly reduced the funding from \$240,000 to \$200,000. The 2002 General Assembly reduced these funds by an additional 8%. The Governor recommended a \$15,000 reduction.	(16,000)
<b>21. Smart Start Automation</b> The Smart Start automation system is used to maintain the childcare subsidy reimbursement system and the Child Care Facilities website used by parents, county agencies and childcare providers. The General Assembly reduced funding for the Division of Child Development automated systems that support Smart Start activities. The Governor recommended a comparable reduction of \$42,009.	(44,810)
<b>22. Local Smart Start Partnership Funds</b> Local Smart Start funding supports a variety of services including childcare center participation in quality enhancement projects, early intervention assessments such as speech/language, developmental screenings, and parent education activities. This funding used to support eligible children is a critical portion of the state match for Temporary Assistance for Needy Families grant and the Child Care Development fund. The General Assembly reduced the local Smart Start Partnership funding. The Governor recommended a similar reduction of \$16,011,630.	(20,000,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Child Development - Continued**

**Continuation Budget:**

**2002-03**

**23. NCPC Administration**

The North Carolina Partnership for Children (NCPC) is responsible for the fiscal and programmatic integrity of Smart Start. These funds support annual programmatic and financial monitoring of local partnerships, as well as technical assistance and training, and the review and approval of all local partnership service activities. The General Assembly reduced the North Carolina Partnership for Children's (NCPC) administrative funds. The Governor recommended a \$362,094 reduction.

\$ (980,000)

**24. Criminal Records Check**

The General Assembly appropriated \$110,000 to the Division of Child Development (DCD) to reimburse the State Bureau of Investigation (SBI) for the cost of obtaining national record checks on childcare employees who have lived outside North Carolina in the last five years. The Governor recommended and the General Assembly approved a reduction to the amount of funding required to reflect the average actual annual reimbursement of \$97,000.

(12,000)

**25. DCD Administration**

Division of Child Development (DCD) administration funds support childcare subsidy program consultants, and technical assistance and monitoring of childcare subsidy administration to prevent noncompliance and audit exceptions. The General Assembly reduced funding for these administrative expenses including positions, operating costs, and equipment. Three vacant and three filled positions were eliminated with this reduction.

(618,939)

Number of Positions

(6.0)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Office of Education Services**

**Continuation Budget:**

	<u>2002-03</u>
<b>26. Capital Improvement Reserves</b>	
The Governor recommended and the General Assembly approved eliminating the appropriation reserves for capital improvement projects. One of the two capital improvement projects for which these reserves were designated has been completed; the other project was eliminated due to Hurricane Floyd recovery fund needs.	\$ (701,665)
<b>27. Central Administration Position Elimination</b>	
The General Assembly authorized eliminating one filled position in the Office of Education Services.	(69,476)
Number of Positions	(1.0)
<b>28. Central Preschool Program</b>	
The General Assembly authorized the reduction to Central Preschool Program that included program staff and operating funds. This reduction is a result of the transition of pre-school (three-to-five year olds) services for deaf and hard of hearing to the Local Education Agencies (LEA). The remaining operating budget and staffing is sufficient to establish home based and itinerant services for these children. The Governor had a similar recommendation to reduce funding by \$ 333,228. <i>See section 84, subparagraph five of Session Law 2002-159 regarding positions eliminated.</i>	(361,164)
Number of Positions	(8.75)
<b>29. Governor Morehead School Maintenance Contract</b>	
The General Assembly authorized the reduction of appropriations for a maintenance contract at the Governor Morehead School.	(1,127)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Office of Education Services - Continued**

**Continuation Budget:**

**2002-03**

**30. Eastern School for the Deaf Position Reduction**

The General Assembly authorized the elimination of 27 vacant positions at the Eastern School for the Deaf. These vacant positions were created to support a larger population. The residential population, with this reduction, could not increase beyond its current capacity without an adverse effect on services. The Governor had a similar recommendation to reduce funding by \$ 716,267.

\$ (746,700)  
(27.0)

Number of Positions

**31. Operating Budget**

The Governor recommended and the General Assembly approved operating reductions in the residential schools designated for equipment and supplies.

(200,143)

**32. Governor Morehead School Position Elimination**

The General Assembly eliminated eleven vacant positions at the Governor Morehead School.

(319,691)

Number of Positions

(11.0)

**33. Governor Morehead School Preschool Program**

The General Assembly authorized a reduction to staff and operating costs for the Governor Morehead Preschool Program. This reduction does not impact the preschool program for children aged birth-to-two years. A change in state and federal law no longer permits the Department to earn federal funds for services for the three to five year old population. These students are being transitioned to Local Area Agencies (LEA). The Governor had a similar recommendation to reduce funding by \$ 641,763.

(680,616)

Number of Positions

(9.75)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Office of Education Services - Continued**

**Continuation Budget:**

**2002-03**

**34. Auditory Learning Program Contract**

The General Assembly authorized an appropriation reduction for the contract with the Auditory Learning Center. The Auditory Learning Center is a non-profit organization that provides staff development and training to teachers, early interventionists, and other professionals serving children with hearing loss and their families. The center also provides direct speech and language services to approximately four children on average and their families each week. Existing staff within the Office of Education Services can absorb the staff development services previously provided by the Auditory Learning Center. The direct services can be provided through the Office of Education Services or local school districts. The Governor's recommended budget included a comparable reduction.

\$ (150,000)

**35. Individualized Education Program (IEP)/ Individualized Family Service Plan (IFSP) Contracts**

The Governor recommended and the General Assembly approved appropriation reductions to the contracts for activities prescribed in the Individual Educational Plans and Individual Family Services Plans. As site-based services are reduced and itinerant services are increased, the child's home Local Education Agency (LEA) will provide for these related services.

(100,000)

**36. Central School Maintenance Funding**

The Governor recommended and the General Assembly approved eliminating the Central School for the Deaf operating and maintenance budget. The Central School for the Deaf closed in June 2001. The property and some office spaces on the campus have continued to be maintained. Beginning July 1, 2002 there will not be a need for the office space.

(381,632)

Number of Positions

(4.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Office of Education Services Continued**

**Continuation Budget:**

2002-03

**37. Positions at the Western School for the Deaf**

The General Assembly authorized the elimination of 12.75 positions at the Western School for the Deaf. These positions were originally allocated based on 200 or more children to be served on campus. There has been an average of 140 students each year for more than five years. Due to the closing of two buildings and the opening of a new residential building, several residential positions can be eliminated. With this reduction, the number of students who can be educated residentially at the Western School for the Deaf will be limited to no more than the average of 140 per year. The Governor's recommended budget included a reduction of \$ 362,625. *See section 84, subparagraph six of Session Law 2002-159 regarding positions eliminated.*

Number of Positions

\$ (392,289)  
(12.75)

**Division Of Public Health**

**38. HIV/STD Care Contracts: Maximize Federal Receipts**

The Governor recommended and the General Assembly authorized the department to pursue increased receipts from the federal Ryan White Act Title II Grant and to make a corresponding reduction in state appropriations. These funds are used to train personnel who provide HIV counseling, testing and referral services.

Requirements

Receipts

Appropriation

\$ -  
38,845  

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\$ (38,845)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

2002-03

**39. Sickle Cell Program: Maximize Medicaid Receipts**

The General Assembly authorized the department to increase Medicaid receipts from federal funding sources to contract with non-profit agencies, medical centers and health departments to deliver services to patients with sickle cell disease and their families. The Governor's recommended budget included a comparable item directing the department to generate federal receipts in the amount of \$42,096 and to make a corresponding reduction in state appropriations.

Requirements	\$ -
Receipts	85,900
Appropriation	\$ (85,900)

**40. Community Care Coordination: Maximize Medicaid Receipts**

The General Assembly authorized the department to increase Medicaid receipts from federal funding sources to coordinate community care services for disabled and/or high risk infants. The Governor's recommended budget included a comparable item directing the department to generate federal receipts in the amount of \$90,000 and to make a corresponding reduction in state appropriations.

Requirements	\$ -
Receipts	129,355
Appropriation	\$ (129,355)

**41. Women's Health: Maximize Medicaid Receipts**

The General Assembly authorized the department to increase Medicaid receipts from federal funding sources to deliver specialized nursing in intensive, maternal, fetal and neonatal care in Perinatal Outreach and Education Training Program. The Governor's recommended budget included a comparable item directing the department to generate federal receipts in the amount of \$281,257 and to make a corresponding reduction in state appropriations.

Requirements	\$ -
Receipts	321,252
Appropriation	\$ (321,252)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

2002-03

**42. Oral Health: Maximize Medicaid Receipts**

The Governor recommended and the General Assembly authorized the department to increase Medicaid receipts from federal funding sources for oral health care provided to Medicaid-eligible children through dental hygienists in local health departments. The Governor's recommended budget directed the department to generate Medicaid receipts in the amount of \$662,107 and to make a corresponding reduction in state appropriations.

Requirements	\$ -
Receipts	<u>632,107</u>
Appropriation	\$ (632,107)

**43. Administrative Activities: Maximize Medicaid Receipts**

The Governor recommended and the General Assembly authorized the department to increase Medicaid receipts from federal funding sources for non-direct services provided by the Division of Public Health, Women's and Children's Section.

Requirements	\$ -
Receipts	<u>400,000</u>
Appropriation	\$ (400,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

2002-03

**44. Immunization Branch Operating Funds: Maximize Federal Receipts**

The Governor recommended and the General Assembly authorized the department to budget immunization grant funds for travel, telecommunication, property insurance and employee education in order to reduce state appropriation support for these items. The Immunization Branch in the Division of Public Health is responsible for the following activities:

- Vaccine delivery and customer support.
- Immunization services, assessment, outreach, public education and promotion.
- Epidemiologic surveillance and outbreak control of vaccine-preventable diseases.
- Development and maintenance of North Carolina Immunization Registry (NCIR).

Requirements	\$ -
Receipts	66,659
Appropriation	\$ (66,659)

**45. Revenue Enhancement in State Center for Health Statistics**

The Governor recommended and the General Assembly authorized the department to budget increased receipts and to make corresponding reductions in appropriations for two contracts:

- Federal receipts from mandated vital statistics data transfers to the National Center for Health Statistics, under a contract with the State for the Vital Statistics Cooperative Program; and
- Behavioral Risk Factor Surveillance System fees paid by agencies that submit public health data survey questions to the Division of Public Health.

Requirements	\$ -
Receipts	146,190
Appropriation	\$ (146,190)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

	<b>2002-03</b>
<b>46. Hepatitis B Vaccine School Site Initiative: Federal Receipts</b>	
The Governor recommended and the General Assembly authorized the department to budget additional federal funds realized from the Hepatitis B Vaccine School Site Initiative and to make a corresponding reduction in state appropriations.	
Requirements	\$ -
Receipts	604,800
Appropriation	\$ (604,800)
 <b>47. State Laboratory – Newborn Screening: Revenue Enhancement</b>	
The Governor recommended and the General Assembly authorized the department to charge \$10.00 per newborn screening submitted by hospitals, and other health care providers, to the State Laboratory of Public Health. The program supports every child born in North Carolina and includes testing for 32 life threatening metabolic conditions. The receipts generated reflect a November 1, 2002 effective date. The Governor’s budget recommendation, submitted to the General Assembly in May 2002, reflected annual savings of \$1 million. The department plans to support the program entirely, in future years, with a combination of receipts generated from this newly authorized fee and federal Medicaid receipts. <i>See Section 10.46 of Session Law 2002-126 regarding required program reports.</i>	
Requirements	\$ -
Receipts	766,667
Appropriation	\$ (766,667)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

2002-03

**48. Terminate Contracts: T-Cell Testing for HIV Patients/Dysplasia Clinics**

The Governor recommended and the General Assembly authorized the department to terminate contracts with LabCorp for CD4 (T-Cell) testing and to terminate contracts with dysplasia clinics for cancer diagnostic and treatment services. One-fourth of the state's 87 health departments utilized the contract with LabCorp, Inc. Patients affected will be referred to local HIV primary care or hospital infectious disease clinics. Six clinics across the state provided services to approximately 700 low income women diagnosed with dysplasia. The women affected by the termination of this contract will be referred to regional tertiary care center dysplasia clinics.

\$ (364,700)

**49. Reduce Contracts – Women's and Children's Health Section**

The Governor recommended and the General Assembly authorized the reduction of the following contracts:

- UNC Center for Public Health Practice: \$(18,750);
- Duke University Medical Center: (\$59,674);
- Moses Cone: (\$4,600);
- Duke University Medical Center: (\$33,697);
- Wake Forest University (Orthopedic Conditions): (\$11,425);
- Western Carolina University: (\$40,000);
- In-hospital Identification of Children with Special Needs: (\$69,597);
- North Carolina Baptist Hospital: (\$4,800);
- Adolescent Pregnancy Prevention Coalition of NC: (\$22,500).

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

2002-03

**Reduce Contracts – Women’s and Children’s Health Section -  
Continued**

The General Assembly authorized the reduction of the following contracts. The Governor’s recommended budget included reductions to these contracts at a level other than that authorized by the General Assembly.

- UNC-CH – Alpha-Fetal Protein: (\$20,000);
- Wake Forest - Alpha-Fetal Protein: (\$20,000);
- Carolina’s Health Care System (Hemophilia Disorders): (\$200);
- Duke University Services (Hemophilia Disorders): (\$600);
- ECU (Hemophilia Disorders): (\$600);
- UNC-CH (Hemophilia Disorders): (\$7,300);
- Wake Forest (Hemophilia Disorders): (\$1,300);
- Assistive Resource Centers: (\$112,346);
- Center for Development and Learning: (\$485,646);
- Department of Agriculture: (\$600); and
- UNC-CH: (\$87,708).

The General Assembly authorized the reduction of the following contracts:

- Prevent Blindness: (\$41,900);
- Central Carolina: (\$50,000);
- Young Women’s Outreach: (\$18,990);
- Albemarle Smart Start: (\$30,680)

The reductions authorized by the General Assembly total \$1,142,913 while the Governor’s recommended budget included contract reductions totaling \$935,072.

\$ (1,142,913)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

**2002-03**

**50. Prescription Drug Assistance Program**

The Governor recommended and the General Assembly authorized the closure of the Prescription Drug Assistance Program operated by the Division of Public Health. The closure of the Division of Public Health program coincides with the induction of a new Senior Drug Program, NC Senior Care, which is to be supported with an allocation from the Health and Wellness Trust Fund ([www.ncseniorcare.com](http://www.ncseniorcare.com)). The NC Senior Care program is designed specifically to provide assistance to North Carolina seniors diagnosed with one of three cardiovascular diseases, who meet the income guidelines, and who are coping with the rising costs of prescription medicine. *See Section 10.49(a-b) of Session Law 2002-126.*

\$ (500,000)

**51. Positions in Women’s and Children’s Health Section**

The General Assembly authorized the elimination of 3.45 vacant positions in the Women’s and Children’s Health Section:

- 0.75 Audiologist (vacant);
- 0.70 Processing Assistant (vacant);
- 1.0 Public Health Program Consultant I; and
- 1.0 Social Research Assistant

The Governor’s recommended budget included the first two positions (vacant) listed above and reflected savings of \$51,868 for 1.45 positions.

(130,888)

Number of Positions

(3.45)

**52. Operating Expenses – Children and Youth Branch**

The Governor recommended and the General Assembly authorized the reduction of the Children and Youth Branch operating budget (honorariums, conference registrations, educational supplies, office furniture and printing/binding).

(52,180)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>53. Children with Special Needs Genetic Health Care Program</b>	
The Governor recommended and the General Assembly authorized the reduction of state appropriations for the Children with Special Needs program. It is anticipated that the program impact will be minimal as the reduction reflects actual unspent funds over several years.	\$ (110,000)
<b>54. Prescription Drug Access Project</b>	
The General Assembly authorized the elimination of funding for the Prescription Drug Access Project. <i>See Section 10.6 in Session Law 2002-126.</i>	(200,000)
<b>55. Office of Minority Health</b>	
The General Assembly authorized the reduction in operating costs in the Office of Minority Health (OMH). OMH, along with the Minority Health Advisory Council (MHAC), was created in 1992 to work to address health needs of the state's minority populations. The Office is composed of professionals with expertise and experience in public health administration, health education, program development and research. The Office works in concert with local health departments, state health divisions, community-based organizations and other public and private groups to identify and address minority health needs.	(24,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

2002-03

**56. Contracts/Grants-in-Aid**

The General Assembly eliminated the following contracts:

- UNC-CH Cardiovascular Health Program Evaluation:  
(\$27,235);
- Alice A. Poe Center – mini-grant to improve physical activities:  
(\$1,500);
- Greenway Project in Gaston County to promote physical  
activities and prevent obesity in teens: (\$6,425);
- Alice A. Poe Center grant-in-aid funding for innovative health  
education programs for preschoolers, school-age children, and  
adults: (\$50,000);
- Office of Minority Health - Personal Services Contract:  
(\$15,000); and
- Public Health Training and Information Network – continuing  
education services: (\$129,077). \$ (229,237)

**57. Eliminate Oral Health Section Positions**

The General Assembly eliminated the following positions:

- 1.0 Dentist;
  - 1.0 Dental Hygienist; and
  - 1.0 Administrative Assistant.
- |                     |                 |
|---------------------|-----------------|
| Requirements        | \$ (268,481)    |
| Receipts            | <u>(21,481)</u> |
| Appropriation       | \$ (247,000)    |
| Number of Positions | (3.00)          |

**58. Regional Dentists' Offices**

The General Assembly eliminated funding, including operating expenses, for the Division of Public Health's regional dentists' offices in Raleigh and Fayetteville. (11,107)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

	<b>2002-03</b>
<p><b>59. Aid-to-County</b>            The General Assembly reduced state appropriations for the Children with Special Needs program. The program reverts unencumbered funds annually to the General Fund.</p>	\$ (1,000,000)
<p><b>60. Oral Health Section Equipment</b>            The General Assembly eliminated funding for equipment in the Oral Health Section.</p>	(27,835)
<p><b>61. Position in Budget Section</b>            The General Assembly eliminated 1.0 Administrative Officer position in the Financial Management and Support Services Section.                Appropriation</p>	(50,984)
<p><b>62. Developmental Evaluation Centers</b>            The General Assembly reduced funding for North Carolina's Developmental Evaluations Centers (DEC). The Developmental Evaluation Center Program consists of a statewide network of 18 regional centers. These centers, referred to as DECs, are located across the State at sites that are convenient to families and service providers. Each center employs teams of professionals with pediatric specialties in medicine, social work, psychology, speech and language, physical therapy, occupational therapy, special education, nursing, and nutrition. DEC service priorities are directed to young children having or suspected of having developmental disabilities and lacking access to other care providers. These children may have physical, psychological, neuromotor, socio-emotional, speech/ language/hearing, or learning problems. Services provided are comprehensive in nature and tailored to meet the unique needs of each child and family. <i>See Section 10.53(a-b) of Session Law 2002-126.</i></p>	
<p style="padding-left: 20px;">Requirements</p>	\$ (515,888)
<p style="padding-left: 20px;">Receipts</p>	1,560,538
<p style="padding-left: 20px;">Appropriation</p>	\$ (2,076,426)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Continuation Budget:**

**2002-03**

- 63. Governor’s Council on Physical Fitness**  
 The General Assembly reduced funding for the Governor’s Council on Physical Fitness by approximately 10%. The North Carolina Governor's Council on Physical Fitness and Health has as its mission: "to improve the physical activity opportunities for all North Carolinians." The certified budget for the program was \$259,845 prior to the reduction authorized by the General Assembly. \$ (25,000)
- 64. Public Health Consultants**  
 The General Assembly eliminated five positions and associated operating costs:
- 2.0 Office Assistant III Positions;
  - 1.0 Social Work Consultant;
  - 1.0 Nurse Consultant; and
  - 1.0 Pharmacist Specialist. (217,960)
- Number of Positions (5.00)
- 65. Vital Records Fee Increase**  
 The General Assembly increased the vital records transaction fees by five dollars to \$15.00. Certified and uncertified copies of vital records are provided when requested for legal actions, passports, law enforcement investigations, child support enforcement, health-related research, and official identification. The effective date for the fee increase from \$10 to \$15 is November 1, 2002. A corresponding reduction in state appropriations will be made to adjust for the increase in budgeted receipts. *http://www.vitalrec.com/nc.html* (443,765)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Division of Social Services**

**Continuation Budget:**

	<u><b>2002-03</b></u>
<b>66. Central Administration Reduction</b> The Governor recommended and the General Assembly approved reductions in appropriations utilized to support operating costs such as travel, printing and equipment purchases.	\$ (1,399,093)
<b>67. Local Departments of Social Services Administration</b> The General Assembly reduced state appropriations for operating budgets for 100 local Departments of Social Services.	(1,000,000)
<b>68. Carry Forward for Electing Counties</b> The General Assembly eliminated the ability of 13 Electing Counties to carry forward excess appropriations at the end of the state fiscal year ending 2003. The Electing Counties were those that did not use all state appropriated funding for Cash Assistance payments and could reinvest (carry forward) those funds to assist Work First clients in other areas. <i>See section 10.37, Session Law 2002-126.</i>	(600,000)
<b>69. State/County Special Assistance</b> The General Assembly authorized that the maximum monthly rate for residents in adult care home facilities continue at the current rate of \$1,091 effective October 1, 2002. This rate will remain in effect for the remainder of the 2002-03 fiscal year. Maintaining this rate will result in an additional cost savings of an equal amount for local Departments of Social Services. These 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. <i>See section 10.36, Session Law 2002-126.</i>	(2,345,157)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Social Services - Continued**

**Continuation Budget:**

**2002-03**

**70. Families for Kids**

The General Assembly eliminated appropriations for 16 local Departments of Social Services Families for Kids Initiative programs. Historically, these funds have been used to assist counties to improve child welfare services by providing community-based support and a coordinated assessment process. The program goal is to provide children with a single foster-care placement and permanency within twelve months.

