

# spotlight

No. 370 – March 16, 2009

## BACK TO BASICS BUDGET

*Responsible savings and reforms*

**KEY FACTS:** • The budget proposal outlined here reduces appropriations in fiscal year (FY) 2009-10 to \$18.8 billion, \$2.6 billion less than the final budget for FY 2008-09, and similar to the budget for FY 2006-07.

- In this proposal, per-capita spending adjusted for inflation of \$1,969 remains higher than in FY 1997-98 or any year before.
- This proposal broadens the tax base, eliminates special credits and business subsidies, reduces the corporate tax rate to 6 percent, and provides nearly \$400 million in tax relief for household investments in education, health care, and child-rearing.
- This proposal injects \$200 million each year into the State Health Plan, with the remainder arising from adjustments to the plan and employee contributions. It also puts \$300 million each year into the state employee pension fund. Moving both to direct contribution models will limit the need for future injections of taxpayer funds.
- Transparency and accountability are important elements of this budget, as is an option for taxpayers to contribute more than legally required through taxation.

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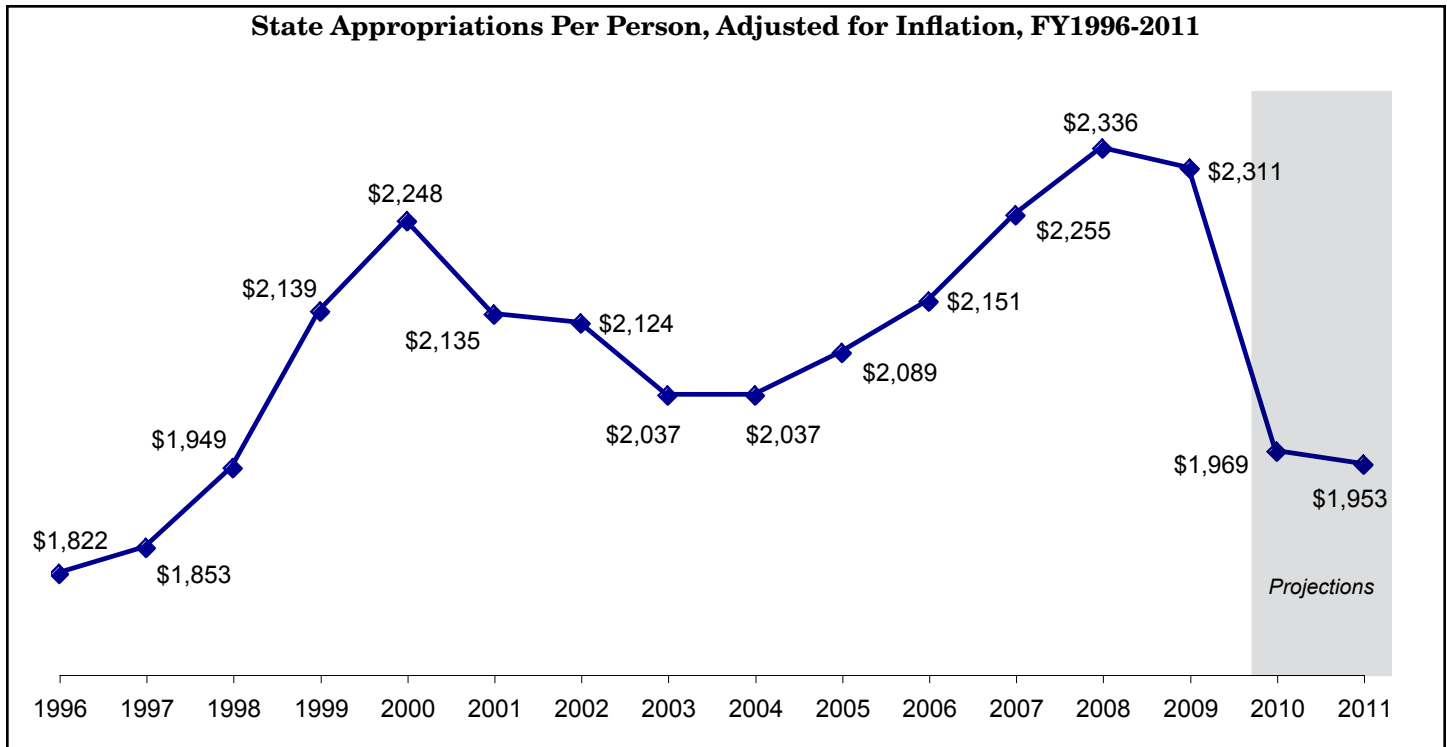
**n**orth Carolina's budget exploded between fiscal year 2004 and fiscal year 2008, from a low of \$2,037 per person adjusted for inflation to a high of \$2,336 per person, or 15 percent. That translated into \$5.8 billion of new General Fund appropriations.