\$ (1,200,000)

**71. Child Support Contract Elimination**

The Governor recommended and General Assembly approved eliminating funding for the following contracts in the Child Support Section:

- Child Support Enforcement Training - \$641,893
- Child Support Enforcement Help Desk Training - \$229,840
- Ohio State Treasurer - \$21,010

The Ohio State Treasurer contract was an agreement with a consortium of states, led by Ohio, to address public awareness of child support enforcement services.

Requirements	\$ (2,676,914)
Receipts	<u>(1,784,171)</u>
Appropriation	\$ (892,743)

**72. Child Support Backlog**

The Governor recommended and the General Assembly approved the elimination of state appropriations intended to reduce Child Support Enforcement case backlog in urban counties. The General Assembly defined “backlog” as those cases without child support orders. The backlog of cases is being addressed through restructuring of case handling procedures, restructuring of state staff, and additional attention to processing cases through the court, within existing resources. *See section 10.35, Session Law 2002-126.*

Requirements	\$ (4,500,000)
Receipts	<u>(3,000,000)</u>
Appropriation	\$ (1,500,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Social Services - Continued**

**Continuation Budget:**

**2002-03**

**73. Intensive Family Preservation Services**

The General Assembly reduced state funding for the Intensive Family Preservation Program which involves 53 providers who focus on the prevention of out-of-home placement of high-risk children. The division will maintain services with additional federal funds.

\$ (500,000)

**74. Family Resource Centers**

The General Assembly authorized the reduction of appropriations for the Family Resource Centers. Family Resource Centers are private non-profit agencies located in neighborhoods from which a disproportionate number of child abuse reports are received and from which a disproportionate number of children enter foster care. These centers work through agreements with county departments of social services and provide parenting improvement services, youth educational achievement services, as well as HIV education and awareness to high-risk families and children. Services will be maintained with additional federal funds.

(865,000)

**75. CCPT Grant**

The General Assembly eliminated appropriations for the Community Child Protection Team Grant (CCPT). Historically, these funds have been distributed on a competitive basis to counties that demonstrated innovative approaches to improving child protective services.

(250,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Social Services - Continued**

**Continuation Budget:**

**2002-03**

**76. Resident Evaluation Services**

The Governor recommended and the General Assembly approved the elimination of appropriations for Resident Evaluation Services. The purpose of this assessment instrument is to assist local departments of social services in determining the appropriate level of care and services for applicants and recipients in adult care homes subsidized by Special Assistance. The Resident Assessment Evaluation Services program, authorized in 1999-00, is not yet operational. *See section 10.39, Session Law 2002-126.*

Requirements	\$ (3,127,897)
Receipts	<u>(2,065,860)</u>
Appropriation	\$ (1,062,037)

**77. Division of Social Services Position Elimination**

The General Assembly authorized the reduction of 44 positions throughout the Division of Social Services. This reduction will streamline operations and reduce layers of management.

Number of Positions	(780,641) (44.0)
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**78. State Maternity Home Funds**

The General Assembly authorized the reduction of appropriations for maternity homes. This fund currently pays for maternity home care for low income women who are unable to remain in their own homes during the prenatal period and who are experiencing problem pregnancies. County departments of social services may utilize Temporary Assistance for Needy Families (TANF) funds to purchase this care.

(438,354)

**79. Welfare Automation Fund**

The General Assembly reduced appropriations used for various automation projects in the Department of Health and Human Services.

Appropriation - Nonrecurring	(5,400,000) NR
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NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Division of Medical Assistance**

**Continuation Budget:**

**2002-03**

**80. 5% Rate Reduction for Optical Service Providers**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to reduce rates for optical service providers by 5%. This reduction is commensurate with the reduction to physician, chiropractor, and podiatrist reimbursement rates enacted by the General Assembly in the 2001 Session.

Requirements	\$ (637,381)
Receipts	<u>(434,541)</u>
Appropriation	\$ (202,840)

**81. Reduce Rate for Case Management**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to reduce case management services for adults and children by reducing rates, streamlining services and eliminating duplicative services. *See Section 10.14 of Session Law 2002-126.*

Requirements	\$ (23,028,135)
Receipts	<u>(15,311,793)</u>
Appropriation	\$ (7,716,342)

**82. Close Asset Loopholes for Aged and Disabled**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to adopt the Supplemental Security Income (SSI) method for considering equity value in income-producing property for aged, blind and disabled persons.

Requirements	\$ (9,551,643)
Receipts	<u>(6,523,362)</u>
Appropriation	\$ (3,028,281)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Medical Assistance - Continued**

**Continuation Budget:**

2002-03

**83. Access II/III Cost Containment**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to reduce appropriations for the Medicaid program to reflect anticipated savings from the expansion of Carolina ACCESS II/III. The Office of Research, Demonstrations, and Rural Health Development will direct ACCESS II/III resources toward the management of high risk patients. The following activities, among others, will be utilized to achieve the savings.

- Reducing hospital admissions;
- Reducing emergency room visits;
- Using best prescribing practices;
- Increasing generic prescribing;
- Implementing polypharmacy review; and
- Reducing therapy visits.

*See Section 10.12(a-b) of Session Law 2002-126.*

Requirements	\$ (29,616,013)
Receipts	<u>(20,191,013)</u>
Appropriation	\$ (9,425,000)

**84. Drug Utilization Management**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to implement drug utilization measures to contain the cost of prescription drugs, including expanding the use of generic drugs. *See Section 10.19 of Session Law 2002-126.*

Requirements	\$ (117,440,774)
Receipts	<u>(80,066,422)</u>
Appropriation	\$ (37,374,352)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Medical Assistance - Continued**

**Continuation Budget:**

2002-03

**85. Close Asset Loophole for Personal Care Services**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to impose transfer of assets penalties for applicants or recipients who reside at home and receive personal care services. During the penalty period the individual is ineligible to receive personal care services at home but otherwise remains eligible for Medicaid benefits. This action makes the penalty for transfer of assets for persons receiving services at home consistent with those imposed for persons receiving services in nursing homes.

*See Section 59 of Senate Bill 1217 for information on notification timeframes and exemptions.*

Requirements	\$ (1,332,199)
Receipts	<u>(908,240)</u>
Appropriation	\$ (423,959)

**86. Private Duty Nursing**

The General Assembly authorized the Division of Medical Assistance to reduce reimbursement rates for private duty nursing service providers by 5%.

Requirements	\$ (1,560,580)
Receipts	<u>(1,063,941)</u>
Appropriation	\$ (496,639)

**87. Personal Care Services Limitations**

The General Assembly authorized the Division of Medical Assistance to reduce Personal Care Services by reducing the monthly limit for services from 80 hours per month to 60 hours per month. As of December 1, 2002 Medicaid will pay for no more than 240 units (60 hours) per calendar month of Personal Care Services (PCS) in a private residence for a client.

See <http://www.dhhs.state.nc.us/dma/newmonthlylimit.pdf> for implementation details.

Requirements	\$ (8,342,939)
Receipts	<u>(5,687,882)</u>
Appropriation	\$ (2,655,057)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Medical Assistance - Continued**

**Continuation Budget:**

2002-03

**88. Pregnant Women Coverage for Minors**

The General Assembly authorized the Division of Medical Assistance to modify the policy for determining eligibility for minors by counting parental income.

Requirements	\$ (801,679)
Receipts	<u>(556,886)</u>
Appropriation	\$ (244,793)

**89. Hospital Payments**

The General Assembly authorized the Division of Medical Assistance to reduce payments to hospitals by 0.5%. Options to achieve savings include:

- Using waivers to reduce hospital costs associated with billing Medicaid; and
- Implementing a revised outpatient/emergency room payment method to relate payment to services received.

*See Section 10.18 of Session Law 2002-126.*

Requirements	\$ (4,430,050)
Receipts	<u>(3,020,231)</u>
Appropriation	\$ (1,409,819)

**90. Prospective Rates for Home Health Services**

The General Assembly authorized the Division of Medical Assistance to establish a prospective rate payment system for Home Health Services that pays for services based on an assessment of the specific needs of the Medicaid recipient. Payment for services will no longer be tied to the number of provider visits.

Requirements	\$ (3,117,078)
Receipts	<u>(2,125,099)</u>
Appropriation	\$ (991,979)

**91. Home Infusion Therapy**

The General Assembly authorized the Division of Medical Assistance to reduce reimbursement rates for home infusion therapy providers.

Requirements	\$ (279,063)
Receipts	<u>(190,254)</u>
Appropriation	\$ (88,809)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Medical Assistance - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>92. Home Health Supplies</b>	
The General Assembly authorized the Division of Medical Assistance to reduce reimbursement rates for home health supply providers.	
Requirements	\$ (597,034)
Receipts	<u>(407,034)</u>
Appropriation	\$ (190,000)
<b>93. Optional Services - Circumcision</b>	
The General Assembly authorized the Division of Medical Assistance to eliminate optional circumcision procedures. Circumcision services can be provided in cases of medical necessity. <i>See Section 10.13 of Session Law 2002-126.</i>	
Requirements	\$ (785,571)
Receipts	<u>(535,571)</u>
Appropriation	\$ (250,000)
<b>94. Reimbursement Rate Reduction</b>	
The General Assembly authorized the Division of Medical Assistance to reduce reimbursement rates by 5% for the following services:	
• Ambulatory Surgical Centers; and	
• High Risk Intervention.	
Requirements	\$ (1,913,537)
Receipts	<u>(1,304,573)</u>
Appropriation	\$ (608,964)
<b>95. Durable Medical Equipment</b>	
The General Assembly authorized the Division of Medical Assistance to reduce reimbursement rates for durable medical equipment providers.	
Requirements	\$ (1,790,957)
Receipts	<u>(1,221,003)</u>
Appropriation	\$ (569,954)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Medical Assistance - Continued**

**Continuation Budget:**

**2002-03**

**96. Medicare Crossover Claims**

The Governor recommended and the General Assembly authorized the Division of Medical Assistance to apply Medicaid medical policy to Medicare Crossover claims. This ensures that the Medicaid program pays, for Medicare beneficiaries, only for services that are covered by Medicaid.

Requirements	\$ (5,970,337)
Receipts	<u>(4,070,337)</u>
Appropriation	\$ (1,900,000)

**97. Position Eliminations**

The General Assembly authorized the Division of Medical Assistance to eliminate two filled positions:

- 1.0 Physician II; and
- 1.0 Dentist II.

Requirements	\$ (240,020)
Receipts	<u>(180,015)</u>
Appropriation	\$ (60,005)
Number of Positions	(2.00)

**98. Medicaid Reserve Funds**

The General Assembly authorized the Division of Medical Assistance to transfer funds from the Medicaid Reserve to support current services and to make a corresponding reduction in state appropriation. *See Section 10.19D of Session Law 2002-126.*

Requirements	\$ -
Receipts	<u>43,747,538</u>
Appropriation	\$ (43,747,538) NR

**99. Revised Medicaid Forecast**

The Governor recommended and the General Assembly authorized an entitlement adjustment for the Medicaid program.

81,751,234

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Medical Assistance - Continued**

**Health Choice – Division of Medical Assistance**

**Continuation Budget:**

2002-03

**100. Health Choice – Dispensing Fee Reduction**

The General Assembly authorized the department to reduce premiums for the North Carolina Health Choice program by reducing the dispensing fee paid to pharmacists from:

- \$6.00 to \$4.00 for brand name drugs; and
- \$6.00 to \$5.60 for generic drugs.

This brings the Health Choice dispensing fee amount in line with that paid by the Medicaid program.

*See Section 10.20(a)(b) of Session Law 2002-126.*

Requirements	\$ (644,704)
Receipts	<u>(475,740)</u>
Appropriation	\$ (168,964)

**Division of Services for the Blind and Deaf and Hard of Hearing**

**101. Special Assistance for the Blind**

The Special Assistance for the Blind Program provides financial assistance to individuals who live in adult care homes or specialized community based residential settings. The Governor recommended and the General Assembly approved the program’s budget being adjusted to the historical level of expenditure.

\$ (158,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services**  
**Services for the Blind/Deaf/Hard of Hearing - Continued**

**Continuation Budget:**

**2002-03**

- |             |   |           |
|-------------|---|-----------|
| <b>102.</b> | <b>Medical Eye Care Program and Independent Living Services</b>   |           |
|             | The Medical Eye Care Program provides a wide array of eye care services, including examinations, treatment, surgery, glaucoma screenings and low vision examinations. Given the availability of other resources, the Governor recommended the program de-emphasize glaucoma screenings, elimination of one position and a modest reduction in the operating budget of the Independent Living Program.   | (64,000)  |
|             | Number of Positions   | (1.0)     |
| <b>103.</b> | <b>Cost Allocation to Telecommunications Access of NC</b>   |           |
|             | The Telecommunications Access of NC program provides telephone accessibility, facilitates video conferencing, and equipment loans for financially needy deaf, hard of hearing, and/or blind clients. The telecommunications initiative is funded through an 11 cents per telephone line fee charged to all consumers. The Governor recommended and the General Assembly approved the proposal to cost allocate the program, thereby reducing the state-supported administration of the program. | (21,013)  |
| <b>104.</b> | <b>Operating Expenses</b>   |           |
|             | The General Assembly reduced the division's operating budget to the level of expenditure incurred in fiscal year 2002.  | (200,000) |
| <b>105.</b> | <b>Medical Eye Care Program</b>   |           |
|             | The General Assembly reduced funding for the Medical Eye Care Program.  | (200,000) |

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Continued**

**Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

**Continuation Budget:**

**106. Adult Mental Health Facilities**

The General Assembly reduced the operating budgets of the adult mental health facilities by eliminating 61 health care and facility support positions. These facilities include four psychiatric hospitals (Broughton, Cherry, Dorothea Dix and John Umstead Hospitals) and the NC Special Care Center. State support for education, training, printing, supplies and equipment were also reduced. The Governor recommended a reduction in the operating budgets of these facilities of \$1,531,714. *See Section 84 (3) of Session Law 2002-159.*

\$ (2,895,097)  
(61.0)

Number of Positions

**107. Child and Family State Facilities**

The General Assembly reduced the support of the child and family facilities by eliminating one position, reducing salary reserve and other line items budgets including: temporary wages, building repair, travel, and staff development. These facilities are Wright School and the Eastern Adolescent Treatment Program. The Governor recommended a reduction of \$45,451.

(129,135)  
(1.0)

Number of Positions

**108. Institutional Receipts**

The Governor recommended and the General Assembly approved an increase in the receipts budgets of the division's institutions to the anticipated level of earnings. State appropriation was reduced accordingly.

\$ (1,000,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued**

**Continuation Budget:**

	<b>2002-03</b>
<b>109. Mental Retardation Centers</b>	
The General Assembly reduced the budgets of the State's mental retardation centers by eliminating positions and reducing the facilities' client outreach services. These facilities include Black Mountain Center, Caswell Center, Murdoch Center, O'Berry Center and Western Carolina Center. The Governor recommended a reduction of \$247,362 in these operating budgets.	\$ (630,487)
Number of Positions	(6.50)
<b>110. Alcohol and Drug Abuse Treatment Centers (ADATC)</b>	
The General Assembly reduced the operating budgets of the State's substance abuse treatment facilities and enacted the Governor's recommendation for a more cost effective delivery of dietary services. <i>See Section 84 (2) of Session Law 2002-159.</i>	(184,818)
Number of Positions	(15.25)
<b>111. Central Office Administrative Reductions</b>	
The General Assembly reduced the central office administrative budget by 5% and eliminated one filled position. The Governor recommended a reduction of \$121,262.	(835,628)
Number of Positions	(1.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>112. Area Mental Health Programs</b>	
Community based mental health, developmental disabilities and substance abuse services are provided through a statewide network of 38 Area Programs. The General Assembly reduced state support of the Area Programs.	\$ (3,000,000)
<b>113. Contract Reductions</b>	
The General Assembly reduced or eliminated state support for the following contracts:	
National Alliance for the Mentally Ill, \$20,000	
Association for Persons in Supported Employment, \$39,900	
Mental Health Association Respite Training, \$120,000	
NCSU-Center for Urban Affairs and Community Services	
Technical Assistance, \$101,350	
UNC Student Stipends, \$22,000	
Housing Works, Inc., \$30,000	
UNC-CH Developmental Disabilities Training Institute, \$86,424	(419,674)
<b>114. Adult Mental Health Facilities' Patient Advocates</b>	
The General Assembly reduced the number of patient advocates, who serve residents of the State's adult mental health facilities, by 25% or five positions.	(295,229)
Number of Positions	(5.0)
<b>115. Mental Retardation Facilities' Patient Advocates</b>	
The General Assembly reduced the number of patient advocates, who serve residents of the State's mental retardation centers, by 25% or six positions.	(96,947)
Number of Positions	(6.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Continued**

**Division of Facility Services**

**Continuation Budget:**

**2002-03**

**116. Operating Expenses**

The Governor recommended and the General Assembly approved the reduction of operating expenses in the Division of Facility Services to include the purchase of computer equipment and other employee expenses.

Requirements	\$ (242,308)
Receipts	<u>(116,308)</u>
Appropriation	\$ (126,000)

**117. Travel**

The Governor recommended and the General Assembly approved the reduction of travel expenses throughout the Division.

Requirements	\$ (288,462)
Receipts	<u>(138,462)</u>
Appropriation	\$ (150,000)

**118. Legal Services**

The Governor recommended and the General Assembly approved the elimination of funding for a contract with the Department of Justice to support one paralegal position.

(35,974)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Facility Services - Continued**

**Continuation Budget:**

2002-03

**119. Various Contracts**

The Division of Facility Services contracts with Solucient and the Sheps Center to obtain discharge data from hospitals and ambulatory surgical facilities. The data are used by the State Center for Health Statistics, and the Division for developing reports and in review of Certificate of Need (CON) applications as well in the development of the State Medical Facilities Plan.

Other reductions of miscellaneous contracts include funds that support a contract for hospital trauma certification, and various other activities throughout the Divisions. Hospital certification fees are paid by hospitals and can be budgeted upon receipt. In addition, the Division has historically under-expended and reverted these funds to the General Fund at year end. The Governor recommended and the General Assembly approved the elimination of the contracts with Solucient and the Sheps Center, and the reduction of other miscellaneous contracts.

Requirements	\$ (353,064)
Receipts	<u>(108,333)</u>
Appropriation	\$ (244,731)

**120. Position Eliminations**

The General Assembly eliminated two vacant and two filled positions. The two filled positions reside in the Office of Emergency Medical Services (EMS).

Number of Positions	(191,465)
	(4.0)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Division of Vocational Rehabilitation**

**Continuation Budget:**

	<u>2002-03</u>
<b>121. Reduced Client Services Budget</b>	
The Governor's recommendation to redirect and more carefully structure the interpretation of case services was endorsed by the General Assembly. The program will refocus its financial policies and strengthen its emphasis on transferable work skills. Anticipated increases in federal funding coupled with the redirection of case policies will limit the loss of services.	\$ (1,922,522)
<b>122. Reduce Administrative Budget</b>	
The General Assembly approved the Governor recommendation to reduce the division's administrative budget in the supplies, travel and equipment line items.	(400,000)
<b>123. Eliminate Vacant Positions</b>	
The General Assembly eliminated 24 vacant and two filled positions and related funding. The Governor recommended reductions in funding for 20 vacant positions and \$700,000. <i>See Section 84 (4) of Session Law 2002-159.</i>	(857,583)
Number of Positions	(26.0)
<b>124. Universal Design Contract</b>	
The General Assembly reduced the state support of the division's contract with North Carolina State University's Center for Universal Design.	(50,000)
 <b>Recommended Recurring Reductions</b>	 \$ (140,340,465)
<b>Recommended Nonrecurring Reductions</b>	<b>\$ (49,147,538)</b>

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Central Administration**

**Expansion Budget:**

**2002-03**

**125. More at Four Pre-Kindergarten Program**

The More at Four Pre-Kindergarten Program is a voluntary pre-kindergarten initiative to prepare at-risk four year olds for success in school. During the 2001-02 school year, grants were awarded to 28 communities, which include 34 counties throughout the western, piedmont and eastern regions. One hundred sixty-six classrooms served 1,621 children. An additional 2,800 children are projected to be served in 2002-03. More at Four will be phased in over five years to reach the estimated 40,000 four year old children in the state who are at risk for school failure.

\$ 28,065,300

**Division of Child Development**

**126. Childcare Subsidy**

Federal funds have historically been used to support childcare subsidies. Due to a reduction in Temporary Assistance for Needy Families (TANF) Block Grant, childcare subsidy received \$3,800,000 less in FY 2002-03. These funds will be used to support children who are TANF eligible. Funds will also be used to address the waiting list for childcare subsidy for children who are ineligible for TANF and Child Care and Development Block Grant Funds (CCDF), but who are eligible for subsidy due to child protective services and/or foster care involvement, or who are developmentally delayed or at-risk for delay. The General Assembly approved expansion of appropriations for childcare subsidies.

Appropriation - Nonrecurring

15,000,000 NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Division Of Public Health**

**Expansion Budget:**

**2002-03**

**127. Healthy Start Foundation**

The North Carolina General Assembly appropriated state funds to the Department of Health and Human Services to be used by the NC Healthy Start Foundation. These funds are to be used to improve access to prenatal care and reduce poor birth outcomes for families in North Carolina (<http://www.nchealthystart.org>).

Appropriation - Nonrecurring

\$ 250,000 NR

**128. Healthy Carolinians**

The General Assembly appropriated \$750,000 in non-recurring funding for Healthy Carolinian Task Forces across North Carolina. The Office of Healthy Carolinians was established in 1992 upon the recommendation of the Governor's Task Force on Health Objectives for the year 2000. To date, 54 counties have established local Healthy Carolinians task forces, of which 39 are certified, and 23 other counties are in the planning stage. These local task forces share the common mission of improving the health and safety of citizens of North Carolina. The local task forces serve as the umbrella for all programs to assure effective use of resources, building a community's consensus to mobilize and respond to health risks and establishing public/private partnerships.

(<http://www.communityhealth.dhhs.state.nc.us/lclhlth/ohc.htm>)

Appropriation - Nonrecurring

750,000 NR

**129. Asthma Education Program**

The General Assembly appropriated funding to support asthma management, control, surveillance, and education.