Even before the General Assembly passed the fiscal year (FY) 2009 budget, tax revenues had started to slow, but instead of setting money from the previous year's surplus into the rainy day fund as required by law, legislators spent it. This continued the long pattern of expanding budgetary commitments in good times and helped set up the fiscal crisis confronting Gov. Bev Perdue and the legislature this term.

This *Spotlight* and the accompanying budget proposal<sup>1</sup> lay out ways to meet the immediate fiscal challenge, reform government, and set the state on a more responsible path for future budgets. The proposal would spend \$18.8 billion in

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FY 2010, \$2.6 billion less than the FY 2009 budget, and slightly less than the \$18.9 billion in FY 2007. It would reduce inflation-adjusted spending to an estimated \$1,969 per person, still higher than any budget prior to FY 1999.

### Basic Principles

This proposal is based on the recurring spending from FY 2009 as passed in July 2008. It has no inflationary increase in appropriations and no salary increase for state employees or teachers. Revenue is expected to remain flat in FY 2010 and to expand 4.0% in FY 2011. Given the uncertainty of Medicaid projections, this budget has no increase in appropriations. All other changes are based on the following four principles:

**Setting Priorities.** Every budget is an exercise in setting priorities because there is never enough money to pay for every program. When revenues fall, as they inevitably do every business cycle, the need to prioritize spending is even more acute. This includes paying for teachers instead of administrators, raising tuition at community colleges and universities, and using federal stimulus money that Gov. Perdue will take anyway so it does not simply delay a fiscal reckoning. Included in this are two availability changes — redirecting all tobacco settlement funds to the General Fund and withdrawing \$309 million from the Saving Reserve Account. Savings in FY 2010 from these actions total \$2.0 billion and availability increases \$449 million.

**Transparency and Accountability.** State government must accept its responsibilities, use taxpayers' money in full sunlight, and hold programs accountable for results. This budget proposal directs funds to make the workings of government transparent to the public, legislators, and managers in executive agencies. Despite ending a number of programs that have not proven their worth, spending in this area increases overall because of three factors.

First, the budget continues the transfer of the non-federal share of Medicaid from a burden split between the state and counties (who have no ability to set policy) to the state alone, a \$336 million expense in FY 2010.

Second, the budget sets aside \$200 million in FY 2010 to cover one-third of the projected shortfall in the State

Health Plan. The rest would come from state employee contributions in the form of higher premiums, deductibles, or co-payments. To mitigate future increases and limit the future obligations for retiree health costs, now estimated at \$30 billion, the state should transition to a defined-contribution health benefit with health savings accounts (HSAs).

Third, the budget sets aside \$300 million each year to cover the projected shortfall in the state pension plan. Again, there is potential to migrate to a defined contribution plan for these benefits. Such a plan could still be managed in the same way as the current plan, but would limit the need to make similar large injections of taxpayer money to offset poor investment returns.

Recurring spending increases \$31 million, and nonrecurring spending increases \$550 million. The savings reserve account withdrawal is to offset this nonrecurring spending.

**Budget and Tax Fairness.** Government expenditures are to improve the public welfare, not the welfare of specific groups. When community colleges offer subsidized training to selected companies, certain groups get scholarships to universities, agricultural and furniture companies get help marketing, companies get special tax breaks and grants, or the state tries to pick economic winners and losers, every other taxpayer bears the burden. Ending government expenditures on behalf of favored groups saves \$621 million in FY 2010. Repealing targeted tax breaks in order to broaden the tax base and lower rates and providing tax credits to offset penalties in the federal tax code have the net effect of reducing availability \$131 million but making the system more coherent.

**Last In, First Out.** Finally, the state survived for more than two hundred years without a number of programs or with programs at smaller sizes than the last biennium approved. Repealing those expansions or new programs will save \$160 million in FY 2010.