(<http://wch.dhhs.state.nc.us/Asthma/AANC.htm>)

Appropriation - Nonrecurring

100,000 NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Expansion Budget:**

**2002-03**

**130. Reduce Out-of-Wedlock Births**

The General Assembly appropriated funds to replace federal funds historically used for family planning services to at-risk individuals who are not covered by Medicaid and to reduce out-of-wedlock births. Services include:

- “Wrap-around-type” services for high-risk patients, such as enhanced post-pregnancy test follow-up and intensive care coordination for clients at risk for contraceptive failure;
- Public education/media campaigns targeted to the at-risk population and designed to raise the public’s awareness of the importance of family planning services;
- Outreach and recruitment activities which target the at-risk population;
- Outstationing of public health personnel at local DSS sites to facilitate the recruitment and provision of services to the at-risk population;
- Outstationing DSS staff within family planning program sites to facilitate recruitment of the at-risk population; and
- Other non-clinical services to the at-risk population.

Appropriation - Nonrecurring

\$ 615,000 NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Expansion Budget:**

2002-03

**131. Adolescent Pregnancy Prevention**

The General Assembly appropriated funds to replace federal funds historically used to support the Adolescent Pregnancy Prevention Program. The Program is administered by the Women's Preventive Health Unit in the Division of Public Health. Final decisions on funding are made by the North Carolina Commission for Health Services. The Adolescent Pregnancy Prevention Program usually funds about three to five new projects each year, for a five-year period, with a current average first-year award of \$65,200. These projects require local matching dollars or in-kind services that increase as state funds decrease each year. Grantees are expected to find other monies to replace state dollars over time, so that local support will be adequate to sustain the project after the state grant ends. Projects that are most likely to be funded are those with strong collaborative ties to other community agencies and projects using "best practice models" of teen pregnancy prevention that have been scientifically evaluated and shown to be effective (<http://wch.dhhs.state.nc.us>).

Appropriation - Nonrecurring \$ 570,000 NR

**132. "Strike-out-Stroke"**

The General Assembly provided non-recurring funding to Medical Marketing Management, a for-profit company, to manage a public awareness campaign.

Appropriation - Nonrecurring 90,000 NR

**133. Osteoporosis Task Force**

The General Assembly provided non-recurring funding to continue activities of the Osteoporosis Task Force. The Task Force's mission is to develop a statewide comprehensive Osteoporosis Prevention Plan, and to recommend changes to existing laws, regulations, programs, services, and policies to enhance osteoporosis prevention, diagnosis, and treatment for the people of North Carolina.

(<http://www.communityhealth.dhhs.state.nc.us/oldadult/optf.htm>)

Appropriation - Nonrecurring 150,000 NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Public Health - Continued**

**Expansion Budget:**

2002-03

**134. Arthritis Prevention Project**

The General Assembly appropriated non-recurring funds for the Arthritis Prevention Project based in Mecklenburg County. The Program provides educational and exercise programs designed to empower persons with arthritis and related conditions to take responsibility for their optimum health and productivity.

(<http://www.communityhealth.dhhs.state.nc.us/oldadult/arthritis.htm>)

Appropriation - Nonrecurring

\$ 25,000 NR

**135. Folic Acid Campaign**

The General Assembly appropriated funding for the statewide folic acid campaign. The North Carolina Folic Acid Awareness Campaign is managed by the [NC Folic Acid Council](http://www.getfolic.com/), its member organizations and project sponsors (<http://www.getfolic.com/>).

The goal of the campaign is to reduce the number of pregnancies affected by neural tube birth defects (NTDs). The objectives are:

- Increasing women's awareness of folic acid's role in preventing birth defects; and
- Increasing the percent of women of childbearing age who take a multivitamin containing folic acid everyday.

Appropriation - Nonrecurring

300,000 NR

**136. Prevent Blindness**

The General Assembly appropriated funding for the National Society to Prevent Blindness-NC Affiliate, Inc. for the purpose of maximizing vision screenings of children in childcare settings. Prevent Blindness North Carolina (PBNC), also known as the North Carolina Society to Prevent Blindness, was organized in 1967 as a nonprofit health agency. An independent affiliate of Prevent Blindness America (established in 1908), PBNC delivers direct service programs designed to preserve sight through screening, publications, safety, education, information and referral through volunteer efforts. PBNC's mission is to reach people before blindness strikes (<http://www.preventblindness.org/>).

Appropriation - Nonrecurring

600,000 NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Continued**

**Division of Social Services**

**Expansion Budget:**

**2002-03**

**137. Boys and Girls Club**

The General Assembly appropriated nonrecurring funds to replace federal funding historically used to support Boys and Girls Clubs across the state. This program previously supported by the Temporary Assistance for Needy Families Block Grant (TANF) implemented initiatives with the expectation of reductions in the school dropout and teenage pregnancy rates. *See section 10.41A, Session Law 2002-126.*

Appropriation - Nonrecurring

\$ 550,000 NR

**138. Food Banks**

The General Assembly provided nonrecurring appropriations to be equally distributed to the regional network of food banks in North Carolina.

Appropriation - Nonrecurring

1,000,000 NR

**139. Special Children Adoption Fund**

The General Assembly authorized nonrecurring appropriations to replace Temporary Aid to Needy Families (TANF) funding no longer available to adoption agencies in order to increase the number of children adopted from the foster care system.

Appropriation - Nonrecurring

2,000,000 NR

**140. Work Central Career Advancement Center**

The General Assembly approved nonrecurring appropriations to replace federal funding previously provided in support of the Work Central Career Advancement Center centrally located in Edgecombe County. This call center extends support to several surrounding counties. The objective of the Center is to provide a network of support services by utilizing advanced technology linking individuals and families to education, employment, job retention and asset building opportunities.

Appropriation - Nonrecurring

500,000 NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Health and Human Services - Continued**

**Health Choice – Division of Medical Assistance**

**Expansion Budget:**

**2002-03**

**141. Health Choice Expansion**

The General Assembly approved non-recurring expansion funding to allow for increased enrollment of children. The Department of Health and Human Services estimates that up to 100,000 children can be enrolled in the program.

See <http://www.dhhs.state.nc.us/dma/cpcont.htm> for additional program information.

Requirements	\$ 29,532,967	
Receipts	<u>21,792,967</u>	
Appropriation	\$ 7,740,000	NR

**Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

**142. Autism Funds**

The General Assembly appropriated non-recurring funds to support the operation of Residential Services Inc., a provider of residential services for autistic children.

Appropriation - Nonrecurring	280,000	NR
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**143. Housing Support for the Mentally Ill**

Non-recurring funds were appropriated to support the expansion of residential placements and support services for the mentally ill.

Appropriation - Nonrecurring	500,000	NR
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NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Division of Mental Health, Developmental Disabilities and Substance Abuse Services - Continued**

**Expansion Budget:**

**144. Residential Services for Women with Children**

The General Assembly appropriated non-recurring funds to support the operation of nine therapeutic homes for women with substance abuse issues. The therapeutic homes will provide a twelve month residential program followed by six months of outpatient services.

Appropriation - Nonrecurring	\$ 1,000,000	NR
<b>Recommended Recurring Expansion</b>	<b>\$ 109,816,534</b>	
<b>Recommended Nonrecurring Expansion</b>	<b>\$ 32,020,000</b>	<b>NR</b>
 <b>Net Changes for the Department of Health and Human Services</b>		
<b>Appropriation-Recurring</b>	<b>\$ (30,523,931)</b>	
<b>Appropriation-Nonrecurring</b>	<b>\$ (17,127,538)</b>	<b>NR</b>
<b>Positions</b>		<b>(288.45)</b>

**Other Provisions:**

**2002-03**

**145. Trust Fund for Mental Health System Reform**

The Governor recommended continued support of mental health system reform initiative. The recommendation included funding to enhance community based services, bridge funding to provide services to clients during transitional periods and capital funds for the construction, repair and renovation of state facilities. The General Assembly adopted the recommendation by appropriating \$8 million in non-recurring funds, and further authorized the use of up to \$7 million for the siting, design and capital planning costs associated with the construction of a new psychiatric hospital.

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Health and Human Services - Continued**

**Other Provisions:**

**146. Ruth M. Easterling Trust Fund for Children with Special Needs**

In recognition of her tenure in the North Carolina General Assembly and advocacy for special needs children, the General Assembly created the *Ruth M. Easterling Trust Fund for Children with Special Needs*. The one million dollar appropriation shall be used to provide respite services for adoptive children, for children in foster care, and other children with special needs at-risk of out-of-home placement; pay for special services to and equipment for special needs children when there is no other source for payment, including surgical repair of congenital anomalies and the purchase of mobility equipment; and provide training to parents and caregivers in the unique care needs of children with special needs.

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Correction**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 930,964,916
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(50,910,108)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 880,054,808</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. DART Cherry Program</b>	
Four counselor positions and six substance abuse worker positions were eliminated by increasing staff caseloads.	\$ (292,434)
Number of Positions	(10.0)
<b>2. DART In-Prison Residential Programs</b>	
Various reductions were made to the in-prison residential substance abuse program, including: the closure of residential programs at two close custody facilities (Pasquotank and Marion) and four medium custody facilities (Foothills, Caswell, Brown Creek, and Polk Youth), the elimination of 15 positions statewide by increasing caseloads, and the elimination of two vacant Central Office staff.	(1,696,261)
Number of Positions	(49.0)
<b>3. DACDP Regional Offices</b>	
Because of the closure of several residential treatment programs and statewide staffing reductions, the number of regional offices was reduced from four to two.	(351,088)
Number of Positions	(6.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

		<u>2002-03</u>	
<b>4. Vehicle Replacement</b>			
	The purchase of replacement vehicles will be delayed for a year.		
	Appropriation – Nonrecurring	\$ (1,000,000)	NR
<b>5. Central Administration</b>			
	Nine management and administrative positions were eliminated.	(515,267)	
	Number of Positions	(9.0)	
<b>6. MIS Contract Conversion</b>			
	Savings will be achieved by converting contract funding into four permanent MIS positions.	(355,155)	
	Number of Positions	(4.0)	
<b>7. Training Facility Contract</b>			
	The contract for use of the Fort Fisher facility operated by the National Guard will be canceled and DOC will seek less expensive alternatives.	(183,000)	
<b>8. Training Division</b>			
	Two vacant positions were eliminated and operating funds were reduced.	(181,063)	
	Number of Positions	(2.0)	
<b>9. Close IMPACT Programs</b>			
	The IMPACT Boot Camp Program was eliminated effective August 15, 2002. From available funds resulting from the termination of the IMPACT program, \$260,208 will be used to restore eight community work crews at prisons near Hoffman and Morganton.	(4,066,595)	
	Number of Positions	(96.0)	

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Correction - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>10. Reduce Funding to Nonprofits</b>		
Pass through funding to Harriet’s House, Women at Risk and the John Hyman Foundation was reduced by 10% for 2002-03. Summit House funding for state office expense was reduced by \$25,649.		
Appropriation – Recurring	\$ (25,649)	
Appropriation – Nonrecurring	(75,000)	NR
<b>11. Electronic Monitoring</b>		
Funding was reduced to reflect cost sharing by outside agencies of the Electronic Monitoring program.		(151,442)
Number of Positions		(1.0)
<b>12. Probation and Parole</b>		
Eighty-nine vacant positions were eliminated including: 25 Office Assistants, 27 PPO I (community), 8 PPO II (intermediate), 7 Intensive Officers, 17 Surveillance Officers and 5 Community Service Work Program Coordinators.		(3,040,169)
Number of Positions		(89.0)
<b>13. Vacant Trainer Position</b>		
A vacant trainer position in the Division of Community Corrections was eliminated.		(38,913)
Number of Positions		(1.0)
<b>14. Criminal Justice Partnership Program</b>		
Funding for the Criminal Justice Partnership Program was reduced.		
Appropriation – Recurring	(414,166)	
Appropriation – Nonrecurring	(1,245,926)	NR
Number of Positions		(1.0)
<b>15. Drug Screening Labs</b>		
Operating funds for six drug screening labs in the Division of Community Corrections were reduced.		(162,216)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>16. Reduce Vehicle Expense</b>		
The DCC will reduce the number of vehicles leased from the Department of Administration to reflect actual usage.	\$ (88,452)	
<b>17. Parole Revocation Hearing Officers</b>		
A reduction was made to reflect actual spending needs for contractual employees to serve as parole revocation hearing officers.	(115,000)	
<b>18. Reductions in Operating Expenses</b>		
Operating expenses were reduced department-wide for various non-salary line items.		
Appropriation - Recurring	(1,378,951)	
Appropriation - Nonrecurring	(17,927,396)	NR
<b>19. Parole Commission</b>		
Due to declining parole cases, the Parole Commission budget was reduced by approximately 14% including the elimination of five positions.	(226,108)	
Number of Positions	(5.0)	
<b>20. Inmate Labor Projects</b>		
DOC will use federal funds to pay contract employees (primarily inmates) assigned to work on federally funded construction projects.	(450,000)	
<b>21. Prison Administration</b>		
Nine positions in the central office of the Division of Prisons were eliminated.	(481,971)	
Number of Positions	(9.0)	
<b>22. Security Staffing – Lieutenants</b>		
Sixteen lieutenant positions were eliminated at prisons with high lieutenant to sergeant ratios or a high number of sergeants.	(531,557)	
Number of Positions	(16.0)	

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>23. Security Staffing – Relief Formula</b>	
An adjustment to the “relief formula” used by DOC to determine the number of positions needed for each security post will allow for the elimination of 135 officer positions state-wide.	\$ (4,285,845)
Number of Positions	(135.0)
<b>24. Close Blue Ridge Correctional Center</b>	
Blue Ridge Correctional Center was closed. Five positions and \$150,000 were transferred to Western Correctional Center for the portion of the Bridge forestry program that operated out of Blue Ridge.	(1,124,095)
Number of Positions	(30.0)
<b>25. Close Henderson Correctional Center</b>	
Henderson Correctional Center was closed. The reduction includes a 50% reduction in the inmate budget.	(1,335,978)
Number of Positions	(33.0)
<b>26. Close Rowan Diagnostic Center</b>	
Rowan Diagnostic Center was closed due to a relatively small work load that will be absorbed by other units.	(144,598)
Number of Positions	(5.0)
<b>27. Inmate Food Budget</b>	
The inmate food budget was reduced through system efficiencies.	(436,000)
<b>28. Inmate Medical Budget</b>	
The inmate medical budget was reduced due to efficiencies that include the elimination of positions at several smaller prisons and having services provided by nearby larger prisons, and the conversion of more expensive medical contracts into lower cost state positions.	(3,575,166)
Number of Positions	(36.0)
<b>29. Mobile Surgery Unit</b>	
The contract for the Mobile Surgery Unit at Central Prison was reduced to reflect actual usage rates.	(616,874)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>30. Prison Chaplin Program</b>	
The Prison Chaplin Program was reduced, including the elimination of 23.5 positions. Four of the chaplin positions eliminated will be replaced by contract positions.	\$ (914,853)
Number of Positions	(23.4)
<b>31. Inmate Community Work Crews</b>	
Seventeen inmate work crews were eliminated. Crews were not eliminated at locations where only one or two crews currently operate. An additional 39 crews will be assigned to do litter control work for DOT. The reduction amount of \$2.2 million includes \$1.3 million in receipts from DOT.	(2,112,119)
Number of Positions	(25.0)
<b>32. Inmate Clothing Budget</b>	
The issue of inmate clothing will be reduced to four days a week, the minimum required by the courts.	(500,000)
<b>33. Inmate Education Budget</b>	
Funding for inmate education programs was reduced due to a decline in youthful offender inmates.	(432,563)
Number of Positions	(9.0)
<b>34. Maintenance Staffing</b>	
Forty maintenance positions were eliminated by increasing inmate to staff ratios and other system efficiencies.	(1,422,745)
Number of Positions	(40.0)
<b>35. Safekeeper Payments</b>	
Counties and local law enforcement agencies currently pay DOC \$18 a day to house offenders in state prison facilities. Under existing law, DOC receives no payment if the offender held in one county is a resident of another county. A change in the General Statutes to delete the residency exclusion will increase receipts to DOC.	(800,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Correction - Continued**

**Continuation Budget:**

		<u>2002-03</u>	
<b>36. Energy for Committed Offenders, Inc.</b>			
	The contract for this minimum custody facility for 20 female inmates was reduced.		
	Appropriation - Nonrecurring	\$ (24,264)	NR
<b>37. Inmate Infraction Receipts</b>			
	DOC will increase budgeted receipts from inmates for infraction convictions to the projected level of collections.	(150,000)	
<b>38. Alien Assistance Receipts</b>			
	DOC will increase budgeted receipts from federal funds received to house illegal aliens to the projected level of collections. This federal assistance is likely to end after fiscal year 2003.		
	Appropriation - Nonrecurring	(310,000)	NR
<b>39. Utility Custody Posts</b>			
	The number of utility posts, which include canteen/mailroom and clothes house, were reduced at most prisons.	(1,506,913)	
	Number of Positions	(48.0)	
<b>40. Transportation Officers</b>			
	The number of transportation officers was reduced statewide.	(1,381,337)	
	Number of Positions	(44.0)	
<b>41. Prison Programs Clerical Positions</b>			
	Thirty-six office assistant and processing assistant positions were eliminated.	(959,232)	
	Number of Positions	(36.0)	
<b>42. Prison Administration Clerical Positions</b>			
	Thirty-five office assistant positions were eliminated.	(936,665)	
	Number of Positions	(35.0)	

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Correction - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>43. Correctional Sergeant Positions</b>		
Twenty-six sergeant positions were eliminated at 17 prisons.	\$ (944,355)	
Number of Positions	(26.0)	
<b>44. Medical Reorganization</b>		
DOC will reorganize services to allow for the elimination of twelve mental health positions.	(556,529)	
Number of Positions	(12.0)	
<b>45. Prison Administration – Additional Reductions</b>		
Four additional vacant positions were eliminated.	(149,697)	
Number of Positions	(4.0)	
<b>46. Classification Coordinator Positions</b>		
Twelve classification coordinator positions were eliminated at 12 prisons. The duties of these positions will be absorbed by other personnel at these prisons.	(411,031)	
Number of Positions	(11.0)	
<b>47. Funding Reserve</b>		
Overall funding for the department was reduced on a one-time basis.		
Appropriation - Nonrecurring	(10,000,000)	NR
Requirements	\$ (37,192,052)	
Receipts	<u>2,250,000</u>	
Appropriations	\$ (39,442,052)	
Requirements	\$ (30,272,586)	
Receipts	<u>310,000</u>	
Appropriations	\$ (30,582,586)	NR
<b>Recommended Recurring Reductions</b>	\$ (39,442,052)	
<b>Recommended Nonrecurring Reductions</b>	\$ (30,582,586)	

NR – Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Correction - Continued**

**Expansion Budget:**

	<u>2002-03</u>	
<b>48. Premium Holiday Pay</b>		
Funding was provided for premium holiday pay. DOC has previously funded this supplement from lapsed salaries.	\$ 1,305,671	
<b>49. Funding for Pamlico and Mt. View Prisons</b>		
Funding was provided to fully fund the operations of Pamlico and Mt. View prisons. DOC has partially funded these prisons from lapsed salaries since taking over operations from the private sector.	2,238,952	
<b>50. Funding for Inmate Medical Budget</b>		
Funding was provided to match actual requirements.	8,455,377	
<b>51. New Prisons</b>		
Funding was provided for three new 1,000 bed prisons scheduled to come on-line in 2002-03 and 2003-04. Funding for 2002-03 is as follows:		
Scotland \$6,380,939 410 positions		
Anson/Lanesboro \$ 497,900 58 positions		
Alexander \$ 235,691 8 positions		
Appropriation - Recurring	4,838,810	
Appropriation - Non-recurring	2,275,720	NR
Number of Positions	476.0	
<b>Recommended Recurring Expansion</b>	\$ 16,838,810	
<b>Recommended Nonrecurring Expansion</b>	\$ 2,275,720	NR
<b>Net Changes for the Department of Correction</b>		
Appropriation - Recurring	\$ (22,603,242)	
Appropriation - Nonrecurring	\$ (28,306,866)	
Number of Positions	(366.4)	
<b>Revised 2002-03 Certified Appropriation</b>		

NR – Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Continued**

**Department of Crime Control and Public Safety**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 28,493,506
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(713,318)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 27,780,188</u>

**Continuation Budget:**

		<u>2002-03</u>
<b>1. Administration</b>		
A vacant agency legal specialist position and a vacant public relations officer position were eliminated (114,589) and operating expenses were reduced (117,449).		\$ (232,038)
Number of Positions		(2.0)
<b>2. Boxing Commission</b>		
A vacant office assistant position was eliminated.		(35,683)
Number of Positions		(1.0)
<b>3. Boxing Commission Receipts</b>		
Budgeted receipts were increased to reflect actual collections.		(40,000)
<b>4. Highway Patrol Administrative Costs</b>		
The department's General Fund budget will be increased to reflect additional receipts from the Highway Patrol – Special Fund Code 24960. These receipts will support administrative costs associated with the operations of the Highway Patrol. The department will identify cost savings within the Highway Patrol to offset the transfer to the General Fund.		(1,100,000)
<b>5. Alcohol Law Enforcement</b>		
Eight vacant positions were eliminated (\$377,114) and operating expenses were reduced (\$485,942).		(863,056)
Number of Positions		(8.0)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Crime Control and Public Safety - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>6. Butner Public Safety</b> Operating expenses were reduced.	\$ (112,356)
<b>7. Civil Air Patrol</b> Operating expenses were reduced.	(14,783)
<b>8. Emergency Management</b> Four vacant positions (\$155,074) were eliminated and operating expenses were reduced (\$152,817). Number of Positions	(307,891) (4.0)
<b>9. Governor’s Crime Commission</b> Operating expenses were reduced.	(146,138)
<b>10. Roanoke-Chowan Drug Task Force</b> Funding for this program was eliminated.	(125,000)
<b>11. National Guard</b> Three vacant positions were eliminated (\$103,457) and operating expenses were reduced (\$435,922). Number of Positions	(539,379) (3.0)
<b>12. Tarheel Challenge Program</b> Funding was reduced by 10%. The National Guard will identify alternative funding sources to meet the 40% state match requirement.	(112,000)