## Policy Directives

Slowing government growth in future to the rate of population growth and inflation, so as to keep per-capita cost constant over time, will require policy changes beyond those that have an immediate fiscal impact at the state level. Some of these changes include:

- *Implement a Taxpayer Protection Amendment.* From this new budget baseline, limiting state government spending growth to the level of population growth and inflation can keep government at a reasonable size for the next economic downturn. It can also create an appropriate level of saving to offset future revenue declines.
- *Create a Tax-Me-More Fund.* Taxpayers can give more money to the federal government and to local governments. Other states allow donations from taxpayers. If North Carolina taxpayers think the state's problem is a lack of revenue, they would then be able voluntarily to contribute more.
- *Make government transparent.* State government activities should be in the open, as should spending and revenue. This information should be available online in structured formats that can be used by third-party organizations.
- *Make government accountable.* A budget reform and accountability commission that makes recommendations on a number of programs that are inefficient, ineffective, or inappropriate uses of taxpayer dollars should start. The governor also needs more effective measures of what constitutes success for state agencies, with a focus on what they actually accomplish.
- *Remove the cap on charter schools.* Existing charter schools have long waiting lists, many counties remain without a charter school, and there is little government money available to fund needed vocational education options. Even President Barack Obama has spoken favorably about charter schools. Charter schools also provide an op-

portunity to experiment with educational reforms without making new long-term commitments with taxpayer money.

- *Reward the best teachers.* Good teachers in bad schools do not get bonuses under the current ABC system, but bad teachers in good schools do. We need to reward teachers according to their work, not their ability to move to a high-performing school.
- *Raise the student/teacher ratio by one student per teacher.* The needlessly low ratios mandated under the Easley administration expand the number of teachers needed, diluting the talent pool, and expand the number of classrooms needed, forcing counties to build more schools. Research has not shown significant differences in student performance based on changes in class size of one student.<sup>2</sup>
- *Raise tuition at community colleges and public universities.* Subsidizing tuition with taxpayer dollars transfers wealth from low-income families to high-income families. Better to set a higher advertised rate of tuition and offer more tailored discounts based on need.
- *Recognize financial aid payments in the General Fund.* The escheats (unclaimed property) fund has become the piggy bank for need-based financial aid. Honest accounting demands that it be paid out of the General Fund.
- *Rely more on distance learning.* Community colleges and universities have invested a great deal of money in building their online presence. Encouraging more students to pursue their education online has significant cost advantages. The education available through distance learning is little different from what is available on campus. For example, one of North Carolina State University's valedictorians never took a class on campus.<sup>3</sup>
- *Reform Medicaid.* State leaders should seek a waiver to transform Medicaid into a premium assistance program funded through a federal block grant. That would increase the size of the risk pool for individually purchased insurance products, reducing the premiums for everyone. Allowing Medicaid employees to purchase insurance across state lines could enhance savings for the program with little impact on care.
- *Repeal certificate of need rules.* State rules on capital investment in the medical field limit the ability for market competition to work. Eliminating these rules can save taxpayer money, improve access and quality, and lower cost.
- *Recast the role of Local Management Entities (LMEs) in mental health.* Piedmont Behavioral Health combines Medicaid, state, and local mental health payments into a single stream under a statewide waiver from Medicaid. The General Assembly can expand the waiver to other LMEs without applying again to the federal government. Competition beyond geographic boundaries can also make it possible for effective LMEs to expand instead of trying to find and legislate proper measures for LMEs in reporting.
- *Revamp management of state mental hospitals.* The role of hospitals has changed since reform began, with more acute cases and shorter stays, but management and staffing has clearly not adapted to the new challenges. Conditions in state mental hospitals remain unsafe. Every hospital has lost or been threatened with losing federal funds. Cherry Hospital was temporarily under private management to address issues there. Private management with penalties for noncompliance can improve safety and lower the cost to taxpayers if problems do arise.
- *Reduce recidivism and first offenses.* Overcrowded prisons and overburdened probation and parole officers do nothing for public safety. Rewarding wardens for low recidivism, focusing on community corrections, and increasing local police presence can all contribute to lower recidivism as well as reducing crime in the first place.

- *Redirect state-run boards.* There is no reason for the state to be involved in checking mattresses, barbers, auctioneers, or tanning salons. Those groups are self-funding and should be separate entities apart from state budgeting.

This budget lays out a realistic and responsible way to align spending and revenue. It also provides ways to reduce the rate of growth of state government. Transparency should be an important part of the budget process (from drafting through implementation) that could help to direct tax resources with accountability.

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## **End Note**

1. Online at [www.johnlocke.org/spotlights/20090316221.html](http://www.johnlocke.org/spotlights/20090316221.html).
2. See Terry Stoops, "Honey, I Shrunk the Class!: How Reducing Class Size Fails to Raise Student Achievement," John Locke Foundation *Spotlight* No. 276, January 10, 2006, [www.johnlocke.org/spotlights/display\\_story.html?id=123](http://www.johnlocke.org/spotlights/display_story.html?id=123).
3. Bonnie Rochman, "More students never see campus," *The News & Observer* (Raleigh), February 16, 2009, [www.newsobserver.com/news/story/1407379.html](http://www.newsobserver.com/news/story/1407379.html).

*Appendix*

**THE JOHN LOCKE FOUNDATION  
BACK TO BASICS BUDGET DETAILS**

# **The John Locke Foundation Back to Basics Budget**

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## Back to Basics Budget General Fund Availability

	FY 2009-2010	FY 2010-2011
Beginning Unreserved Fund Balance	\$ -	\$ -
<b>Revenues Based on Existing Tax Structure</b>	<b>\$ 17,903,800,000</b>	<b>\$ 18,619,952,000</b>
<b>Non-tax Revenues</b>		
Investment Income	\$ -	\$ -
Judicial Fees	\$ 204,800,000	\$ 204,800,000
Disproportionate Share	\$ 100,000,000	\$ 100,000,000
Federal Stimulus Bill		
Insurance	\$ 62,900,000	\$ 62,900,000
Other Non-Tax Revenues	\$ 160,600,000	\$ 160,600,000
Highway Trust Fund Transfer	\$ -	\$ -
Highway Fund Transfer	\$ 17,600,000	\$ 17,600,000
Total Non-Tax Revenues and Transfers	\$ 545,900,000	\$ 545,900,000
<b>Total General Fund Availability</b>	<b>\$ 18,449,700,000</b>	<b>\$ 19,165,852,000</b>
<b>Recommended Changes</b>		
<b>A. Setting Priorities</b>		
Redirect Tobacco Master Settlement to General Fund	\$ 140,000,000	\$ 140,000,000
Transfer from/(to) Savings Reserve Account	\$ 309,423,109	\$ -
Establish Tax-Me-More Fund for Voluntary Donations	\$ -	\$ -
<i>Allow individuals to set their own priorities and contribute more money to the state than their legislated taxes</i>		
<b>B. Transparency and Accountability</b>		
Eliminate Earned Income Tax Credit	\$ 9,000,000	\$ 9,000,000
<b>C. Budget and Tax Fairness</b>		
Corporate Income Tax	\$ (11,864,421)	\$ (38,559,370)
<i>Cut 6.9% Corporate Income Tax rate to 6.5% from 1 Jan '10, to 6% from 1 Jan '11</i>		
Smart Start Tax Credits	\$ (106,294,800)	\$ (106,294,800)
<i>\$300 Refundable Credit for Every Preschool Child, Reduce Tax Bias in Education Investment</i>		
Education Tax Relief	\$ (159,142,515)	\$ (159,142,515)
<i>\$1,500 Deduction Per Child for Tuition or Education Savings, Reduce Tax Bias in Education Investment</i>		
Health Insurance Tax Credit	\$ (130,230,990)	\$ (130,230,990)
<i>\$250 Credit per person for insurance premiums, Reduce Tax Bias in Health Insurance</i>		
Convert Child Care Credit to Smart Start Credit	\$ 57,700,000	\$ 57,700,000
Remove Special Treatment of Pension Benefits	\$ 65,000,000	\$ 65,000,000
Repeal Sales Tax Holidays	\$ 11,700,000	\$ 11,700,000
Tax Severance Pay as Compensation	\$ 13,500,000	\$ 13,500,000
Eliminate Film Industry Production Expenses Tax Credit	\$ 1,000,000	\$ 1,000,000
Eliminate Qualified Business Credit	\$ 7,000,000	\$ 7,000,000
Eliminate Low-Income Housing Credit	\$ 40,000,000	\$ 40,000,000
Eliminate Dry Cleaning Equipment Credit	\$ 1,700,000	\$ 1,700,000
Eliminate Historic Structures Credit	\$ 6,500,000	\$ 6,500,000
Eliminate Cogeneration Plants Credit	\$ 40,000	\$ 40,000
Eliminate Gleaned Crops Credit	\$ 40,000	\$ 40,000
Eliminate Renewable Energy Property Credit	\$ 300,000	\$ 300,000
Eliminate R&D Tax Credit	\$ 28,500,000	\$ 28,500,000
Eliminate Computer Manufacturing Facilities Credit	\$ 10,000,000	\$ 10,000,000
Eliminate Mill Rehabilitation Credit	\$ 11,600,000	\$ 11,600,000
Eliminate Job Creation Credit	\$ 19,000,000	\$ 19,000,000
Eliminate Business Property Credit	\$ 50,000,000	\$ 50,000,000
Eliminate Railroad Intermodal Facilities Credit	\$ 200,000	\$ 200,000
Eliminate State Port Usage Credit	\$ 600,000	\$ 600,000
Eliminate Political Parties Financing Fund Designation	\$ 2,000,000	\$ 2,000,000
Eliminate Recycling Facility Credit	\$ 500,000	\$ 500,000
Eliminate Cigarette Export Credit	\$ 6,534,283	\$ 6,534,283
Eliminate Public Campaign Fund Designation	\$ 1,200,000	\$ 1,200,000
<b>Subtotal: Adjustments to Availability</b>	<b>\$ 327,804,665</b>	<b>\$ (8,313,392)</b>
<b>Total General Fund Availability</b>	<b>\$ 18,777,504,665</b>	<b>\$ 19,157,538,608</b>
<b>Less General Fund Appropriations</b>	<b>\$(18,777,504,665)</b>	<b>\$(19,111,136,582)</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ 46,402,026</b>