**Post-Legislative Budget Summary, 2002-03  
General Fund – Crime Control and Public Safety - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>13. Victim’s Compensation</b>	
Salary reserve remaining from the transfer of the Community Service Work Program to the Department of Correction was eliminated (\$395,428) and operating expenses were reduced (89,566).	\$ (484,994)
Requirements	\$ (2,973,318)
Receipts	<u>1,140,000</u>
Appropriations	\$ (4,113,318)
 <b>Recommended Recurring Reductions</b>	 \$ (4,113,318)

**Expansion Budget:**

<b>14. National Guard – Tuition Assistance</b>	
Funding for tuition assistance was increased to help meet increased requests for assistance related to the economic downturn.	900,000
<b>15. Victim’s Compensation Fund</b>	
Funding was increased to help address the backlog of unpaid claims.	2,500,000
<b>16. Expand Amber Alert Program</b>	
Two receipt supported positions may be established by the Department to expand the Amber Alert Program, a cooperative program between local law enforcement agencies and local broadcasters to send an emergency alert for missing individuals, natural disasters and other emergencies.	
Number of Positions	2.0
 <b>Recommended Recurring Expansion</b>	 \$ 3,400,000
 <b>Net Changes for the Department of Crime Control and Public Safety</b>	
<b>Appropriation - Recurring</b>	\$ (713,318)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Judicial Department**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 305,465,135
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(10,828,966)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 294,636,169</u>

**Continuation Budget:**

		<u>2002-03</u>
<b>1. Salary Reserve</b>		
Accumulated salary reserve was reduced.		\$ (1,000,000)
<b>2. Court Reporter Position</b>		
One vacant court reporter position was eliminated. Up to \$45,000 of the funds made available by this reduction may be used to pilot a program of audio visual court reporting in District #13.		
Appropriation - Recurring		(50,593)
Appropriation - Nonrecurring		47,000 NR
Number of Positions		(1.0)
<b>3. Public Information Office</b>		
The Public Information Officer position was eliminated.		(57,709)
Number of Positions		(1.0)
<b>4. Information Technology</b>		
Three information technology positions were eliminated.		(250,742)
Number of Positions		(3.0)
<b>5. Guardian Ad Litem Program</b>		
One Regional Administrator position was eliminated.		(59,739)
Number of Positions		(1.0)
<b>6. Contractual Services</b>		
The contractual services budget was reduced.		(500,000)

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Judicial - Continued**

**Continuation Budget:**

		<u>2002-03</u>	
<b>7. Conference and Travel Expenses</b>			
	Travel expenses were reduced to reflect fewer conferences for court employees. Also, out-of-state travel was suspended for 2002-03.		
	Appropriation - Recurring	\$ (201,670)	
	Appropriation - Nonrecurring	(479,000)	NR
<b>8. Magistrate Positions</b>			
	Five magistrate positions will be eliminated January 1, 2003 in counties having the lowest workloads.		
	Appropriation - Recurring	(88,542)	
	Appropriation - Nonrecurring	(113,427)	NR
	Number of Positions	(5.0)	
<b>9. Appellate Courts</b>			
	Reductions were made by eliminating the use of emergency judges at the Court of Appeals, reducing library expenses, eliminating a vacant Editorial Assistant position, and eliminating any position authorized by G.S. 7A-12 as of January 1, 2003.		
	Number of Positions	(145,626)	
		(2.0)	
<b>10. Emergency Judge Pay</b>			
	Funds were reduced for emergency judge pay at the trial court level.	(300,000)	
<b>11. Dispute Settlement Centers</b>			
	Funding was reduced for all 27 programs by 16% for 2002-03.		
	Appropriation - Nonrecurring	(254,872)	NR
<b>12. Sentencing Commission</b>			
	A vacant Research and Policy Associate position was eliminated.	(56,713)	
	Number of Positions	(1.0)	
<b>13. Family Court Program</b>			
	Nonpersonnel expenses were reduced to reflect increased operating efficiencies.	(100,000)	

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Judicial - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>14. District Attorney Staff</b>	
Three Victim Witness Legal Assistant positions were eliminated, one in District #2 and two in District #24.	\$ (103,101)
Number of Positions	(3.0)
<b>15. Operating Expense Reduction</b>	
Operating expenses were reduced for software maintenance, rent, postage, registration fees, and funds used to match federal grants.	(678,141)
<b>16. District Court Arbitration Program</b>	
Expenditures for arbitration fees were reduced, eight full-time positions were reduced to .75 FTE, and one half-time position was eliminated.	(174,177)
Number of Positions	(2.5)
<b>17. Drug Treatment Court Program</b>	
Funding was reduced to reflect changes in the allocation of federal funds, greater use of outside resources, and administrative efficiencies. The Drug Treatment Court Administrator position was eliminated.	(300,000)
Number of Positions	(1.0)
<b>18. Transfer Sentencing Services Program</b>	
The Sentencing Services Program was transferred to the Office of Indigent Defense effective July 1, 2002.	(5,759,409)
Number of Positions	(33.5)
<b>19. Worthless Check Receipts</b>	
Worthless check receipts will be budgeted to the 2001-02 level of collections.	(175,000)
<b>20. Worthless Check Program Fee Increase</b>	
Additional receipts resulting from a fee increase from \$50 to \$60 for participation in the worthless check program, effective September 1, 2002, will be budgeted.	(89,373)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Judicial - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>21. Telephone and Network Cabling</b>		
Previously approved funding for cabling in a new New Hanover County courthouse was removed from the budget. The county will assume responsibility for the telephone/network systems.		
Appropriation - Nonrecurring	\$ (100,000)	NR
<b>22. Judicial Assistant Position</b>		
A Superior Court Judicial Assistant position was eliminated effective August 1, 2002.	(38,132)	
Number of Positions	(1.0)	
Requirements	\$ 9,864,294	
Receipts	<u>264,373</u>	
Appropriation - Recurring	\$ 10,128,667	
Appropriation - Nonrecurring	\$ (700,299)	NR
<b>Recommended Recurring Reductions</b>	\$ 10,128,667	
<b>Recommended Nonrecurring Reductions</b>	\$ (700,299)	

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Continued**

**The Judicial Department – Indigent Defense**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 68,867,771
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>8,419,130</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 77,286,901</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>1. Public Defender Staff</b>	
One Assistant Public Defender position was eliminated in District #12 office, which ranks lowest in the state in cases per attorney.	\$ (74,227)
Number of Positions	(1.0)
<b>Recommended Recurring Reductions</b>	<b>\$ (74,227)</b>

**Expansion Budget:**

<b>2. Transfer of Sentencing Services Program</b>	
The Sentencing Services Program was transferred to the Office of Indigent Defense, effective July 1, 2002. Funding for the program was reduced by 33% to narrow the focus of the program and reflect more efficient administration.	3,543,357
Number of Positions	26.0
<b>3. Mecklenburg Public Defender Office</b>	
The Office of Indigent Defense will use existing funds to create up to 10 attorney positions and 5 other positions in the Mecklenburg Public Defender Office, effective October 1, 2002. The expansion of the Mecklenburg office is expected to yield \$143,000 in savings in 2002-03.	
Number of Positions	15.0

**Post-Legislative Budget Summary, 2002-03  
General Fund - Indigent Defense - Continued**

**Expansion:**

	<u>2002-03</u>	
<b>4. Funding for Assigned Counsel</b>		
Funding to provide counsel for indigent defendants was increased to help eliminate a \$6.7 million balance of unpaid attorney fees at the end of 2001-02.		
Appropriation - Recurring	\$ 525,000	
Appropriation - Nonrecurring	4,950,000	NR
<b>5. Appointment Fee</b>		
The receipts from a new appointment fee, effective December 1, 2002, will be budgeted to offset the additional recurring appropriation to provide assigned counsel for indigent defendants.	(525,000)	
<b>6. Forsyth County Public Defender Office</b>		
The Office of Indigent Defense will use up to \$1,225,000 in existing funds to establish a public defender office in Forsyth County, effective September 1, 2002. Up to 21 positions, including a Public Defender position, will be created. The creation of this office is expected to yield \$72,000 in savings in 2002-03.		
Number of Positions	21.0	
Requirements	\$ 4,068,357	
Receipts	<u>(525,000)</u>	
Appropriation - Recurring	\$ 3,543,357	
Appropriation - Nonrecurring	\$ 4,950,000	NR
<b>Recommended Recurring Expansion</b>	\$ 3,543,357	
<b>Recommended Nonrecurring Expansion</b>	\$ 4,950,000	NR
<b>Net Changes for the Judicial Department - Indigent Defense*</b>		
Appropriation – Recurring	\$ 3,469,130	
Appropriation – Nonrecurring	\$ 4,950,000	

NR - Nonrecurring

**General Fund - Continued**

**Department of Justice**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 73,785,584
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(2,847,391)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 70,938,193</u>

**Continuation Budget:**

		<u>2002-03</u>
<b>1. Temporary Services</b>		
Funds used to provide temporary services were reduced on a one-time basis.		
Appropriation – Nonrecurring	\$	(200,415) NR
<b>2. DARE Program</b>		
Funding for the Drug and Alcohol Resistance Education Program was reduced including the elimination of three positions. Remaining funds may be provided to the NC Dare Foundation to purchase and distribute educational materials and to support local law enforcement anti-drug initiatives.		(150,286)
Number of Positions		(3.0)
<b>3. Laboratory Drug/Alcohol Analyses</b>		
Effective October 1, 2002, restitution payments to the SBI Crime Laboratory for drug analyses were increased and a new restitution charge for alcohol related analyses was added.		(500,000)
<b>4. Background Checks</b>		
The exemption of background check fees for prospective lawyers was eliminated.		(14,000)
<b>5. SBI Uniform Allowance</b>		
Funding for uniform allowances was reduced on a one-time basis.		
Appropriation – Nonrecurring		(117,200) NR

NR – Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund – Justice - Continued**

**Continuation Budget:**

		<u>2002-03</u>	
<b>6.</b>	<b>SBI Training Academy</b>		
	Funding for training was reduced on a one-time basis.		
	Appropriation – Nonrecurring	\$ (50,000)	NR
<b>7.</b>	<b>Reduction in Force</b>		
	Positions were eliminated in Legal Services, Criminal Training and Standard, and the SBI.	(479,305)	
	Number of Positions	(12.0)	
<b>8.</b>	<b>Vehicle Replacement</b>		
	Funding of replacement vehicles was reduced for one year.		
	Appropriation – Nonrecurring	(500,000)	NR
<b>9.</b>	<b>OIG Funds</b>		
	The Office of Inspector General was abolished in January, 2002. The remaining General Fund appropriation for OIG was eliminated.	(42,895)	
<b>10.</b>	<b>LEXIS Contract</b>		
	Funding was reduced to reflect savings from the reduction in the LEXIS contract.	(100,000)	
<b>11.</b>	<b>Reduce Operating Expense</b>		
	Operating expenses for supplies and equipment were reduced on a one-time basis.		
	Appropriation – Nonrecurring	(523,500)	NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund – Justice - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>12. Abolish Vacant Positions</b>		
Four vacant positions were eliminated.	\$ (169,790)	
Number of Positions	(4.0)	
Requirements	\$ (1,442,276)	
Receipts	<u>14,000</u>	
Appropriation – Recurring	\$ (1,456,276)	
Appropriation - Nonrecurring	\$ (1,391,115)	NR
<b>Recommended Recurring Reductions</b>	\$ (1,456,276)	
<b>Recommended Nonrecurring Reductions</b>	\$ (1,391,115)	NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Juvenile Justice and Delinquency Prevention**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 142,342,056
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(13,357,423)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 128,984,633</u>

**Continuation Budget:**

		<u>2002-03</u>
<b>1. Non-Salary Line Item Reduction</b>		
This is a department-wide reduction of non-salary line items.	\$	(200,000) NR
<b>2. Central Administration Budget Reduction</b>		
The General Assembly reduced the Department's Central Office budget by 11%. Three vacant positions were eliminated and operating expenses reduced. The position reductions total \$227,184 while Non-Salary reductions are:		
Travel and Supplies	\$122,987	
Indirect Costs from Federal Grants	\$101,788	
Rent	\$100,000	
SOS Program Non-Salary Line Items	\$ 36,383	
Governor's One on One Non-Salary Items	\$ 29,900	
Prior Year Refunds from JCPC's	\$298,078	(916,320)
Number of Positions		(3.0)
<b>3. Eliminate Vacant Special Assistant Position</b>		
This position can be eliminated because the duties have been combined with another position.		(83,684)
Number of Positions		(1.0)
<b>4. Juvenile Court Counselor Budget Reduction</b>		
The General Assembly reduced the continuation budget for Juvenile Court Counselors. Of this amount, \$200,000 will be taken from the Travel/Other Employee Expenses line item. Five vacant positions are eliminated.		
		(407,000)

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Juvenile Justice and Delinquency Prevention - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>5. Project Challenge</b>		
The department will reduce the funding of this program by twenty percent (20%).	\$ (30,000)	NR
<b>6. Multipurpose Group Home Closings</b>		
The Governor recommended and the General Assembly enacted the closing of three multipurpose group homes located in Macon, Randolph and Cabarrus Counties.	(1,500,000)	
<b>7. Juvenile Crime Prevention Council (JCPC) Grants</b>		
The General Assembly reduced the allocations for the Juvenile Crime Prevention Councils. For FY 2002-03, DJJDP shall allocate \$488,660 to JCPCs in those counties which received a direct state appropriation for a teen court program in FY 2001-02, as specified below. DJJDP shall instruct the county JCPCs to provide funds to their county teen court program in the amount specified:		
Bladen County	\$30,000	
Brunswick County	\$40,000	
Buncombe County	\$25,000	
Cabarrus County	\$14,330	
Chatham County	\$25,000	
Cumberland County	\$30,000	
Davidson County	\$30,000	
Duplin County	\$20,000	
Durham County	\$70,000	
Forsyth County	\$14,330	
Guilford County	\$20,000	
Jones County	\$30,000	
New Hanover County	\$30,000	
Onslow County	\$20,000	
Orange County	\$40,000	
Rockingham County	\$25,000	
Wake County	\$25,000	
		(689,665)
<b>8. Teen Court Funding</b>		
The General Assembly eliminated all dedicated state funding for this program. Those counties wishing to retain a teen court program are directed to provide funding from their JCPC allocation or alternative funding sources.		
		(488,660)
NR-Nonrecurring		

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Juvenile Justice and Delinquency Prevention - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>9. Governor's One-on-One</b>		
The Department will reduce the operating budget by ten percent (10%).	\$ (117,811)	NR
<b>10. Communities in Schools (CIS)</b>		
The General Assembly has enacted a reduction in this program's budget that will be taken from the central headquarter's budget.	(102,500)	
<b>11. Eliminate Vacant Program Coordinator Position</b>		
A Community Based Alternative Program Coordinator position is vacant and was eliminated by the General Assembly.	(50,132)	
Number of Positions	(1.0)	
<b>12. Samarkand Manor Youth Development Center Conversion</b>		
The Governor recommended and the General Assembly enacted the conversion of the Samarkand Manor Youth Development Center (YDC) to a female facility. This conversion will eliminate 128 juvenile offender beds and 154 positions at the Center. Up to 73 beds will remain available for female offenders. The Center is being reduced in size because of the high cost of operations, the extent of renovation and repair needs, and to begin carrying out the intent of the Juvenile Justice Act to downsize and eventually eliminate training schools (YDCs).	(6,860,236)	
Number of Positions	(154.0)	
<b>13. Umstead Detention Center Closing</b>		
The Governor recommended and the General Assembly enacted the closing of the Umstead Detention Center. The bed capacity of the facility will be re-established at the Dillon Youth Development Center (YDC). This action will result in the loss of 22 YDC beds. This reduction will eliminate 24 vacant positions.	(1,082,608)	
Number of Positions	(24.0)	
<b>14. Medical Budget Reduction</b>		
The medical services budget for juveniles in FY 2001-2002 exceeded expenditures. As a result of this and the downsizing of facilities, the General Assembly enacted a reduction.	(100,000)	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Juvenile Justice and Delinquency Prevention - Continued**

**Continuation Budget:**

	<b>2002-03</b>
<b>15. Detention Center Receipt Increase</b>	
The State and County each pay 50% of the cost of a detention center bed. The rate charged to counties was not changed in FY 2001-2002 to reflect actual State costs. This adjustment will increase receipts allowing a reduction in State funds.	
Requirements	\$ -
Receipts	600,000
Appropriation	\$ (600,000)
<b>16. Food Service Receipt Increase</b>	
Detention Centers are eligible to receive federal funds to help pay for meals for youthful offenders. These receipts will allow for a reduction in State funds. There will be a receipt-supported position created to manage the program.	
Requirements	\$ -
Receipts	350,000
Appropriation	\$ (350,000)
Number of Positions	1.0
<b>17. Eliminate Vacant Detention Center Positions</b>	
The General Assembly eliminated vacant positions at two detention centers. 2.5 positions are from the Alexander Detention Center, a Maintenance Mechanic III, a Youth Program Assistant and a part-time Nurse (.5). The other position is from the Richmond Detention Center, an Administrative Assistant V. These positions were originally recommended for reduction by the Department in order to meet the original reduction at Samarkand Manor YDC.	
Number of Positions	(126,618) (3.5)
Requirements	\$ (12,407,423)
Receipts	950,000
Appropriation	\$ (13,357,423)
<b>Recommended Recurring Reductions</b>	\$ (13,357,423)
<b>Recommended Nonrecurring Reductions</b>	\$ (347,811)

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
 General Fund - Juvenile Justice and Delinquency Prevention - Continued**

**Expansion Budget:**

	<u>2002-03</u>	
<b>1. Buncombe Detention Center Repairs</b>		
The General Assembly authorized DJJDP to carry out basic repairs and renovations in order to keep Buncombe Detention Center operational.	\$ 135,850	NR
<b>Recommended Nonrecurring Expansion</b>	\$ 135,850	NR
<b>Net Changes for the Department of Juvenile Justice and Delinquency Prevention</b>		
<b>Appropriation - Recurring</b>	\$ (13,357,423)	
<b>Appropriation - Nonrecurring</b>	(211,961)	
<b>Number of Positions</b>	(190.5)	
<b>Revised 2002-03 Certified Appropriation</b>	\$ 128,984,633	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Agriculture and Consumer Services**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 55,268,040
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(4,822,458)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 50,445,582</u>

**Continuation Budget:**

<b>Administration/Public Affairs</b>	<b><u>2002-03</u></b>
<b>1. Administration</b>	
One vacant Deputy Commissioner position in Administration was eliminated.	\$ (85,871)
Number of Positions	(1.00)
<b>2. Human Resources</b>	
A vacant Processing Assistant III position in Human Resources was eliminated.	(28,420)
Number of Positions	(1.00)
<b>3. Budget and Finance Section</b>	
One vacant Accounting Clerk IV position in the Budget and Finance Section was eliminated.	(37,674)
Number of Positions	(1.00)
<b>4. Operating Support Reduction</b>	
Computer equipment and travel budget line items were reduced.	(36,000)
<b>5. Public Affairs</b>	
Postage, printing and binding budget line items in Public Affairs were reduced.	(50,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>6. Reserve Reduction</b>		
The reserve for the gas and natural gas budget line item was reduced.	\$ (85,143)	
<b>7. Equipment Reduction</b>		
The reserve for the laboratory equipment budget line item was reduced.	(100,000)	
<b>8. Educational Funds Elimination</b>		
Funds used to educate the public on turf grass research were eliminated.	(100,000)	
<b>9. Ag in the Classroom</b>		
Funding for the Ag in the Classroom Program was reduced.	(32,750)	
<b>10. Transfer Capital Funds to Operating Budget</b>		
The unexpended balance of capital appropriations for the swine facility at Cherry Research Farm was transferred to the operating budget as a partial offset to the appropriations for the Farmland Preservation Trust Fund.	(148,729)	NR

**Agriculture Finance Authority**

<b>11. General Fund Appropriations Elimination</b>		
Funding for the Director's position was changed from appropriations to receipts. This action made the Agricultural Finance Authority entirely receipts supported.	(104,595)	
Number of Positions	(1.00)	

**Agricultural Statistics**

<b>12. Vacant Position Elimination</b>		
A vacant Statistician I position was eliminated.	(40,495)	
Number of Positions	(1.00)	
<b>13. Filled Position Elimination</b>		
A filled Data Entry Operator II position was eliminated.	(29,335)	
Number of Positions	(1.00)	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund- Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>14. Receipts Support Position</b>	
The funding for one filled Lithographic Press Operator position was changed from appropriation to NC State Fair receipts.	\$ (34,740)
Number of Positions	(1.00)
<b>15. Operating Support Reduction</b>	
The temporary wages and travel operating budget line items were reduced.	(46,500)
<b>Agronomic Services</b>	
<b>16. Vacant Position Eliminations</b>	
A vacant Processing Assistant III position and a vacant Nematology Technician position were eliminated.	(59,296)
Number of Positions	(2.00)
<b>17. Operating Support Reduction</b>	
The travel budget line item was reduced.	(5,000)
<b>Aquaculture</b>	
<b>18. Vacant Position Elimination</b>	
A vacant Administrative Secretary position was eliminated.	(39,184)
Number of Positions	(1.00)
<b>19. Filled Position Elimination</b>	
A filled Office Assistant IV position was eliminated.	(30,491)
Number of Positions	(1.00)
<b>20. Operating Support Reduction</b>	
The travel budget line item was reduced.	(1,000)
<b>Emergency Programs</b>	
<b>21. Vacant Position Elimination</b>	
A vacant Administrative Officer II position was eliminated.	(42,744)
Number of Positions	(1.00)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