Summary of General Fund Appropriations  
 Fiscal Year 2009-2010  
 2009 Legislative Session

	Adjusted Continuation Budget 2009-10	RECOMMENDED ADJUSTMENTS			Revised Appropriation 2009-10	
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes		FTE Changes
<b>Education:</b>						
Community Colleges	\$1,004,276,596	-\$60,351,786	\$0	-\$60,351,786	0.00	\$943,924,810
Public Education	\$8,120,835,718	-\$671,260,079	\$0	-\$671,260,079	-3431.00	\$7,449,575,639
University System	\$2,872,029,797	-\$286,906,522	\$0	-\$286,906,522	-2.00	\$2,585,123,275
Total Education	\$11,997,142,111	-\$1,018,518,388	\$0	-\$1,018,518,388	-3433.00	\$10,978,623,723
<b>Health and Human Services:</b>						
Office of the Secretary	\$59,197,849	-\$9,810,653	\$0	-\$9,810,653	-55.00	\$49,387,196
Aging Division	\$35,818,485	-\$4,491,689	\$0	-\$4,491,689	0.00	\$31,326,797
Blind and Deaf / Hard of Hearing Services	\$11,739,499	-\$1,247,231	\$0	-\$1,247,231	-7.00	\$10,492,268
Child Development	\$305,231,579	-\$212,460,914	\$0	-\$212,460,914	-39.00	\$92,770,665
Education Services	\$40,305,007	-\$2,852,819	\$1,000,000	-\$1,852,819	-39.00	\$38,452,188
Health Service Regulation	\$22,441,547	-\$5,410,778	\$0	-\$5,410,778	-60.00	\$17,030,769
Medical Assistance	\$3,187,763,678	-\$604,471,979	\$0	-\$604,471,979	-21.00	\$2,583,291,699
Mental Health	\$756,926,014	-\$43,203,609	\$0	-\$43,203,609	0.00	\$713,722,405
NC Health Choice	\$68,803,534	-\$54,898,435	\$0	-\$54,898,435	0.00	\$13,905,099
Public Health	\$187,870,378	-\$20,565,091	\$0	-\$20,565,091	-32.00	\$167,305,287
Social Services	\$221,671,019	-\$12,464,987	\$0	-\$12,464,987	-3.00	\$209,206,032
Vocational Rehabilitation	\$46,373,351	-\$3,591,938	\$0	-\$3,591,938	-3.00	\$42,781,413
Total Health and Human Services	\$4,944,141,940	-\$975,470,121	\$1,000,000	-\$974,470,121	-259.00	\$3,969,671,819
<b>Justice and Public Safety:</b>						
Correction	\$1,283,131,958	-\$17,809,294	\$0	-\$17,809,294	-5.00	\$1,265,322,664
Crime Control & Public Safety	\$42,483,600	-\$4,468,222	\$0	-\$4,468,222	-13.00	\$38,015,378
Judicial Department	\$476,311,148	-\$25,644,656	\$0	-\$25,644,656	-479.00	\$450,666,492
Judicial - Indigent Defense	\$116,005,508	-\$12,482,046	\$0	-\$12,482,046	0.00	\$103,523,462
Justice	\$96,489,914	-\$3,455,287	\$0	-\$3,455,287	-3.00	\$93,034,627
Juvenile Justice & Delinquency Prevention	\$165,211,912	-\$32,864,139	\$0	-\$32,864,139	0.00	\$132,347,773
Total Justice and Public Safety	\$2,179,634,040	-\$96,723,644	\$0	-\$96,723,644	-500.00	\$2,082,910,396
<b>Natural And Economic Resources:</b>						
Agriculture and Consumer Services	\$63,466,950	-\$23,160,175	\$0	-\$23,160,175	-360.00	\$40,306,775
Labor	\$18,519,258	-\$4,173,559	\$0	-\$4,173,559	-8.00	\$14,345,699
Environment and Natural Resources	\$201,286,173	-\$37,893,182	\$0	-\$37,893,182	-61.05	\$163,392,991
DENR - Clean Water Management Trust Fund	\$100,000,000	-\$100,000,000	\$0	-\$100,000,000	0.00	\$0
Commerce	\$45,136,778	-\$30,580,044	\$0	-\$30,580,044	-213.75	\$14,556,734
Commerce - State Aid	\$22,014,120	-\$16,591,250	\$0	-\$16,591,250	0.00	\$5,422,870

Summary of General Fund Appropriations  
Fiscal Year 2009-2010  
2009 Legislative Session

	Adjusted Continuation Budget 2009-10	RECOMMENDED ADJUSTMENTS				Revised Appropriation 2009-10
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	
NC Biotechnology Center	\$15,427,561	-\$15,427,561	\$0	-\$15,427,561	0.00	\$0
Rural Economic Development Center	\$24,059,581	-\$24,059,581	\$0	-\$24,059,581	0.00	\$0
Total Natural and Economic Resources	\$489,910,421	-\$251,885,352	\$0	-\$251,885,352	-642.80	\$238,025,069
<b>General Government:</b>						
Administration	\$74,416,154	-\$9,034,360	\$0	-\$9,034,360	-66.02	\$65,381,794
Auditor	\$13,226,181	\$0	\$0	\$0	0.00	\$13,226,181
Cultural Resources	\$75,722,563	-\$26,509,810	\$0	-\$26,509,810	-26.50	\$49,212,753
General Assembly	\$57,537,589	-\$671,687	\$0	-\$671,687	0.00	\$56,865,902
Governor	\$6,492,153	-\$1,569,520	\$0	-\$1,569,520	0.00	\$4,922,633
Housing Finance Agency	\$14,608,417	-\$14,608,417	\$0	-\$14,608,417	0.00	\$0
Insurance	\$33,185,787	-\$1,221,649	\$0	-\$1,221,649	-16.00	\$31,964,138
Insurance - Worker's Compensation Fund	\$4,500,000	\$0	\$0	\$0	0.00	\$4,500,000
Lieutenant Governor	\$970,984	-\$6,810	\$0	-\$6,810	-0.10	\$964,174
Office of Administrative Hearings	\$3,790,962	-\$91,246	\$0	-\$91,246	-1.00	\$3,699,716
Revenue	\$88,114,709	-\$7,621,504	\$0	-\$7,621,504	-17.00	\$80,493,205
Secretary of State	\$11,449,158	-\$622,229	\$0	-\$622,229	-5.00	\$10,826,929
State Board of Elections	\$10,453,034	\$0	\$0	\$0	0.00	\$10,453,034
State Budget and Management	\$6,248,792	-\$291,838	\$0	-\$291,838	0.00	\$5,956,954
State Budget and Management -- Special	\$5,921,446	-\$300,000	\$0	-\$300,000	0.00	\$5,621,446
State Controller	\$21,677,390	-\$1,033,500	\$0	-\$1,033,500	0.00	\$20,643,891
Treasurer - Operations	\$10,390,149	-\$974,587	\$0	-\$974,587	-9.00	\$9,415,562
Treasurer - Retirement / Benefits	\$10,486,808	-\$1,321,351	\$0	-\$1,321,351	0.00	\$9,165,457
Total General Government	\$449,192,276	-\$65,878,508	\$0	-\$65,878,508	-140.62	\$383,313,768
<b>Transportation:</b>						
Transportation	\$0	\$0	\$0	\$0	0.00	\$0
<b>Statewide Reserves and Debt Service:</b>						
Total Reserves and Debt Service	\$893,611,353	-\$318,651,463	\$550,000,000	\$231,348,537	-4.00	\$1,124,959,890
Total General Fund for Operations	\$20,953,632,141	-\$2,727,127,476	\$551,000,000	-\$2,176,127,476	-4979.42	\$18,777,504,665
<b>Capital Improvements</b>						
Total Capital Improvements	\$0	\$0	\$0	\$0		\$0
<b>Total General Fund Budget</b>	<b>\$20,953,632,141</b>	<b>-\$2,727,127,476</b>	<b>\$551,000,000</b>	<b>-\$2,176,127,476</b>	<b>-4979.42</b>	<b>\$18,777,504,665</b>
<b>Transportation:</b>						
Highway Fund	\$1,796,548,633	\$9,005,532	\$0	\$9,005,532	\$0	\$1,805,554,165
Highway Trust Fund	\$1,073,160,000	-\$78,980,373	\$0	-\$78,980,373	\$0	\$994,179,627

Summary of General Fund Appropriations  
Fiscal Year 2010-2011  
2009 Legislative Session