		<u>2002-03</u>
<b>Food and Drug Protection</b>		
<b>22. Vacant Position Elimination</b>		
A vacant Processing Assistant III position in the Analytical Administration Section was eliminated.	\$	(30,572)
Number of Positions		(1.00)
<b>23. Vacant Position Eliminations</b>		
Two vacant Chemistry Technician II positions in the Commercial Fertilizer Section were eliminated.		(67,298)
Number of Positions		(2.00)
<b>24. Vacant Position Eliminations</b>		
Four vacant positions in the Pesticide Section were eliminated.		(229,239)
Number of Positions		(4.00)
<b>25. Filled Position Eliminations</b>		
One filled Processing Assistant III position and one filled Pesticide Specialist I position in the Pesticide Section were eliminated.		(79,341)
Number of Positions		(2.00)
<b>26. Operating Support Reduction</b>		
Funds used to collect outdated and unused pesticides for proper disposal were reduced.		(10,500)
<b>27. Operating Support Reduction</b>		
Funds used for waste removal and recycling and for postage and printing was reduced.		(61,772)
<b>28. Operating Support Reduction</b>		
The travel and equipment/vehicles budget line items were reduced.		(26,000)
<b>29. Vacant Position Eliminations</b>		
Three vacant positions in the Food and Drug Protection Section were eliminated.		(89,762)
Number of Positions		(3.00)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Food Distribution</b>	
<b>30. Shift Position to Receipts Support</b>	
Funding for a Storeroom Manager position was transferred from appropriation to receipts supported.	\$ (35,120)
Number of Positions	(1.00)
<b>31. Operating Support Reduction</b>	
The travel budget line item was reduced.	(3,000)
<b>Marketing</b>	
<b>32. General Fund Appropriation Elimination</b>	
The General Fund appropriation to the Raleigh Farmers Market was eliminated, and the market was made entirely receipts supported.	(40,343)
<b>33. General Fund Appropriation Elimination</b>	
The General Fund appropriation to the Western North Carolina Development Association was eliminated.	(70,000)
<b>34. Vacant Position Eliminations</b>	
Six vacant positions within the Marketing Division were eliminated.	(213,339)
Number of Positions	(6.00)
<b>35. Close Field Offices</b>	
The Kinston and Roseboro field offices were closed. The associated operating budgets were reduced and staff relocated to other offices.	(34,615)
<b>36. Filled Position Elimination</b>	
A filled Office Assistant position in the Roseboro field office was eliminated.	(35,050)
	(1.00)
<b>37. Filled Position Eliminations</b>	
Four filled positions at the Lumberton Farmers Market were eliminated.	(104,259)
Number of Positions	(4.00)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

		<u>2002-03</u>	
<b>38. Operating Support Reduction</b>	The operating support for the Seafood Marketing Program was reduced.		
	Appropriation - Recurring	\$ (45,000)	
	Appropriation - Nonrecurring	(55,000)	NR
<b>39. Operating Support Reduction</b>	Various operating budget line items across the division were reduced.		
	Appropriation - Recurring	(157,902)	
	Appropriation - Nonrecurring	(23,000)	NR
<b>40. General Fund Appropriation Elimination</b>	The General Fund appropriation to the Western Agricultural Center was eliminated. These funds were replaced with a transfer of receipts from the NC Mountain State Fair.		
		(184,909)	
<b>Plant Industry</b>			
<b>41. Vacant Position Elimination</b>	A vacant Fertilizer Administrator position and a vacant Agricultural Research Technician position in the Commercial Fertilizer Section were eliminated.		
	Number of Positions	(97,793)	
		(2.00)	
<b>42. Operating Support Reduction</b>	The temporary wages and travel budget line items in the Commercial Fertilizer Section were reduced.		
		(17,000)	
<b>43. Vacant Position Elimination</b>	A vacant Plant Pest Specialist position in the Plant Protection Section was eliminated.		
	Number of Positions	(41,234)	
		(1.00)	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>44. Operating Support Elimination</b>	
The operating support for the Fire Ant Protection Program in the Commercial Fertilizer Section was eliminated.	\$ (60,000)
<b>45. Operating Support Reduction</b>	
The operating support for the Commercial Fertilizer Section was reduced. The North Carolina Boll Weevil Foundation will make a onetime donation to offset the nonrecurring reduction.	(50,000) NR
<b>46. Filled Position Elimination</b>	
A filled Laboratory Technician position in the Seed Testing Section was eliminated.	(26,104)
Number of Positions	(1.00)
<b>47. Operating Support Reduction</b>	
The temporary wages and travel budget line items in the Seed Testing Section were reduced.	(6,500)
<b>Poultry Grading and Regulatory</b>	
<b>48. Filled Position Eliminations</b>	
Two filled Agricultural Commodity Inspector positions were eliminated.	(73,819)
Number of Positions	(2.00)
<b>49. Vacant Position Elimination</b>	
A vacant Assistant Director for Agricultural Marketing position was eliminated.	(80,021)
Number of Positions	(1.00)

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>50. Operating Support Reduction</b>	
The travel budget line item was reduced.	\$ (5,000)
 <b>Property and Construction</b>	
<b>51. Shift Position to Receipt Support</b>	
The source of funding for one filled Construction and Renovation Design Technician position was changed from appropriation to North Carolina State Fair receipts.	(60,390)
Number of Positions	(1.00)
 <b>Research Stations</b>	
<b>52. Vacant Position Eliminations</b>	
Twelve vacant positions in the research stations were eliminated.	(393,817)
Number of Positions	(12.00)
<b>53. Operating Support Reduction</b>	
Various operating line items in the research stations' budget, such as equipment, supplies, and telephone, were reduced.	(556,000)
<b>54. Vacant Position Eliminations</b>	
Four vacant positions in the research farms' budget were eliminated.	(108,171)
Number of Positions	(4.00)
<b>55. Operating Support Reduction</b>	
Various operating line items in the research farms' budget, such as repairs, supplies, equipment, and telephone were eliminated.	(373,455)
<b>56. Operating Support Elimination</b>	
The operating support for the North Carolina Official Variety tests was eliminated for 2002-03.	(25,000) NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>Standards</b>		
<b>57. Vacant Position Eliminations</b>		
Two vacant Long Distance Truck Driver positions in the Weights and Measures Inspection Section were eliminated.	\$ (75,078)	
Number of Positions	(2.00)	
<b>58. Operating Support Reduction</b>		
The equipment/vehicles and travel budget line items were reduced.	(17,000)	
<b>Veterinary Services</b>		
<b>59. Vacant Position Eliminations</b>		
Five vacant positions in the Veterinary Services Section were eliminated.	(157,103)	
Number of Positions	(5.00)	
<b>60. Vacant Position Elimination</b>		
A vacant Meat and Poultry Inspector position was eliminated. This position was cost-shared fifty/fifty with the federal government.	(21,995)	
Number of Positions	(0.50)	
<b>61. Operating Support Reduction</b>		
Various operating budget line items were reduced for 2002-03 in the Meat and Poultry Inspections Section.	(42,990)	NR
<b>Recommended Recurring Reductions</b>	\$ (4,677,739)	
<b>Recommended Nonrecurring Reductions</b>	\$ (344,719)	NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Agriculture and Consumer Services - Continued**

**Expansion Budget:**

	<u><b>2002-03</b></u>	
<b>62. Farmland Preservation Trust Fund</b>		
Nonrecurring funds were provided for the Farmland Preservation Trust Fund for fiscal year 2002-03.	\$ 200,000	NR
<b>Recommended Nonrecurring Expansion</b>	\$ 200,000	NR
<b>Net Changes for the Department of Agriculture and Consumer Services</b>		
<b>Appropriation - Recurring</b>	\$ (4,677,739)	
<b>Appropriation - Nonrecurring Positions</b>	\$ (144,719) (67.50)	
<b>Revised 2002-03 Certified Appropriation</b>	\$ 50,445,582	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Commerce**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 44,280,374
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>10,350,110</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 33,930,264</u>

**Continuation Budget:**

**Administration**

	<u>2002-03</u>	
<b>1. Operating Budget Reduction</b>		
Various operating budget line items were reduced.	\$ (40,706)	
<b>2. Operating Support Reduction</b>		
The audit services budget line item was eliminated.	(98,000)	
<b>3. Operating Budget Reduction</b>		
Various operating budget line items were reduced.	(121,489)	
<b>4. Sale of Bell Helicopter</b>		
Receipts from the sale of a Bell 206 helicopter were budgeted, and the General Fund appropriation was reduced on a one-time basis by an equal amount.		
Requirements	\$ -	
Receipts	<u>700,000</u>	
Appropriation	\$ (700,000)	NR

**Business and Industry**

<b>5. Vacant Position Elimination</b>		
A vacant Administrative Assistant IV position was eliminated.	(43,416)	
Number of Positions	(1.00)	
<b>6. Global TransPark Authority Transfer Elimination</b>		
The transfer to Global TransPark Authority for marketing was eliminated.	(172,036)	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Commerce - Continued**

**Continuation Budget:**

**Commerce Finance Center**

	<b><u>2002-03</u></b>
<b>7. Vacant Position Elimination</b>	
A vacant Industrial Finance Specialist II position was eliminated.	\$ (53,384)
Number of Positions	(1.00)
<b>8. Operating Support Reduction</b>	
Various budget line items were reduced.	(18,999)
<b>9. Industrial Development Revolving Fund Reduction</b>	
The allocation for this fund was reduced.	(1,380,528)

**Commission on Workforce Preparedness**

<b>10. Funding Source Change for Positions</b>	
Funding for 1.16 positions was changed to receipts supported and \$4,074 in operating support was eliminated. The commission was made completely receipts-supported.	
Requirements	\$ -
Receipts	89,687
Appropriation	\$ (89,687)
Number of Positions	(1.16)

**Community Assistance**

<b>11. Vacant Position Elimination</b>	
A vacant Drafting Technician II position was eliminated.	(42,318)
Number of Positions	(1.00)
<b>12. Funding Source Change for Positions</b>	
Funding for 1.5 positions was changed to receipts supported. These positions are funded from the federal Community Development Block Grant.	
Requirements	\$ -
Receipts	53,168
Appropriation	\$ (53,168)
Number of Positions	(1.50)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Commerce - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>13. Office Rent Reduction</b>	
The office rent budget was reduced as a result of closing the Kinston and Salisbury offices.	\$ (23,120)
<b>14. Reduction in Transfer to Councils of Government</b>	
The transfer to Councils of Government (COGs) was reduced by 11%.	(102,850)
<b>Industrial Commission</b>	
<b>15. Over-Realized Receipts</b>	
Over-realized receipts from hearing and compromised settlement agreement fees were budgeted and the General Fund appropriation was reduced by an equal amount.	
Requirements	\$ -
Receipts	<u>327,844</u>
Appropriation	\$ (327,844)
<b>16. Funding Source Change for Positions</b>	
Funding for 6.43 positions was changed from appropriation to receipts supported.	
Requirements	\$ -
Receipts	<u>261,204</u>
Appropriation	\$ (261,204)
Number of Positions	(6.43)
<b>International Trade</b>	
<b>17. Vacant Positions Elimination</b>	
Funding for 2.82 vacant positions was eliminated.	(110,103)
Number of Positions	(2.82)
<b>18. Filled Positions Elimination</b>	
A filled Processing Assistant II position was eliminated.	(25,156)
Number of Positions	(1.00)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Commerce - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>19. Vacant Position Elimination</b>	
A vacant Office Assistant IV position was eliminated.	\$ (28,346)
Number of Positions	(1.00)
<b>20. Operating Support Reduction</b>	
Various operating budget line items were reduced.	(200,000)
<b>Management Information Systems</b>	
<b>21. Filled Position Elimination</b>	
A filled Telecommunications Equipment Technician I position was eliminated.	(45,695)
Number of Positions	(1.00)
<b>22. Operating Support Reduction</b>	
Operating budget line items were reduced.	(44,651)
<b>Policy and Research</b>	
<b>23. Operating Support Reduction</b>	
Operating budget line items were reduced.	(45,663)
<b>Reserves and Transfers</b>	
<b>24. Regional Economic Development Commissions (REDC)</b>	
Funding for the Regional Economic Development Commissions was moved from budget code 14600 to 14601 – Commerce - State Aid.	(6,425,000)
<b>Science and Technology</b>	
<b>25. Filled Position Elimination</b>	
A filled Education Consultant position was eliminated.	(66,626)
Number of Positions	(1.00)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Commerce - Continued**

**Continuation Budget:**

	<u>2002-03</u>	
<b>Tourism, Film and Sports Development</b>		
<b>26. Operating Support Reduction</b>		
Various operating budget line items were reduced.	\$ (169,680)	
<b>27. Vacant Position Elimination</b>		
A vacant Program Development Coordinator position, the last position in the Office of Sports Development was eliminated. Sports development activities were absorbed into the division's overall activities.	(60,441)	
Number of Positions	(1.00)	
<b>28. Advertising Reserve Elimination</b>		
The advertising reserve budget was eliminated.	(50,000)	
<b>29. Operating Support Reduction</b>		
Various operating budget lines for the Welcome Centers were reduced.	(50,000)	

**Expansion Budget:**

<b>Tourism, Film and Sports Development</b>		
<b>30. Film Recruitment</b>		
Funds were provided for the film industry development account, which provides grants as incentives to film and television production companies.	500,000	NR
 <b>Net Change for the Department of Commerce</b>		
<b>Appropriation - Recurring</b>	\$ (10,150,110)	
<b>Appropriation - Nonrecurring</b>	\$ (200,000)	NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Commerce - Continued**

**Department of Commerce – State Aid**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 16,561,217
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>4,034,102</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 20,595,319</u>

**Continuation Budget:**

<b>State Aid</b>		<b><u>2002-03</u></b>
<b>Grants-in-Aid</b>		
<b>1. Coalition of Farm and Rural Families</b>		
The General Fund appropriation for the Coalition of Farm and Rural Families was eliminated.	\$	(250,000)
<b>2. Land Loss Prevention Project</b>		
The General Fund appropriation for the Land Loss Prevention Project was reduced by 10%.		(45,000)
<b>3. Institute of Minority Economic Development</b>		
The General Fund appropriation for the Institute of Minority Economic Development was reduced by 10%.		(150,000)
<b>4. Minority Support Center</b>		
The General Fund appropriation for the Minority Support Center was reduced by 10%.		(60,000)
<b>5. NC Community Development Initiative</b>		
The General Fund appropriation for the NC Community Development Initiative was reduced by 10%.		(200,000)
<b>6. NC Association of Community Development Corporations (CDCs)</b>		
The General Fund appropriation for the NC Association of CDCs was reduced by 10%.		(40,000)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Commerce - Continued**

**Continuation Budget:**

**Regional Economic Development Commissions**

**2002-03**

**7. REDC Funds Transfer**

A transfer of \$6,425,000 was made from budget code 14600 to 14601 - Commerce - State Aid and an \$85,000 reduction was made to each Regional Economic Development Commission.

\$ 5,830,000

**North Carolina Biotechnology Center**

**Business and Technology Development**

**8. Revolving Loan Program Reduction**

The allocation for the Small Business Revolving Loan Fund was reduced.

(300,000)

**Corporate Affairs**

**9. Position Changed to Non-State Funding**

Funding for one position was moved from appropriations to non-state sources.

(42,526)

Number of Positions

(1.00)

**General and Administrative**

**10. Expenses Changed to Non-State Funding**

Funding for facility operations was moved from appropriations to non-state sources.

(34,521)

**Historically Minority Universities (HMU) Biotechnology Initiative**

**11. Restricted Fund Balance Elimination**

The unexpended balance of restricted funds was transferred from the HMU Biotechnology Initiative to the Biotechnology Center's general operating budget and the General Fund appropriation was reduced by an equal amount. This action ended the Biotechnology Center's financial relationship with the HMU Initiative, which was transferred to the university system in FY 2001-02.

(250,000) NR

**Post-Legislative Budget Summary, 2002-03  
General Fund - Commerce - Continued**

**Continuation Budget:**

**Rural Economic Development Center**

**2002-03**

**Grant Programs**

- |  |   |              |
|--|---|--------------|
| <b>12. Supplemental Program Funding Reduction</b>                    | Funding for Water, Sewer and Business Development Grants was reduced. | \$ (280,251) |
| <b>13. Research and Demonstration Grants Reduction</b>               | Funding for Research and Demonstration grants was reduced.            | (44,000)     |
| <b>14. Community Development Corporations(CDC) Program Reduction</b> | Funding for grants to CDC's was reduced.                              | (56,200)     |

**Microenterprise Loan Program**

- |                                    |  |          |
|------------------------------------|--|----------|
| <b>15. Local Support Reduction</b> | Funding for local support was reduced. | (23,400) |
|------------------------------------|--|----------|

**Opportunities Industrialization Centers**

- |  |  |          |
|--|--|----------|
| <b>16. Operating Support Reduction</b> | The operating support for Opportunities Industrialization Centers was reduced. | (20,000) |
|--|--|----------|

**Net Change for the Department of Commerce – State Aid**

- |                                     |              |    |
|-------------------------------------|--------------|----|
| <b>Appropriation - Recurring</b>    | \$ 4,284,102 |    |
| <b>Appropriation - Nonrecurring</b> | \$ (250,000) | NR |

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Environment and Natural Resources**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 158,722,700
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(9,904,113)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 148,818,587</u>

**Continuation Budget:**

		<u>2002-03</u>
<b>Administration</b>		
<b>1. Vacant Position Eliminations</b>		
Six and one-fourth vacant positions in Administrative Services were eliminated.	\$	(280,201)
Number of positions		(6.25)
<b>2. Filled Position Elimination</b>		
A filled Environmental Supervisor III position in the Human Resources Office was eliminated.		(88,968)
Number of positions		(1.00)
<b>Aquariums</b>		
<b>3. Vacant Position Eliminations</b>		
Four vacant positions in the division were eliminated.		(160,568)
Number of positions		(4.00)
<b>4. Operating Support Reduction</b>		
The operating support was reduced in various budget line items in the division's budget.		(391,178)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

		<u>2002-03</u>
<b>Environmental Education</b>		
<b>5. Operating Funds Reduction</b>		
The operating support was reduced in various operating line items in the Office of Environmental Education.	\$	(14,601)
<b>Forest Resources</b>		
<b>6. Vacant Position Eliminations</b>		
Five vacant positions in the Forestry Resources field offices were eliminated.		(227,572)
Number of Positions		(5.00)
<b>7. Change in Position Funding Source</b>		
The source of funding for a vacant Forester II position was changed from appropriation to receipts supported.		(44,220)
Number of positions		(1.00)
<b>8. Operating Support Reduction</b>		
The operating support was reduced in the Forestry field offices for seasonal wages, overtime, equipment/vehicles, and other.		(1,347,448)
<b>9. Contract Reduction</b>		
Funding was reduced for a CL-215 aircraft contract.		(150,000)
<b>10. BRIDGE Program Reduction</b>		
Funding was reduced for seasonal and overtime wages in the BRIDGE Program.		(33,158)
<b>11. Change in Position Funding Source</b>		
The source of funding for a vacant Forestry Technician position was changed from appropriation to receipts supported in the Tree Improvement Program.		(52,044)
Number of positions		(1.00)
<b>12. Seasonal and Overtime Wages Reduction</b>		
Funding was reduced for seasonal and overtime wages in the Tree Improvement Program.		(10,499)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Marine Fisheries</b>	
<b>13. Operating Support Reduction</b> The source of funding for various operating budget line items in administration was reduced.	\$ (84,685)
<b>14. Vacant Position Eliminations</b> Three vacant positions in the division were eliminated. Number of Positions	(109,528) (3.00)
<b>15. Change in Position Funding Source</b> Funding for one Marine Fisheries Biological Supervisor position was changed from appropriation to receipts supported. Number of Positions	(46,624) (1.00)
<b>16. Operating Support Reduction</b> The funding for various operating budget line items for marine Research was reduced.	(284,152)
<b>17. Operating Support Reduction</b> The funding for various operating budget line items for the Marine Patrol Section was reduced.	(90,432)
<b>18. Change in Position Funding Source</b> The source of funding for two positions was changed from appropriation to receipts supported in the Marine Patrol Section. Number of Positions	(101,902) (2.00)
<b>Museum of Natural Sciences</b>	
<b>19. Vacant Position Eliminations</b> Six vacant positions in the Museum of Natural Sciences were eliminated. Number of Positions	(190,096) (6.00)
<b>20. Grassroots Science Museums Reduction</b> Funding for the Grassroots Science Museums was reduced by 10.2%.	(318,240)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

		<u>2002-03</u>
<b>Parks and Recreation</b>		
<b>21. Vacant Position Eliminations</b>		
A vacant Maintenance Mechanic I position at Lake James State Park and a vacant Park Superintendent I position at Falls Lake State Park were eliminated.		\$ (71,007)
Number of Positions		(2.00)
<b>22. Filled Position Eliminations</b>		
Seven filled positions were eliminated in the following state parks: Waynesborough, Weymouth Woods, Jordan Lake, Jockey's Ridge, Kerr Lake, Medoc Mountain, and Pettigrew.		(219,579)
Number of Positions		(7.00)
<b>23. Filled Position Eliminations</b>		
A filled Processing Assistant III position and a filled Facility Architect I position in the central office were eliminated.		(79,216)
Number of Positions		(2.00)
<b>24. Vacant Position Elimination</b>		
A vacant Environmental Specialist II position in the central office was eliminated.		(38,913)
Number of Positions		(1.00)
<b>25. Change in Position Funding Source</b>		
The source of funding for an Office Assistant III position was changed from appropriation to receipts supported. This position is funded from the Parks and Recreation Trust Fund.		(27,512)
Number of Positions		(1.00)
<b>26. Operating Support Reduction</b>		
The funding for various operating budget line items division-wide was reduced.		(100,000)
<b>27. Adopt-a-Trails Program Reduction</b>		
The funding for the Adopt-a-Trails Program was reduced.		(27,000)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Soil and Water Conservation</b>	
<b>28. Vacant Position Eliminations</b>	
A vacant Office Assistant IV position and one-half of a vacant Environmental Technician III position were eliminated.	\$ (43,642)
Number of Positions	(1.50)
<b>29. Operating Support Reduction</b>	
The funding for various operating budget line items within the division was reduced.	(181,508)
<b>30. Agriculture Cost Share Financial Assistance Reduction</b>	
Funding was reduced for the Agriculture Cost Share Program for nonpoint source pollution control, which reimburses farmers up to 75% of the costs of installing best management practices to improve and protect water quality.	(400,000)
<b>Zoological Park</b>	
<b>31. Change in Position Funding Source</b>	
Funding for five and one-half positions was changed from appropriation to receipts supported.	(138,020)
Number of Positions	(5.50)
<b>32. Vacant Position Eliminations</b>	
Seven and one-half vacant positions in the Zoological Park were eliminated.	(208,354)
Number of Positions	(7.50)
<b>33. Filled Position Elimination</b>	
One-half of an Office Assistant III position at the zoo was eliminated.	(12,490)
Number of Positions	(0.50)
<b>34. Operating Support Reduction</b>	
The funding for various operating line items in the budget was reduced, and over-realized receipts were increased by \$5,222.	(65,222)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Air Quality</b>	
<b>35. General Fund Appropriation Elimination</b>	
The source of funding for nine positions and \$32,758 in operating support was changed from appropriation to receipts supported. This action made the Division of Air Quality entirely receipts supported.	\$ (509,145)
Number of Positions	(9.00)
<b>Coastal Management</b>	
<b>36. Change in Position Funding Source</b>	
The source of funding for two and one-half positions was changed from appropriation to receipts supported.	(133,592)
Number of Positions	(2.50)
<b>37. Land Use Planning Grants Reduction</b>	
Funding for Land use Planning Grants was reduced.	(76,000)
<b>38. Operating Funds Reduction</b>	
A reduction was made in the overbudgeted operating funds for the Preyer Buckridge Coastal Reserve.	(33,252)
<b>Environmental Health</b>	
<b>39. Operating Support Reduction</b>	
Funding for various operating budget line items was reduced division-wide.	(192,809)
<b>40. Aid to Counties Reduction</b>	
The funding for Aid to Counties for Environmental Health Programs was reduced.	(134,281)
<b>41. Vacant Position Eliminations</b>	
One and one-half vacant positions in the Environmental Health Services Section were eliminated.	(44,020)
Number of Positions	(1.50)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

		<u>2002-03</u>
<b>42. Change in Position Funding Source</b>		
	The funding source for .71 FTE of a Processing Assistant IV position was moved from appropriation to receipts supported in the Public Water Supply Section.	\$ (22,818)
	Number of Positions	(0.71)
<b>43. Radiation Protection Transfer</b>		
	All responsibilities, receipts and positions of the Division of Radiation Protection were transferred to the Division of Environmental Health. (see item 55)	(1,078,477)
	Number of Positions	(19.50)
<b>44. Vacant Position Eliminations</b>		
	Three vacant positions were eliminated as part of the reorganization that transferred the Division of Radiation Protection to the Division of Environmental Health.	(162,658)
	Number of Positions	(3.00)
<b>45. Change in Position Funding Source</b>		
	Four positions and \$6,568 in operating line items were changed from appropriation to receipts supported.	(221,838)
	Number of Positions	(4.00)
<b>46. Receipts Budget Increase</b>		
	Budgeted receipts from increased food and lodging facility fees were increased, and the General Fund appropriation was reduced by an equal amount.	(226,250)
<b>Land Resources</b>		
<b>47. Vacant Position Elimination</b>		
	A vacant Office Assistant III position in the Geological Survey Section was eliminated.	(25,962)
	Number of Positions	(1.00)
<b>48. Operating Support Reduction</b>		
	Various operating budget line items in the Geological Survey Section were reduced.	(25,551)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u><b>2002-03</b></u>
<b>49. Vacant Position Elimination</b>	
A vacant Geodetic Survey Analysis Technician I position in the Geodetic Survey Section was eliminated.	\$ (37,185)
Number of Positions	(1.00)
<b>50. Change in Position Funding Source</b>	
The funding source for .25 FTE of a Geodetic Survey Technician I position was changed from appropriation to receipts supported.	(7,768)
Number of Positions	(0.25)
<b>51. Change in Position Funding Source</b>	
Funding for 11 positions and \$2,147 in operating support was changed from appropriation to receipts supported in the Land Quality Section.	(517,862)
Number of Positions	(11.00)
<b>52. Change in Position Funding Source</b>	
The funding source for .50 FTE of an Office Assistant III and \$3,151 in operating support was changed from appropriation to receipts supported.	(19,263)
Number of Positions	(0.50)
<b>Pollution Prevention</b>	
<b>53. Change in Position Funding Source</b>	
Funding for 2.13 FTE positions was changed from appropriation to receipts supported.	(110,981)
Number of Positions	(2.13)
<b>54. Operating Support Reduction</b>	
Funding was reduced for various operating budget line items.	(48,989)
<b>Radiation Protection</b>	
<b>55. Division Elimination</b>	
The Division of Radiation Protection was abolished, and all positions, receipts, and responsibilities were transferred to the Division of Environmental Health. (see item 43)	(1,078,477)
Number of Positions	(19.50)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Waste Management</b>	
<b>56. Change in Position Funding Source</b>	
The funding source for two positions was changed from appropriation to receipts supported.	\$ (118,278)
Number of Positions	(2.00)
<b>57. Vacant Position Elimination</b>	
One vacant Office Assistant III position was eliminated.	(26,167)
Number of Positions	(1.00)
<b>58. Operating Support Reduction</b>	
Funding was reduced for various operating budget line items within the division.	(28,248)
<b>Water Quality</b>	
<b>59. Change in Position Funding Source</b>	
The funding source for four positions and \$54,629 in operating support was changed from appropriation to receipts supported in the Wetlands Restoration Program.	(242,610)
Number of Positions	(4.00)
<b>60. Change in Position Funding Source</b>	
The funding source for five positions was changed from appropriation to receipts supported in the Groundwater Section.	(215,834)
Number of Positions	(5.00)
<b>61. Vacant Position Elimination</b>	
One vacant Hydro Technician II position in the Groundwater Section was eliminated.	(35,197)
Number of Positions	(1.00)

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>62. Change in Position Funding Source</b>	
The funding source for four positions was changed from appropriation to receipts supported in the Water Quality Section.	\$ (150,446)
Number of Positions	(4.00)
<b>63. Operating Support Reduction</b>	
Funds were reduced for various operating budget line items in the Groundwater Section.	(63,692)
<b>Vacant Position Elimination</b>	
<b>64. A vacant Environmental Chemist II position in the Water Quality Section was eliminated.</b>	(45,240)
Number of Positions	(1.00)
<b>Water Resources</b>	
<b>65. Vacant Position Eliminations</b>	
Two vacant positions in Water Resources were eliminated.	(87,442)
Number of Positions	(2.00)
<b>66. Operating Support Reduction</b>	
A reduction was made in various operating budget line items in the division.	(48,396)
<b>Reserves and Transfers</b>	
<b>67. Grant Funds Reduction</b>	
Grant funds were reduced for research projects recommended for funding by the North Carolina Water Quality Workgroup.	(190,000)
<b>68. Partnership for the Sounds Reduction</b>	
Funds transferred to the Partnership for the Sounds were reduced by 10.2%.	(52,760)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Environment and Natural Resources - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Wildlife Resources Commission</b>	
<b>69. Beaver Control Program Reduction</b>	
Funds transferred to the Wildlife Resources Commission for the Beaver Control Program were reduced by 10.2%.	\$ (51,000)
<b>70. Transfer Reduction</b>	
Funds transferred to the Wildlife Resources Commission for equalization of Law Enforcement Officers' salaries were reduced.	(450,000)
<b>Recommended Recurring Reductions</b>	<b>(9,994,113)</b>

**Expansion Budget:**

**Resource Conservation and Development Councils**

<b>71. Grants Funding</b>		
Funding was provided for each of the state's ten Resource Conservation and Development Councils for a \$9,000 grant for fiscal year 2002-03.	90,000	NR
<b>Recommended Nonrecurring Expansion</b>	<b>\$ 90,000</b>	<b>NR</b>

**Net Changes for the Department of Environment and Natural Resources**

<b>Appropriation - Recurring</b>	<b>\$ (9,994,113)</b>
<b>Appropriation - Nonrecurring Positions</b>	<b>\$ 90,000 (114.84)</b>

**Revised 2002-03 Certified Appropriation** **\$ 148,818,587**

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Environment and Natural Resources - Continued**

**Department of Environment and Natural Resources  
Clean Water Management Trust Fund**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 70,000,000
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(3,500,000)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 66,500,000</u>

**Continuation Budget:**

	<u>2002-03</u>	
<b>1. Clean Water Management Trust Fund</b>		
The Clean Water Management Trust Fund was reduced by 5% for 2002-2003.		
Appropriation - Nonrecurring	\$ (3,500,000)	NR
 <b>Recommended Nonrecurring Reductions</b>	 \$ (3,500,000)	 NR
 <b>Net Changes for the Department of Environment and Natural Resources – Clean Water Management Trust Fund</b>		
<b>Appropriation - Nonrecurring</b>	<b>\$ (3,500,000)</b>	<b>NR</b>
 <b>Revised 2002-03 Certified Appropriation</b>	 <b>\$ 66,500,000</b>	

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Continued**

**Department of Labor**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 15,117,906
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(951,725)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 14,166,181</u>

**Continuation Budget:**

	<u>2002-03</u>
<b>Administration</b>	
<b>1. Operating Support Reduction</b>	
Various operating budget line items in the Commissioner's Office were reduced.	\$ (9,500)
<b>2. Filled Position Elimination</b>	
A filled Agency Safety Program Director II position in the Commissioner's Office was eliminated.	(55,988)
Number of Positions	(1.00)
<b>3. Receipts Supported Positions</b>	
Funding for an Accounting Technician II position in the Budget and Management Section was changed to receipts supported. Elevator and amusement inspection fees support the position.	
Requirements	\$ -
Receipts	<u>36,722</u>
Appropriation	\$ (36,722)
<b>4. Operating Support Reduction</b>	
Various operating budget line items in the Information Office were reduced.	(12,063)
<b>5. Operating Support Reduction</b>	
Various budget line items in the Information Technology Section were reduced.	(9,062)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Labor - Continued**

**Continuation Budget:**

	<b>2002-03</b>
<b>6. Operating Support Reduction</b>	
The maintenance budget in the Publications Section was reduced.	\$ (4,702)

**Agricultural Safety and Health**

<b>7. Receipts Supported Positions</b>	
The funding for .48 FTE of a Safety Officer position was changed from appropriation to receipts supported. This position is entirely federally funded.	
Requirements	\$ -
Receipts	<u>20,697</u>
Appropriation	\$ (20,697)
Number of Positions	(0.48)

**Apprenticeship**

<b>8. Vacant Position Elimination</b>	
A vacant Office Assistant IV position was eliminated.	(28,174)
Number of Positions	(1.00)

**Arbitration /Conciliation**

<b>9. Operating Support Elimination</b>	
Operating funds were eliminated, thereby abolishing the budget for the Arbitration/Conciliation Program. (The position was eliminated in 2001-02.) The Legal Affairs and Employment Mediation Division absorbed the program's function.	(2,677)

**Elevator and Amusement Device Bureau**

<b>10. General Fund Appropriation Elimination</b>	
The General Fund appropriation for operations was changed to receipts support from elevator and amusement device inspection. The bureau is entirely receipt supported.	
Requirements	\$ -
Receipts	<u>131,934</u>
Appropriation	\$ (131,934)
Number of Positions	(16.00)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Labor - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Labor Standards</b>	
<b>11. Operating Support Elimination</b>	
Operating funds for the Private Personnel Services Bureau were eliminated, thereby abolishing the bureau's budget. The Wage and Hour Bureau absorbed its function.	\$ (14,411)
<b>12. Operating Support Reduction</b>	
Various budget line items in the Employment Discrimination Bureau were reduced.	(33,445)
<b>13. Operating Support Reduction</b>	
Various operating budget line items in the Wage and Hour Bureau were reduced.	(40,820)
<b>Mine and Quarry</b>	
<b>14. Operating Support Reduction</b>	
Various operating budget line items were reduced.	(10,000)
<b>Occupational Safety and Health</b>	
<b>15. Operating Support Reduction</b>	
Various operating budget line items were reduced.	(201,611)
<b>16. Receipts Supported Positions</b>	
Funding for 1.90 positions was changed to receipts supported.	
Requirements	\$ -
Receipts	70,581
Appropriation	\$ (70,581)
Number of Positions	(1.90)

**Post-Legislative Budget Summary, 2002-03  
General Fund - Labor - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>17. Vacant Position Eliminations</b>	
Two vacant positions were eliminated.	\$ (74,063)
Number of Positions	(2.00)
<b>18. Filled Position Eliminations</b>	
Three filled positions were eliminated.	(200,010)
Number of Positions	(3.00)
<b>19. Salary Reserve and Benefits Reduction</b>	
Salary reserve, matching social security, and retirement budget line items were reduced.	(33,795)
<b>20. Operating Support Reduction</b>	
The legal services budget line item for the OSH Review Board was eliminated.	(31,419)
<b>21. Program and Personnel Transfer</b>	
The HR Partner for Industrial Hygiene position, employee, and \$500 in associated operating support was transferred from the Office of State Personnel to the Department of Labor. This action consolidated the industrial hygiene services provided to state agencies and universities.	69,949
Number of Positions	1.00
 <b>Net Change for the Department of Labor</b>	 \$ (951,725)

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
General Fund - Transportation**

**III. Department of Transportation**

**A. Transportation Programs**

<u>Original 2002-03 General Fund Appropriation:</u>	\$ 13,393,341
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>(2,490,841)</u>
<u>Revised 2002-03 Certified Appropriation:</u>	<u>\$ 10,902,500</u>

**Continuation Budget:**

**2002-03**

**Airport Grants**

**1. Reduce Aviation Grants**

Implemented a reduction recommended by the Governor. This change reduced the budget for aviation grants by 11%, dropping it from \$12,250,000 to \$10,902,500.

Appropriation – Nonrecurring \$ (1,347,500) NR

**Global TransPark Authority**

**2. Eliminate Operating Funds for Global TransPark**

Operating funds for the Global TransPark Authority from the General Fund were eliminated.

(576,982)

**Global TransPark Authority**

**3. Eliminate Runway Funds for Global TransPark**

Runway development funds for the Global TransPark Authority from the General Fund were eliminated.

(566,359)

**Recommended Recurring Reductions** \$ (1,143,341)

**Recommended Nonrecurring Reductions** \$ (1,347,500) NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
Highway Fund - Transportation - Continued**

**Department of Transportation**

<u>Original 2002-03 Highway Fund Appropriation:</u>	\$ 1,287,902,372
<u>Net Changes Enacted in 2002 Regular Session:</u>	<u>29,997,628</u>
<u>Revised 2002-03 Certified Highway Fund Appropriation:</u>	<u>\$ 1,317,900,000</u>

**Continuation Budget:**

2002-03

**Secondary Roads Construction**

**1. Technical Adjustment to Secondary Roads Allocation**

The allocation to secondary roads is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts, and this technical adjustment revised the budget for the secondary roads allocation accordingly. This modification reduced the secondary road budget by 2%, changing it from \$89,387,000 to \$87,500,000.

\$ (1,887,000)

**State Aid to Municipalities**

**2. Technical Adjustment to Aid for Municipalities**

The allocation to municipalities is determined by statute and is a function of gallons of motor fuel sold. Revised estimates of gallons sold are below the original forecasts, and this technical adjustment revised the budget for aid to municipalities accordingly. This action reduced the municipal aid budget by 2%, lowering it from \$89,387,000 to \$87,500,000.

(1,887,000)

**Post-Legislative Budget Summary, 2002-03  
Highway Fund – Transportation - Continued**

**Continuation Budget:**

	<u>2002-03</u>
<b>Management Information Systems</b>	
<b>3. Reduction in Professional Fees</b>	
Professional fees used for contract printing services at the Division of Motor Vehicles were reduced to reflect actual expenditures.	
Appropriation – Nonrecurring	\$ (90,000) NR
<b>Global TransPark Authority</b>	
<b>4. Operating Funds for Global TransPark</b>	
The General Assembly eliminated recurring operating funds of \$618,660 for the Global TransPark Authority.	(618,660)
<b>Retirement Rate Adjustment</b>	
<b>5. TSERS Retirement Rate Adjustment</b>	
The State’s contribution rate was reduced from 1.97% to zero for members of the Teachers’ and State Employees’ Retirement System as a result of actuarial gains for valuation for the period ending December 31, 2000.	(7,257,000)
<b><u>Expansion Budget:</u></b>	
<b>Construction – Contingency</b>	
<b>6. Restore Nonrecurring Funds</b>	
In fiscal year 2001-02, funds budgeted for small urban and rural projects totaled \$15.0 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for small urban and rural construction would have decreased to \$10.0 million. With this action, the budget was restored to \$15.0 million.	
Appropriation – Nonrecurring	5,000,000 NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
Highway Fund – Transportation - Continued**

**Expansion Budget:**

2002-03

**Maintenance – Contract Resurfacing**

**7. Increase Contract Resurfacing Funds**

Additional funds were appropriated for contract resurfacing.

Appropriation – Nonrecurring

\$ 3,264,104 NR

**Railroad Program**

**8. Restore Nonrecurring Funds**

In fiscal year 2001-02, funds budgeted for track improvements between Raleigh and Charlotte totaled \$8.2 million. However, this total included \$5.0 million in nonrecurring funds. In the absence of any action by the General Assembly, the budget for track improvements between Raleigh and Charlotte would have decreased to \$3.2 million in fiscal year 2002-03. With this action, the budget will be restored to \$7.2 million.

Appropriation – Nonrecurring

4,000,000 NR

**9. Prepare for Charlotte Multimodal Station**

Funds were appropriated to complete right-of-way purchases and to also provide for preliminary engineering and environmental assessments for the Charlotte Multimodal Station.

Appropriation – Nonrecurring

8,100,000 NR

**Public Transportation Program**

**10. Increase Public Transportation Funding**

Additional funds were appropriated as follows for public transportation.

Rural Capital

\$ 1,000,000

Urban Buses and Facilities

1,250,000

Appropriation – Nonrecurring

\$ 2,250,000 NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
Highway Fund – Transportation - Continued**

**Expansion Budget:**

2002-03

**Department of Public Instruction**

**11. Increase Driver Education Funding**

Highway Funds transferred to the Department of Public Instruction in support of the driver education program were increased based on projected growth in the program's ADM (Average Daily Membership) for ninth grade students.

\$ 236,109

**Global TransPark Authority**

**12. Provide Operating Funds for Global TransPark**

The General Assembly provided nonrecurring operating funds of \$1,600,000 for fiscal year 2002-03.

Appropriation – Nonrecurring

1,600,000 NR

**Reserve for Maintenance**

**13. Restore Nonrecurring Funds**

In fiscal year 2001-02, the budget for maintenance was \$578,632,263. However, this total included \$7,022,971 in nonrecurring funds. In the absence of any action by the General Assembly, the fiscal year 2002-03 maintenance budget would therefore decrease to \$571,609,292. With this budgetary action, the funding for maintenance was fully restored.

Appropriation – Nonrecurring

7,022,971 NR

**14. Increase Maintenance Expenditures**

Additional funds were appropriated for maintenance.

Appropriation – Nonrecurring

3,264,104 NR

NR - Nonrecurring

**Post-Legislative Budget Summary, 2002-03  
Highway Fund – Transportation - Continued**

**Expansion Budget:**

2002-03

**Small Urban Construction**

**15. Increase Funding**

Highway Funds were appropriated to increase the Small Urban Construction program by an additional \$7,000,000 bringing the total support from the Highway Fund to \$21,000,000 for fiscal year 2002-03.

Also, the Small Urban Construction program will receive an additional \$7,000,000 from the Highway Trust Fund, bringing the total funding for fiscal year 2002-03 to \$28,000,000.

Appropriation – Nonrecurring	\$ 7,000,000	NR
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<b>Recommended Recurring Expansion</b>	\$ 236,109	
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<b>Recommended Nonrecurring Expansion</b>	\$ 41,501,179	NR
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**Net Changes for the Department of Transportation**

Appropriation – Recurring	\$ (11,413,551)	
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Appropriation – Nonrecurring	\$ 41,411,179	NR
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<b>Revised 2002-03 Certified Highway Fund Appropriation</b>	\$ 1,317,900,000	
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NR – Nonrecurring

**Post-Legislative Budget Summary, 2002-03**  
**Transportation - Continued**

**B. Highway Fund**

The Highway Fund receives from three primary sources: (1) three-fourths of the motor fuel tax collected by the Department of Revenue, (2) licenses and fees collected by the Division of Motor Vehicles, and (3) interest earned from investment of the fund cash balance by the State Treasurer.

**Highway Fund Revenue**

Highway Fund revenue totaled \$1,298.2 million in 2001-02, increasing by 3.0% from the previous year. Motor fuel taxes increased by 2.3%, licenses and fees by 4.2%, and investment income by 11.6%. It is projected that Highway Fund revenue will total \$1,276.6 million in 2002-03, representing a decline of 1.7%. Motor fuel taxes are projected to decline by 2.9%, while licenses and fees are projected to increase by 2.7%, and investment income is projected to decline by 30.3%.