	Adjusted Continuation Budget 2010-11	RECOMMENDED ADJUSTMENTS			Revised Appropriation 2010-11	
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes		FTE Changes
<b>Education:</b>						
Community Colleges	\$1,004,276,596	-\$60,351,786	\$0	-\$60,351,786	0.00	\$943,924,810
Public Education	\$8,120,835,718	-\$671,260,079	\$0	-\$671,260,079	-3,431.00	\$7,449,575,639
University System	\$2,872,029,797	-\$286,906,522	\$0	-\$286,906,522	-2.00	\$2,585,123,275
Total Education	\$11,997,142,111	-\$1,018,518,388	\$0	-\$1,018,518,388	-3,433.00	\$10,978,623,723
<b>Health and Human Services:</b>						
Office of the Secretary	\$59,197,849	-\$9,810,653	\$0	-\$9,810,653	-55.00	\$49,387,196
Aging Division	\$35,818,485	-\$4,491,689	\$0	-\$4,491,689	0.00	\$31,326,797
Blind and Deaf / Hard of Hearing Services	\$11,739,499	-\$1,247,231	\$0	-\$1,247,231	-7.00	\$10,492,268
Child Development	\$305,231,579	-\$213,361,888	\$0	-\$213,361,888	-39.00	\$91,869,691
Education Services	\$40,305,007	-\$2,852,819	\$1,000,000	-\$1,852,819	-39.00	\$38,452,188
Health Service Regulation	\$22,441,547	-\$5,410,778	\$0	-\$5,410,778	-60.00	\$17,030,769
Medical Assistance	\$3,187,763,678	-\$207,786,365	\$0	-\$207,786,365	-21.00	\$2,979,977,313
Mental Health	\$756,926,014	-\$43,203,609	\$0	-\$43,203,609	0.00	\$713,722,405
NC Health Choice	\$68,803,534	-\$54,898,435	\$0	-\$54,898,435	0.00	\$13,905,099
Public Health	\$187,870,378	-\$20,565,091	\$0	-\$20,565,091	-32.00	\$167,305,287
Social Services	\$221,671,019	-\$12,464,987	\$0	-\$12,464,987	-3.00	\$209,206,032
Vocational Rehabilitation	\$46,373,351	-\$3,591,938	\$0	-\$3,591,938	-3.00	\$42,781,413
Total Health and Human Services	\$4,944,141,940	-\$579,685,482	\$1,000,000	-\$578,685,482	-259.00	\$4,365,456,458
<b>Justice and Public Safety:</b>						
Correction	\$1,283,131,958	-\$17,809,294	\$0	-\$17,809,294	-5.00	\$1,265,322,664
Crime Control & Public Safety	\$42,483,600	-\$4,468,222	\$0	-\$4,468,222	-13.00	\$38,015,378
Judicial Department	\$476,311,148	-\$25,644,656	\$0	-\$25,644,656	-479.00	\$450,666,492
Judicial - Indigent Defense	\$116,005,508	-\$12,482,046	\$0	-\$12,482,046	0.00	\$103,523,462
Justice	\$96,489,914	-\$3,455,287	\$0	-\$3,455,287	-3.00	\$93,034,627
Juvenile Justice & Delinquency Prevention	\$165,211,912	-\$32,864,139	\$0	-\$32,864,139	0.00	\$132,347,773
Total Justice and Public Safety	\$2,179,634,040	-\$96,723,644	\$0	-\$96,723,644	-500.00	\$2,082,910,396
<b>Natural And Economic Resources:</b>						
Agriculture and Consumer Services	\$63,466,950	-\$23,160,175	\$0	-\$23,160,175	-360.00	\$40,306,775
Labor	\$18,519,258	-\$4,173,559	\$0	-\$4,173,559	-8.00	\$14,345,699
Environment and Natural Resources	\$201,286,173	-\$37,893,182	\$0	-\$37,893,182	-61.05	\$163,392,991
DENR - Clean Water Management Trust Fund	\$100,000,000	-\$100,000,000	\$0	-\$100,000,000	0.00	\$0
Commerce	\$45,136,778	-\$30,580,044	\$0	-\$30,580,044	-213.75	\$14,556,734
Commerce - State Aid	\$22,014,120	-\$16,591,250	\$0	-\$16,591,250	0.00	\$5,422,870

Summary of General Fund Appropriations  
Fiscal Year 2010-2011  
2009 Legislative Session