**Table 6**  
**Highway Fund Revenue, 2002-03**

	<u>2001-02</u> <u>Actual</u>		<u>2002-03</u> <u>Projected</u>	
Motor Fuel Taxes:				
Motor Fuel Tax	\$ 888,128,994		\$ 861,440,000	
Inspection Fee	12,938,330		13,250,000	
Highway Use Registration Fee	<u>199,000</u>		<u>120,000</u>	
Total Motor Fuel Tax	\$ 901,266,324	2.3%	\$ 874,810,000	(2.9%)
Licenses and Fees:				
Staggered Registration Plan	\$ 148,259,300		\$ 155,200,000	
International Registration Plan	49,909,132		52,360,000	
Drivers License Fees	68,941,464		71,620,000	
Truck Licenses	61,474,240		61,750,000	
Other Licenses and Fees	<u>51,091,015</u>		<u>48,860,000</u>	
Total Licenses and Fees	\$ 379,675,151	4.2%	\$ 389,790,000	2.7%
Investment Income	<u>\$ 17,218,239</u>	11.6%	<u>\$ 12,000,000</u>	(30.3%)
Total Highway Fund Revenue	<u>\$ 1,298,159,714</u>	3.0%	<u>\$ 1,276,600,000</u>	(1.7%)

**Post-Legislative Budget Summary, 2002-03  
Transportation – Continued**

**Table 7  
Condition of the Highway Fund, 2002-03**

	<u>2002-03 Authorized</u>	<u>Net Approved Changes</u>	<u>2002-03 Recommended</u>
<b><u>Availability:</u></b>			
Beginning Credit Balance:			
Estimated Reversions	\$ -	\$ 41,300,000	\$ 41,300,000
Overrealized Revenue	-	-	-
Subtotal	<u>-</u>	<u>41,300,000</u>	<u>41,300,000</u>
State Highway Revenue	<u>1,311,720,000</u>	<u>(35,120,000)</u>	<u>1,276,600,000</u>
Total Availability	\$ 1,311,720,000	\$ 6,180,000	\$ 1,317,900,000
Expended and Reserved	<u>1,287,902,372</u>	<u>29,997,628</u>	<u>1,317,900,000</u>
Ending Credit Balance	<u>\$ 23,817,628</u>	<u>\$ (23,817,628)</u>	<u>\$ -</u>

**Post-Legislative Budget Summary, 2002-03  
Transportation - Continued**

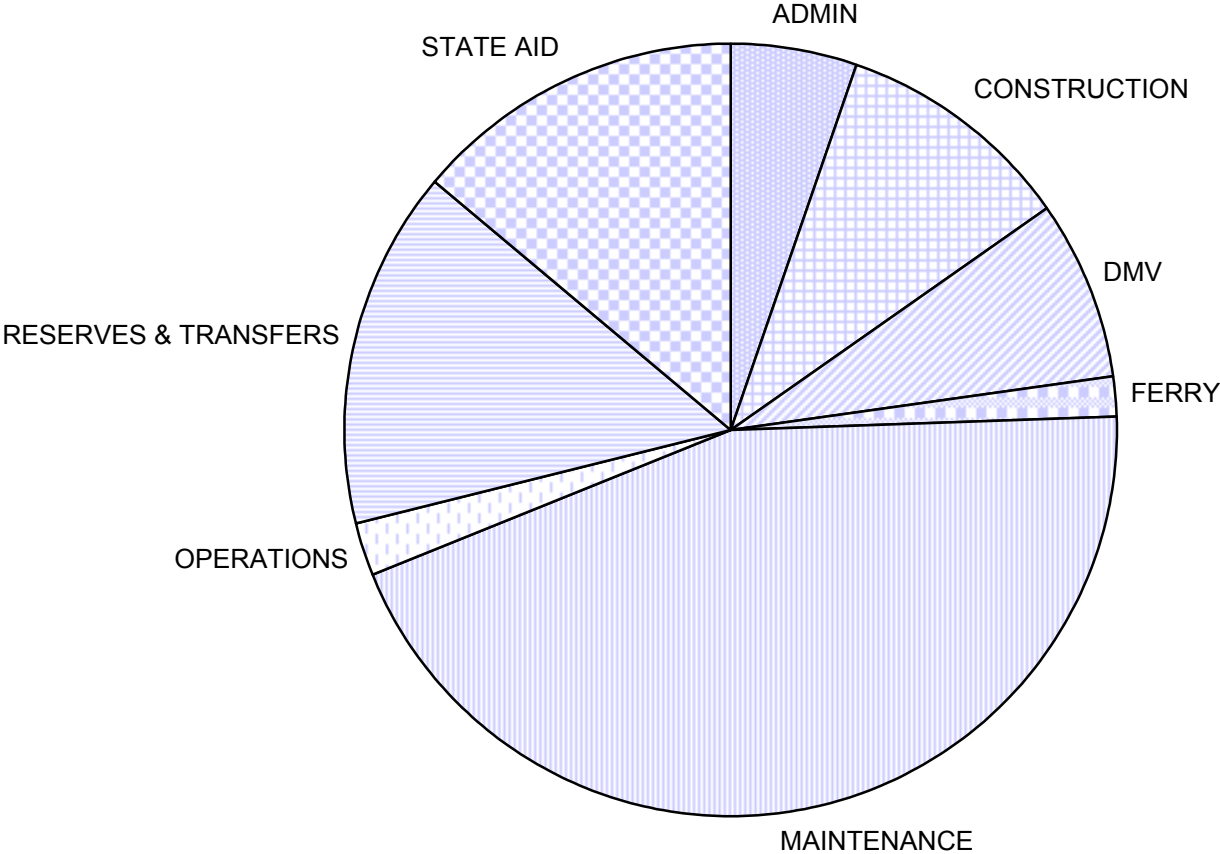
**Table 8  
Changes to the 2002-03 Highway Fund Budget  
(Highway Fund Appropriations Only)**

	<b>2002-03 Previously Authorized</b>	<b>Revision</b>	<b>2002-03 Revised Appropriation</b>
DOT-General Administration	\$ 69,195,895	\$ (90,000)	\$ 69,105,895
Highway Division Administration	28,801,650	-	28,801,650
State Match for Federal Aid-Planning and Research	3,959,649	-	3,959,649
<b>Construction Program:</b>			
State Secondary System	\$ 89,387,000	\$ (1,887,000)	\$ 87,500,000
State Urban System	14,000,000	7,000,000	21,000,000
Discretionary Funds	10,000,000	5,000,000	15,000,000
Spot Safety Improvements	9,100,000	-	9,100,000
Access and Public Service Roads	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Total Construction Program	\$ 124,487,000	\$ 10,113,000	\$ 134,600,000
<b>Maintenance Program:</b>			
Primary System	\$ 120,974,905	\$ -	\$ 120,974,905
Secondary System	207,329,012	-	207,329,012
Urban System	39,217,374	-	39,217,374
Contract Resurfacing	153,964,316	3,264,104	157,228,420
Maintenance Reserve	<u>50,123,685</u>	<u>10,287,015</u>	<u>60,410,760</u>
Total Maintenance Program	\$ 571,609,292	\$ 13,551,179	\$ 585,160,471
Ferry Operations	\$ 19,747,132	\$ -	\$ 19,747,132
State Aid to Municipalities	89,387,000	(1,887,000)	87,500,000
State Aid to Railroads	10,575,000	12,100,000	22,675,000
State Aid for Public Transportation	64,460,834	2,250,000	66,710,834
Asphalt Plant Cleanup	425,000	-	425,000
Governor's Highway Safety Program	266,693	-	266,693
Division of Motor Vehicles	100,742,419	-	100,742,419
Total Department of Transportation	\$ 1,083,657,564	\$ 36,037,179	\$ 1,119,694,743

**Post-Legislative Budget Summary, 2002-03  
Transportation – Table 8 - Continued**

	<b>2002-03 Previously Authorized</b>	<b>Revision</b>	<b>2002-03 Revised Appropriation</b>
Appropriations to Other State Agencies:			
Agriculture	3,615,136		3,615,136
Revenue	4,038,525		4,038,525
State Treasurer - Sales Tax	15,360,000		15,360,000
Public Instruction - Driver Education	29,219,551	236,109	29,455,660
Crime Control and Public Safety - Highway Patrol	133,098,294		133,098,294
Environment, Health, & Natural Resources:			
LUST Trust Fund	5,586,339		5,586,339
Chemical Test	437,623		437,623
Global TransPark	618,660	981,340	1,600,000
Total - Other State Agencies	<u>191,974,128</u>	<u>1,217,449</u>	<u>193,191,577</u>
Reserves and Transfers:			
Legislative Salary Increase	7,200,000		7,200,000
Salary Adjustment	400,000		400,000
DMV Systems Reserves	3,300,000		3,300,000
Minority Contractor Development	150,000		150,000
State Fire Protection Grant	150,000		150,000
State Health Plan	12,700,000		12,700,000
Stormwater Discharge Permit	500,000		500,000
Additional Funding for Visitor Centers	175,000		175,000
Retirement Rate Reduction	(12,304,320)	(7,257,000)	(19,561,320)
Total Reserves and Transfers	<u>12,270,680</u>	<u>(7,257,000)</u>	<u>5,013,680</u>
Total Current Operations	1,287,902,372	29,997,628	1,317,900,000
Capital Improvements	<u>-</u>	<u>-</u>	<u>-</u>
Total Highway Fund Appropriation	<u>\$ 1,287,902,372</u>	<u>\$ 29,997,628</u>	<u>\$1,317,900,000</u>

**HIGHWAY FUND DISTRIBUTION**



**FISCAL YEAR 2002-03**

**Post-Legislative Budget Summary, 2002-03  
Transportation – Continued**

**C. Highway Trust Fund**

The Highway Trust Fund, established in 1989, comes from four primary sources: (1) one-fourth of motor fuels tax collections, (2) highway use tax collections from the sales of motor vehicles in excess of the amount that is transferred to the General Fund, (3) most of the title fees and various registration fee collections, and (4) interest earned from investment of the trust fund cash balance by the State Treasurer. Effective July 1, 1996, all revenue from title fees was deposited in the Highway Trust Fund.

The legislation also sets out the various roads identified as the intrastate system and urban loops which are to be funded. Also identified are supplemental funds for secondary road construction and aid to municipalities. Formula funding for administration as well as for the mentioned purposes is likewise included in the legislation.

**Highway Trust Fund Revenue**

Highway Trust Fund revenue totaled \$973.8 million in 2001-02, and grew by less than 1% from the previous year. Motor fuel tax collections increased by 2.3%, highway use tax by 1.9%, and title fees by 0.1%, while investment income declined by 23.8%. Highway Trust Fund revenue is projected to total \$974.8 million in 2002-03, expanding by 0.1%. Motor fuel taxes are projected to decline by 3.1%, while highway use taxes are anticipated to increase by 4.3%, and title fees by 2.9%. Investment income is projected to decline by 52.4%.

**Post-Legislative Budget Summary, 2002-03  
Transportation – Continued**

**Table 9  
Highway Trust Fund Revenue, 2002-03**

	<u>2001-02</u> <u>Actual</u>		<u>2002-03</u> <u>Projected</u>	
Motor Fuel Taxes	\$ 296,259,387		\$ 287,120,000	
Highway Use Tax	555,320,540		579,430,000	
Title Fees:				
Certificates of Title	78,948,047		81,050,000	
Miscellaneous Title Fees	<u>11,782,309</u>		<u>12,230,000</u>	
Total Taxes and Fees	\$ 942,310,283	1.8%	\$ 959,830,000	1.9%
Investment Income	<u>\$ 31,525,515</u>	(23.8%)	<u>\$ 15,000,000</u>	(52.4%)
Total Highway Trust Fund Revenue	\$ 973,835,798	0.7%	\$ 974,830,000	0.1%
Amount Currently Required to Be Transferred to the General Fund	<u>\$(252,400,000)</u>		<u>\$(377,400,000)</u>	
Balance Available	<u>\$ 21,435,798</u>		<u>\$ 597,430,000</u>	

**Post –Legislative Budget Summary, 2002-03  
Transportation - Continued**

**Table 10  
Condition of the Highway Trust Fund, 2002-03**

	<u>2002-03 Authorized</u>	<u>Net Changes Approved</u>	<u>2002-03 Recommended</u>
<b>Availability:</b>			
Beginning Credit Balance	\$ -	\$ -	\$ -
Highway Trust Fund Revenue	<u>1,032,274,000</u>	<u>(57,444,000)</u>	<u>974,830,000</u>
Total Availability	\$ 1,032,274,000	\$ (57,444,000)	\$ 974,830,000
<b>Expenditures and Commitments:</b>			
Authorized Budget	\$ 859,874,000	\$ (262,444,000)	\$ 597,430,000
Transfer to General Fund *	<u>172,400,000</u>	<u>205,000,000</u>	<u>377,400,000</u>
Total Expenditures and Commitments	<u>\$ 1,032,274,000</u>	<u>\$ (57,444,000)</u>	<u>\$ 974,830,000</u>
Ending Credit Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

\* Transfer required by G.S. 105-187.9.

**Post-Legislative Budget Summary, 2002-03  
Transportation – Continued**

**Table 11  
Changes to the 2002-03 Highway Trust Fund Budget**

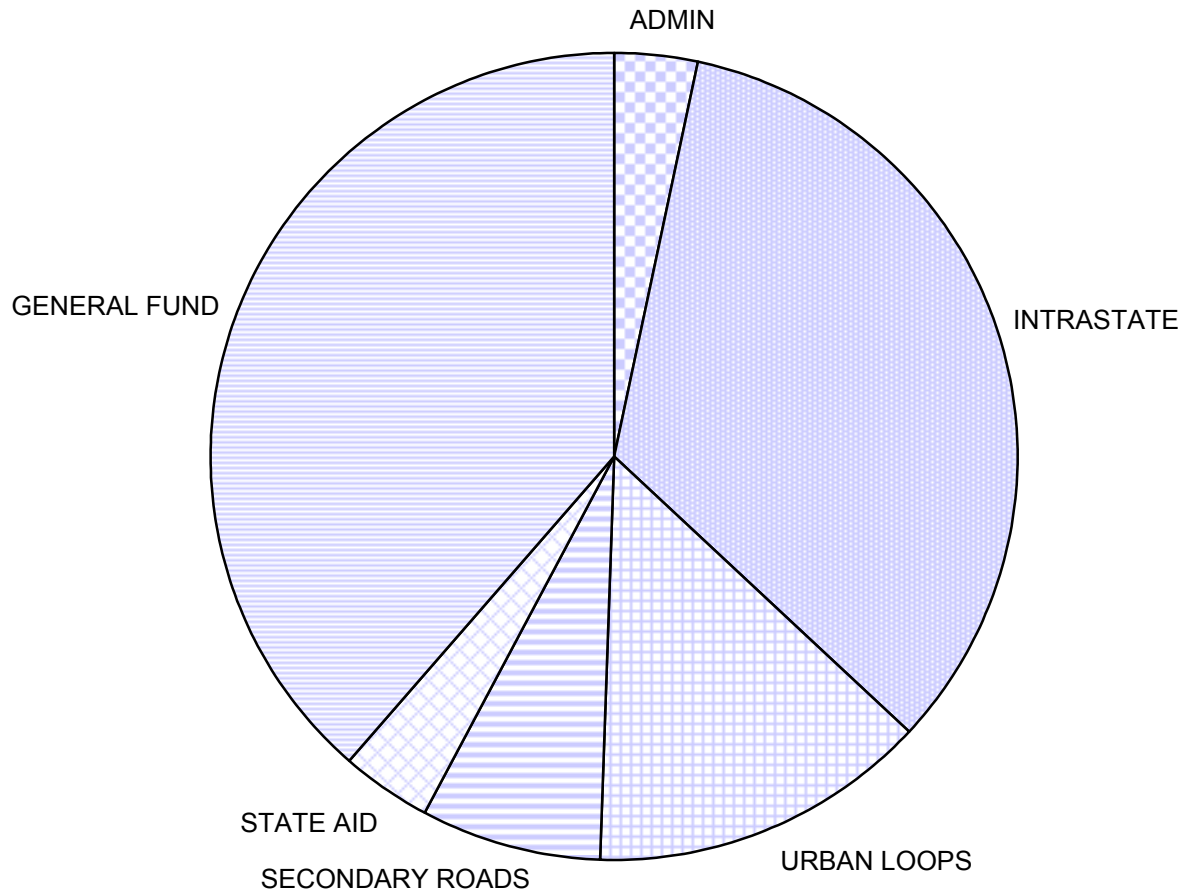
	<b>2002-03 Previously Authorized</b>	<b>Revision</b>	<b>2002-03 Revised Appropriation</b>
Department of Transportation: Maximum Allowance for Administration	\$ 36,073,189	\$ (4,073,189)	\$ 32,000,000
Construction Allocation:			
Intrastate System	487,983,396	(159,218,286)	328,765,110
Urban Loop System	197,320,162	(64,381,244)	132,938,918
Secondary Roads	87,296,412	(18,065,569)	69,230,843
State Aid to Municipalities	51,200,841	(16,705,712)	34,495,129
Transfer to the General Fund (R)*	172,400,000	80,000,000	252,400,000
Transfer to the General Fund (NR)	-	125,000,000	125,000,000
Total General Fund Transfer	<u>172,400,000</u>	<u>205,000,000</u>	<u>377,400,000</u>
Total Highway Trust Fund	<u>\$ 1,032,274,000</u>	<u>\$ (57,444,000)</u>	<u>\$ 974,830,000</u>

\* Transfer required by G.S. 105-187.9.

R - Recurring

NR - Nonrecurring

# HIGHWAY TRUST FUND DISTRIBUTION



FISCAL YEAR 2002-03

**Post-Legislative Budget Summary, 2002-03**  
**General Fund - Transportation - Continued**

**Table 12**  
**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	\$ -	\$ -	\$ 74,606,220
Division of Highways						
Administration	28,801,650	17,729,047	3,685,770	-	-	50,216,467
Construction	134,600,000	530,934,871	-	785,585,301	-	1,451,120,172
Maintenance	585,160,471	-	-	-	-	585,160,471
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	87,500,000	34,495,129	-	-	-	121,995,129
Public Transportation	66,710,834	-	-	8,000,000	-	74,710,834
Airports	-	-	-	15,478,062	10,902,500	26,380,562
Railroads	22,675,000	-	-	-	-	22,675,000
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	193,191,577	-	-	-	-	193,191,577
Reserves and Transfers	5,013,680	-	-	-	-	5,013,680
Transfer to General Fund	-	377,400,000	-	-	-	377,400,000
Committed Trust Fund						
Administration	-	-	26,927,177	-	-	26,927,177
Uncommitted Trust Fund						
Administration	-	5,072,823	-	-	-	5,072,823
<b>Grand Total</b>	<b><u>\$1,317,900,000</u></b>	<b><u>\$974,830,000</u></b>	<b><u>\$38,617,668</u></b>	<b><u>\$825,448,590</u></b>	<b><u>\$10,902,500</u></b>	<b><u>\$3,167,698,758</u></b>

**Post Legislative Budget Summary, 2002-2003  
General Fund - Continued**

**III. Statewide Reserves, Compensation, and Other Appropriations**

	<u>2002-03</u>	
<b>1. Compensation Increases - Public Education Salary Schedule Employees</b>		
Provides funds to allow teachers, instructional support personnel, and school-based administrators to receive an experience step increase. Average increases for each group of employees are listed below.	\$ 51,937,267	
Teachers and Instructional Support Personnel	1.84% average	
State Agency Teachers	1.84% average	
School of Science and Math Faculty	1.84% average	
Principals and Assistant Principals	2.00% average	
<b>2. Court System Salary Steps</b>		
Provides funds to continue established statutory pay plans for magistrates, assistant clerks, and deputy clerks.	1,980,700	
<b>3. Severance and Discontinued Service Reserve</b>		
Authorizes funds to provide transitional benefits for state employees whose positions are eliminated and who are unable to secure employment in another state position.	5,000,000	NR
<b>4. Reserve for 2001 Compensation Increases</b>		
Reduces funds for compensation increases enacted in the 2001 Session to more accurately reflect actual requirements.	(4,247,868)	
<b>5. Reserve for State Employee Health Plan</b>		
Reduces funds remaining in the reserve for premium increases to more accurately reflect actual requirements.	(12,621,872)	

NR-Nonrecurring

**2002-2003 Recommended Adjustments  
Statewide Reserves, Compensation, and Other Appropriations - Continued**

		<u>2002-03</u>	
<b>6. Retirement Rate Adjustments</b>	Reduces the employer contribution rate to the State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System as a result of actuarial gains for the valuation ending December 31, 2000.	\$(144,525,000)	
<b>7. Debt Service Requirements</b>	Reduces funds for debt service on bonds due to revised requirements for principal and interest payments as well as increased receipts.	(36,750,000)	
<b>8. Management Flexibility Reserve</b>	Reduces funds appropriated to agencies, institutions, and other spending agencies of the state.	(41,500,000)	
<b>9. Debt Refinancing</b>	Reduces funds for debt service to reflect one-time savings from refinancing.	(61,000,000)	NR
<b>10. Efficiency Commission</b>	Adjustment for savings generated by implementing recommendations outlined by the Efficiency Commission.	(25,000,000)	
<b>11. Information Technology Services Rate Reduction</b>	Reduces rates paid by state agencies to the Office of Information Technology Services for CPU and disk storage.	(2,414,318)	
<b>12. Health Insurance Portability and Accountability Act (HIPAA)</b>	Provides funds for statewide implementation of the federal Health Insurance Portability and Accountability Act. The act establishes national standards and requirements for the transmission, storage, and handling of certain electronic health care data.	2,000,000	NR

NR-Nonrecurring

**2002-2003 Recommended Adjustments  
Statewide Reserves, Compensation, and Other Appropriations - Continued**

**Expansion Budget**

**2002-03**

**13. Mental Health/Developmental Disabilities/Substance Abuse Services Trust Fund**

Authorizes funds to facilitate the reform of the state's Mental Health, Developmental Disabilities, and Substance Abuse Services system. Funds would be used to 1) enhance community based services and facilitate compliance with the Supreme Court decision in Olmstead v. L.C.; 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.

\$ 8,000,000 NR

**14. Ruth M Easterling Trust Fund**

Establishes a fund to provide services to children with special needs.

1,000,000 NR

**TOTAL Recommended Adjustments for Statewide Reserves, Compensation, and Other Appropriations (Including Reductions and Expansion)**

**TOTAL Recurring Adjustments**

Requirements	\$(214,141,091)
Receipts	<u>-</u>
Appropriation	\$(214,141,091)

**TOTAL Nonrecurring Adjustments**

Requirements	\$ (45,000,000)
Receipts	<u>-</u>
Appropriation	\$ (45,000,000) NR

NR-Nonrecurring

**Post-Legislative Budget Summary, 2002-03**

**VI. Capital Improvements**

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 2002 Session of the General Assembly appropriated general funds totaling \$31,158,000 for capital projects in 2002-03 under Chapter 126 of the 2002 Session Laws. It also authorized \$410,183,650 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 2002-03 fiscal year was \$441,341,650.

The \$31,158,000 appropriated from the General Fund by the 2002 Session of the General Assembly was for water resources development projects.

**GENERAL FUND**

**Department of Environment and Natural Resources**

	<u><b>2002-03</b></u>
1. Water Resources Development Projects – Provides State match for civil works projects	\$ <u>31,158,000</u>
Total – Department of Environment and Natural Resources	\$ <u><u>31,158,000</u></u>

**NON-GENERAL FUND**

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

1. Appalachian State University – comprehensive renovations of residence halls	
Requirements	\$ 12,000,000
Less Self-Liquidating Sources	<u>12,000,000</u>
Appropriation	\$ -

**Post-Legislative Budget Summary, 2002-03**  
**Capital Improvements – UNC Board of Governors - Continued**

	<u><b>2002-03</b></u>
2. East Carolina University – Clement Residence Hall renovations	
Requirements	\$ 2,833,000
Less Self-Liquidating Sources	<u>2,833,000</u>
Appropriation	\$ -
3. East Carolina University – West End Dining Hall supplement	
Requirements	\$ 3,357,000
Less Self-Liquidating Sources	<u>3,357,000</u>
Appropriation	\$ -
4. Elizabeth City State University – Renovation of campus dining facility	
Requirements	\$ 1,178,000
Less Self-Liquidating Sources	<u>1,178,000</u>
Appropriation	\$ -
5. Fayetteville State University – Athletic facilities improvements	
Requirements	\$ 2,766,550
Less Self-Liquidating Sources	<u>2,766,550</u>
Appropriation	\$ -
6. North Carolina State University – Soccer, track, and softball complex	
Requirements	\$ 4,500,000
Less Self-Liquidating Sources	<u>4,500,000</u>
Appropriation	\$ -
7. North Carolina State University – Fire safety – Residence halls	
Requirements	\$ 1,300,000
Less Self-Liquidating Sources	<u>1,300,000</u>
Appropriation	\$ -
8. North Carolina State University – University apartments for upperclassmen housing	
Requirements	\$ 77,260,700
Less Self-Liquidating Sources	<u>77,260,700</u>
Appropriation	\$ -
9. North Carolina State University – Parking expansion projects	
Requirements	\$ 1,000,000
Less Self-Liquidating Sources	<u>1,000,000</u>
Appropriation	\$ -

**Post-Legislative Budget Summary, 2002-03**  
**Capital Improvements – UNC Board of Governors - Continued**

	<u><b>2002-03</b></u>
10. North Carolina State University – College of Engineering Phase II Requirements	\$ 8,000,000
Less Self-Liquidating Sources	<u>8,000,000</u>
Appropriation	\$ -
11. North Carolina State University – CVM Research Lab building Requirements	\$ 14,584,000
Less Self-Liquidating Sources	<u>14,584,000</u>
Appropriation	\$ -
12. North Carolina State University – Centennial Campus building Requirements	\$ 4,064,000
Less Self-Liquidating Sources	<u>4,064,000</u>
Appropriation	\$ -
13. The University of North Carolina at Chapel Hill – 208 West Franklin Street Requirements	\$ 4,000,000
Less Self-Liquidating Sources	<u>4,000,000</u>
Appropriation	\$ -
14. The University of North Carolina at Chapel Hill – Kenan, McIver, Alderman Residence Hall renovations Requirements	\$ 10,500,000
Less Self-Liquidating Sources	<u>10,500,000</u>
Appropriation	\$ -
15. The University of North Carolina at Chapel Hill – Residence College Phase II Requirements	\$ 46,500,000
Less Self-Liquidating Sources	<u>46,500,000</u>
Appropriation	\$ -
16. The University of North Carolina at Chapel Hill – School of Medicine research facilities Requirements	\$ 77,700,000
Less Self-Liquidating Sources	<u>77,700,000</u>
Appropriation	\$ -

**Post-Legislative Budget Summary, 2002-03**  
**Capital Improvements – UNC Board of Governors – Continued**

	<u><b>2002-03</b></u>
17. The University of North Carolina at Chapel Hill – Ramshead Development	
Requirements	\$ 12,800,000
Less Self-Liquidating Sources	<u>12,800,000</u>
Appropriation	\$ -
18. The University of North Carolina at Charlotte – Hot Water Replacement II	
Requirements	\$ 5,000,000
Less Self-Liquidating Sources	<u>5,000,000</u>
Appropriation	\$ -
19. The University of North Carolina at Chapel Hill – Carrington Hall addition	
Requirements	\$ 2,077,900
Less Self-Liquidating Sources	<u>2,077,900</u>
Appropriation	\$ -
20. The University of North Carolina at Chapel Hill – Science Complex Phase I	
Requirements	\$ 18,037,500
Less Self-Liquidating Sources	<u>18,037,500</u>
Appropriation	\$ -
21. The University of North Carolina at Charlotte – Residence Hall Phase VIII	
Requirements	\$ 22,000,000
Less Self-Liquidating Sources	<u>22,000,000</u>
Appropriation	\$ -
22. The University of North Carolina at Charlotte – Brocker Health Center	
Requirements	\$ 7,150,000
Less Self-Liquidating Sources	<u>7,150,000</u>
Appropriation	\$ -
23. The University of North Carolina at Charlotte – Parking Deck G	
Requirements	\$ 8,300,000
Less Self-Liquidating Sources	<u>8,300,000</u>
Appropriation	\$ -

**Post-Legislative Budget Summary, 2002-03**  
**Capital Improvements – UNC Board of Governors - Continued**

	<u><b>2002-03</b></u>
24. The University of North Carolina at Pembroke – Surface parking lot Requirements	\$ 275,000
Less Self-Liquidating Sources	<u>275,000</u>
Appropriation	\$ -
25. The University of North Carolina at Pembroke – University Center expansion Requirements	\$ 3,000,000
Less Self-Liquidating Sources	<u>3,000,000</u>
Appropriation	\$ -
26. The University of North Carolina at Pembroke – Improvements to student recreation facilities Requirements	\$ 600,000
Less Self-Liquidating Sources	<u>600,000</u>
Appropriation	\$ -
27. The University of North Carolina at Pembroke – Auxiliary Services Complex and Student Bookstore Requirements	\$ 1,500,000
Less Self-Liquidating Sources	<u>1,500,000</u>
Appropriation	\$ -
28. The University of North Carolina at Wilmington – University Union building expansion and renovation (Supplemental Funding) Requirements	\$ 22,400,000
Less Self-Liquidating Sources	<u>22,400,000</u>
Appropriation	\$ -
29. The University of North Carolina at Wilmington – 650 parking spaces Requirements	\$ 3,000,000
Less Self-Liquidating Sources	<u>3,000,000</u>
Appropriation	\$ -

**Post-Legislative Budget Summary, 2002-03**  
**Capital Improvements – UNC Board of Governors - Continued**

	<u><b>2002-03</b></u>
30. The University of North Carolina at Wilmington – Wagoner Hall renovations	
Requirements	\$ 4,000,000
Less Self-Liquidating Sources	<u>4,000,000</u>
Appropriation	\$ -
31. The University of North Carolina at Wilmington – Residence Hall renovations	
Requirements	\$ 6,000,000
Less Self-Liquidating Sources	<u>6,000,000</u>
Appropriation	\$ -
32. The University of North Carolina at Wilmington – Westside building expansion	
Requirements	\$ 3,000,000
Less Self-Liquidating Sources	<u>3,000,000</u>
Appropriation	\$ -
33. Western Carolina University – Hospitality Management Center	
Requirements	\$ 8,000,000
Less Self-Liquidating Sources	<u>8,000,000</u>
Appropriation	\$ -
34. Western Carolina University – Student Recreation Center	
Requirements	\$ 11,500,000
Less Self-Liquidating Sources	<u>11,500,000</u>
Appropriation	\$ -
<b>Total University of North Carolina – Board of Governors</b>	<b>\$ 410,183,650</b>
<b>Grand Total – Non-General Fund</b>	<b>\$ 410,183,650</b>
<b>Grand Total – General Fund</b>	<u><b>31,158,000</b></u>
<b>Grand Total Authorized</b>	<u><u><b>\$ 441,341,650</b></u></u>

## **APPENDIX TABLES**

**Post Legislative Budget Summary, 2002-2003  
Appendix - Continued**

**Appendix Table 1A  
Condition of the General Fund  
1974-75 to 2001-02  
(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>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
2001-02	0	703,038,110 I)	13,157,882,906	13,741,135,020	116,000,000	3,785,996

# 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.

I) This number includes \$440,915,625 EEO#19 Reserve, \$347,763,108 Shortfall BC 19979, \$4,359,377 CI transfers, and (\$90,000,000) authorized transfer to Savings Reserve from Revenues.

**Post Legislative Budget Summary, 2002-2003**  
**Appendix - Continued**

**Appendix Table 1B**  
**Condition of the Highway Fund**  
**1974-75 to 2001-02**  
**(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
2001-02	533,513,397	2,684,784,992	2,722,939,943	495,358,446

\*Includes Local Aid Participation and Interfund Transfers.

**Post Legislative Budget Summary, 2002-2003**  
**Appendix - Continued**

**Appendix Table 1C**  
**Condition of the Highway Trust Fund**  
**1989-90 to 2001-02**

<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
2001-02	321,334,200	1,194,186,165	86,323,105	1,186,268,479	415,574,991

\*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)	157,522,048
2001-02	157,522,048	(247,522,048) g)	90,000,000	-
2002-03	-	-	-	-

- 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 but only \$90,000,000 was credited.

**Post Legislative Budget Summary, 2002-2003**  
**Appendix - Continued**

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

<u>Fiscal Year</u>	<u>Operating</u>	<u>Capital Improvements</u>	<u>Local Tax Reimb. and Other</u>	<u>Budget Stabilization</u>	<u>Total</u>
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)	26,205.0	881.2	66.5 13)	0.0	27,152.7

- 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.

Appendix Table 3  
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
11000	General Assembly	\$ 36,899,614	\$ -	\$ 403,000	\$ -	\$ 37,302,614
12000	Judicial	294,636,169	-	252,519	-	294,888,688
12001	Judicial - Indigent Defense	77,286,901	-	7,400,555	-	84,687,456
	Total Judicial	371,923,070	-	7,653,074	-	379,576,144
<b><u>General Government:</u></b>						
13200	Secretary of State	8,108,684	-	384,577	-	8,493,261
13300	State Auditor	11,068,708	-	50	-	11,068,758
13410	State Treasurer	7,888,435	-	648,053	-	8,536,488
13412	St.Treasurer-Special Cont.	7,131,179	-	-	-	7,131,179
13600	Justice	70,938,193	-	6,814,637	1,167,825	78,920,655
13100	Lieutenant Governor	616,265	-	-	-	616,265
18210	Office of Admin.Hearings	2,561,413	-	106,014	-	2,667,427
18300	Rules Review Comm.	315,814	-	-	-	315,814
13000	Governor's Office	4,938,310	-	215,482	-	5,153,792
13085	OSBM Special Appropriations	3,180,000	-	-	-	3,180,000
13005	OSBM	5,054,881	-	26,020	-	5,080,901
13010	NC Housing Finance	4,759,400	-	100,000	37,242,359	42,101,759
14700	Revenue	75,571,304	4,038,525	1,000	-	79,610,829
14800	Cultural Resources	55,817,206	-	2,250,726	4,788,585	62,856,517
14802	Cultural Resources-Roanoke Isl.	1,708,241	-	-	-	1,708,241
14100	Dept. of Administration	55,943,188	-	5,463,046	8,480,877	69,887,111
14160	OSC	10,422,828	-	30,945	-	10,453,773
	Total General Government	326,024,049	4,038,525	16,040,550	51,679,646	397,782,770
<b><u>Public Safety and Regulation:</u></b>						
13800	Labor	14,166,181	-	4,220,609	5,760,427	24,147,217
13900	Insurance	26,800,138	-	26,188,256	338,858	53,327,252
13901	Insurance - GF Direct	2,000,000	-	-	-	2,000,000
14600	Commerce	33,930,264	-	33,270,117	193,013,186	260,213,567
14601	Commerce-St.Aid to Nonstate Entities	20,595,319	-	-	-	20,595,319
14900	CC & PS	27,780,188	133,098,294	6,389,175	13,402,334	180,669,991
18025	State Board of Elections	3,395,891	-	2,500	-	3,398,391
28101-07	Special Boards & Commissions	-	-	3,569,720	-	3,569,720
	Total Public Safety & Regulation	128,667,981	133,098,294	73,640,377	212,514,805	547,921,457
14500	Correction	880,054,808	-	10,560,008	-	890,614,816
14060	Juvenile Justice	128,984,633	-	7,545,544	-	136,530,177
<b><u>Education:</u></b>						
13510	DPI	5,894,553,493	30,590,073	2,886,501	606,524,524	6,534,554,591

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

General		General	Highway Trust/ Highway Fund	Other	Federal	Total
Budget Code	Function	Fund	Highway Fund	Other	Federal	Total
16800	Community Colleges	669,281,390	-	143,508,211	12,818,209	825,607,810
16010	UNC - GA	38,812,212	-	7,500	-	38,819,712
16011	UNC - Institutional Programs	81,663,676	-	70,830,965	-	152,494,641
16012	UNC - Related Education Programs	85,741,549	-	-	550,000	86,291,549
16020	UNC - CH Academic Affairs	194,050,970	-	95,171,580	246,671	289,469,221
16021	UNC - CH Health Affairs	151,353,907	-	20,879,424	-	172,233,331
16022	UNC - CH Area Health Education	44,745,777	-	800	-	44,746,577
16030	NCSU - Academic	257,562,405	-	83,940,399	556,312	342,059,116
16031	NCSU - Agri. Research Svcs.	45,317,089	-	1,989,950	7,897,634	55,204,673
16032	NCSU - Agri. Extension Svcs.	36,356,552	-	434,200	17,164,767	53,955,519
16040	UNC - Greensboro	90,532,129	-	28,052,830	63,291	118,648,250
16050	UNC - Charlotte	92,933,454	-	34,118,997	80,000	127,132,451
16055	UNC - Asheville	24,823,753	-	4,918,732	10,400	29,752,885
16060	UNC - Wilmington	58,019,838	-	23,317,054	71,575	81,408,467
16065	ECU - Academic	118,203,280	-	44,202,001	145,900	162,551,181
16066	ECU - Health Svcs.	44,735,811	-	1,865,600	-	46,601,411
16070	NC A & T	57,718,423	-	18,036,864	58,714	75,814,001
16075	Western Carolina	50,411,510	-	12,073,237	173,874	62,658,621
16080	Appalachian State	82,899,678	-	26,356,331	77,725	109,333,734
16082	UNC - Pembroke	23,819,034	-	3,666,026	24,818	27,509,878
16084	Winston Salem State	27,441,790	-	3,864,430	74,805	31,381,025
16086	Elizabeth City State	21,012,723	-	3,145,359	48,400	24,206,482
16088	Fayetteville State	29,892,520	-	6,121,899	127,793	36,142,212
16090	NC Central	43,009,156	-	11,418,150	108,431	54,535,737
16092	NC School of Arts	15,818,172	-	6,333,174	9,550	22,160,896
16094	NCSSM	11,803,008	-	572,905	-	12,375,913
16095	UNC Hospitals	39,418,693	-	517,235,975	-	556,654,668
	Total University	1,768,097,109	-	1,018,554,382	27,490,660	2,814,142,151
	Total Education	8,331,931,992	30,590,073	1,164,949,094	646,833,393	10,174,304,552
14222	Transportation	10,902,500	1,723,537,238	38,617,668	825,448,590	2,598,505,996
	<b>Health and Human Services:</b>					
14410	DHHS - Central Admin.	67,784,933	-	702,139	46,523,975	115,011,047
14411	DHHS - Aging	28,605,910	-	8,282,754	27,349,040	64,237,704
14420	DHHS - Child Development	281,830,361	-	56,000	263,193,803	545,080,164
14424	DHHS - Education Services	65,477,022	-	722,102	2,084,639	68,283,763
14430	DHHS - Health	100,838,313	437,623	7,665,926	243,250,569	352,192,431
14440	DHHS - Social Services	180,580,506	-	462,494,932	606,315,236	1,249,390,674
14445	DHHS - Medical Assistance	2,189,813,795	-	391,100,686	4,411,452,983	6,992,367,464
14446	DHHS - Child Health	45,058,178	-	-	125,410,725	170,468,903
14450	DHHS - Services for the Blind	9,525,102	-	1,275,794	13,394,974	24,195,870
14460	DHHS - DMH/D/SAS	573,361,612	-	40,375,152	79,571,825	693,308,589
14470	DHHS - Facility Services	14,694,066	-	506,774	11,558,361	26,759,201

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

General Budget		General	Highway Trust/ Highway Fund	Other	Federal	Total
Code	Function	Fund	Highway Fund	Other	Federal	Total
14480	DHHS - Vocational Rehab.	38,858,851	-	2,226,176	62,157,455	103,242,482
	Total Health & Human Services	3,596,428,649	437,623	915,408,435	5,892,263,585	10,404,538,292
14300	DENR	148,818,587	846,102	71,783,449	41,472,289	262,920,427
13700	Agriculture & Consumer Services	50,445,582	3,586,465	18,945,298	6,282,919	79,260,264
<b>Debt Service:</b>						
19420	St. Treasurer-General Debt Service	254,516,860	-	45,500,000	-	300,016,860
19425	St. Treasurer-Federal Debt Service	1,155,948	-	-	-	1,155,948
	Total Debt Service	255,672,808	-	45,500,000	-	301,172,808
<b>Reserves:</b>						
19001	Contingency & Emergency	5,000,000	-	-	-	5,000,000
19003	Compensation Increase Reserve	243,512,099	7,200,000	-	-	250,712,099
19043	State Health Plan Reserve	187,378,128	9,000,000	-	-	196,378,128
19004	Salary Adjustment	500,000	-	-	-	500,000
19026	Governor's Efficiency Reserve	(25,000,000)	-	-	-	(25,000,000)
19027	ITS Rate Reduction	(7,414,318)	-	-	-	(7,414,318)
19035	Management Flex. Reserve	(41,500,000)	-	-	-	(41,500,000)
19039	HIPPA Reserve	2,000,000	-	-	-	2,000,000
19042	Severance/DCR Reserve	5,000,000	-	-	-	5,000,000
19047	Retirement Rate Adjustment	(387,792,720)	(12,304,320)	-	-	(400,097,040)
19048	Ruth Easterling TF-Spec.Needs Child.	1,000,000	-	-	-	1,000,000
19049	Mental Hlth./DD.SAS Reserve	8,000,000	-	-	-	8,000,000
	Total Reserves	(9,316,811)	3,895,680	-	-	(5,421,131)
19600	Capital Improvement	31,158,000	-	-	-	31,158,000
14301	Clean Water Mgmt	66,500,000	-	-	-	66,500,000
	Total Appropriations	14,355,095,462	1,900,030,000	2,371,046,497	7,676,495,227	26,302,667,186
	General Obligation Bonds	850,000,000	-	-	-	850,000,000
	Total Including GO Bonds	\$ 15,205,095,462	\$ 1,900,030,000	\$ 2,371,046,497	\$ 7,676,495,227	\$ 27,152,667,186

Note: The Highway Fund and Highway Trust Fund is exclusive of transfers to the General Fund of \$392,700,000.  
(G.S. 105-187.9 provides information relative to this transfer)

Post-Legislative Budget Summary, 2002-2003  
Appendix - Continued

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

Fiscal Year	Public Education	Higher Education	Community Colleges	Human Resources	Transportation	Correction
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	6,534.6	2,814.1	825.6	10,404.5	2,598.5	890.6

Fiscal Year	General Government	Debt Service	Reserves *	Capital	Other	Total
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	1,841.3	301.2	(5.4)	881.2	66.5	27,152.7

\* 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, 2002-2003**  
**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	15,205.1 3)	-	1,900.0	7,676.5	2,371.0	27,152.6

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, 2002-03  
Appendix - Continued

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

<b>Fiscal Year</b>	<b>Motor Fuel Taxes</b>	<b>Licenses, Fees, and Other Revenue</b>	<b>Treasurer's Investments</b>	<b>Total Revenue</b>	<b>Annual Percentage Change</b>
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	901.3	379.7	17.2	1,298.2	3.0%
2002-03 1]	908.9	386.2	16.7	1,311.8	1.0%

(1) Authorized

Post-Legislative Budget Summary, 2002-2003  
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	296.3	555.3	90.7	31.5	973.8	0.7%
2002-03 (1)	298.5	614.8	96.8	22.2	1,032.3	6.0%

1] Authorized

**Post Legislative Budget Summary, 2002-2003**  
**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%	13,451.9	2.41%
2001-02	12,444.7	-1.02%	13,510.0	0.43%
2002-03 <sup>(2)</sup>	13,314.9	6.99%	14,330.2	6.07%

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, 2002-2003  
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	13,381.6	5.9	14,237.7	6.1
2000-01	13,785.1	3.0	14,050.1	(1.3)
2001-02	14,332.4	4.0	14,530.3	3.4
2002-03	14,257.4	(0.5)	14,355.1	(1.2)

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	d) 14,323,937,462	5,946,490,760	f) 41.5	669,281,390	4.7	1,768,097,109	12.3	58.5	5,940,068,203	

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, 2002-2003  
Appendix-Continued

Appendix Table 11  
North Carolina's Bond Indebtedness  
1968-69 to 2001-02

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	305.82
2001-02	2,832,409,153	199,975,000	3,032,384,153	370.42

\*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, 2002-2003  
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	36.12
2001-02	301,428,690	26,106,800	327,535,490	40.01
2002-03	300,016,860	25,356,425	325,373,285	39.75

\* Based on July 1 population estimates.