	Adjusted Continuation Budget 2010-11	RECOMMENDED ADJUSTMENTS			Revised Appropriation 2010-11	
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes		FTE Changes
NC Biotechnology Center	\$15,427,561	-\$15,427,561	\$0	-\$15,427,561	0.00	\$0
Rural Economic Development Center	\$24,059,581	-\$24,059,581	\$0	-\$24,059,581	0.00	\$0
Total Natural and Economic Resources	\$489,910,421	-\$251,885,352	\$0	-\$251,885,352	-642.80	\$238,025,069
<b>General Government:</b>						
Administration	\$74,416,154	-\$9,034,360	\$0	-\$9,034,360	-66.02	\$65,381,794
Auditor	\$13,226,181	\$0	\$0	\$0	0.00	\$13,226,181
Cultural Resources	\$75,722,563	-\$26,509,810	\$0	-\$26,509,810	-26.50	\$49,212,753
General Assembly	\$57,537,589	-\$671,687	\$0	-\$671,687	0.00	\$56,865,902
Governor	\$6,492,153	-\$1,569,520	\$0	-\$1,569,520	0.00	\$4,922,633
Housing Finance Agency	\$14,608,417	-\$14,608,417	\$0	-\$14,608,417	0.00	\$0
Insurance	\$33,185,787	-\$1,221,649	\$0	-\$1,221,649	-16.00	\$31,964,138
Insurance - Worker's Compensation Fund	\$4,500,000	\$0	\$0	\$0	0.00	\$4,500,000
Lieutenant Governor	\$970,984	-\$6,810	\$0	-\$6,810	-0.10	\$964,174
Office of Administrative Hearings	\$3,790,962	-\$91,246	\$0	-\$91,246	-1.00	\$3,699,716
Revenue	\$88,114,709	-\$7,621,504	\$0	-\$7,621,504	-17.00	\$80,493,205
Secretary of State	\$11,449,158	-\$622,229	\$0	-\$622,229	-5.00	\$10,826,929
State Board of Elections	\$10,453,034	\$0	\$0	\$0	0.00	\$10,453,034
State Budget and Management	\$6,248,792	-\$291,838	\$0	-\$291,838	0.00	\$5,956,954
State Budget and Management -- Special	\$5,921,446	-\$300,000	\$0	-\$300,000	0.00	\$5,621,446
State Controller	\$21,677,390	-\$1,033,500	\$0	-\$1,033,500	0.00	\$20,643,891
Treasurer - Operations	\$10,390,149	-\$974,587	\$0	-\$974,587	-9.00	\$9,415,562
Treasurer - Retirement / Benefits	\$10,486,808	-\$1,321,351	\$0	-\$1,321,351	0.00	\$9,165,457
Total General Government	\$449,192,276	-\$65,878,508	\$0	-\$65,878,508	-140.62	\$383,313,768
<b>Transportation:</b>						
Transportation	\$0	\$0	\$0	\$0		\$0
<b>Statwide Reserves and Debt Service:</b>						
Total Reserves and Debt Service	\$893,611,353	-\$380,804,186	\$550,000,000	\$169,195,814	-4.00	\$1,062,807,167
Total General Fund for Operations	\$20,953,632,141	-\$2,393,495,559	\$551,000,000	-\$1,842,495,559	-4,979.42	\$19,111,136,582
<b>Capital Improvements</b>						
Total Capital Improvements	\$0	\$0	\$0	\$0		\$0
<b>Total General Fund Budget</b>	<b>\$20,953,632,141</b>	<b>-\$2,393,495,559</b>	<b>\$551,000,000</b>	<b>-\$1,842,495,559</b>	<b>-4979.42</b>	<b>\$19,111,136,582</b>
<b>Transportation:</b>						
Highway Fund	\$1,796,548,633	\$9,005,532	\$0	\$9,005,532	\$0	\$1,805,554,165
Highway Trust Fund	\$1,073,160,000	-\$43,980,373	\$0	-\$43,980,373	\$0	\$1,029,179,627

## Public Education

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	FY 2009-10		FY 2010-11	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Central DPI Administration</b>	\$ (22,842,586)	R	\$ (22,842,586)	R
Align number of actual positions (currently 781 FTE) in line with reported positions (530 FTE), save 30%	-251.00		-251.00	
<b>Non-Teaching Positions</b>	\$ (93,583,116)	R	\$ (93,583,116)	R
Reduce amount by ten percent (10%), make funds available as a block grant to local school districts				
<b>School Building Administration</b>	\$ (13,485,000)	R	\$ (13,485,000)	R
Cut assistant principal funds fifteen percent (15%)				
<b>Central Office Administration</b>	\$ (16,841,827)	R	\$ (16,841,827)	R
Reduce appropriation 15%				
<b>Mentor Teachers</b>	\$ (8,300,140)	R	\$ (8,300,140)	R
End GF Appropriation				
<b>Schools Attuned Program</b>	\$ (820,911)	R	\$ (820,911)	R
End GF Appropriation				
<b>NC Network</b>	\$ (312,625)	R	\$ (312,625)	R
End GF Appropriation				
<b>Teacher Certification</b>	\$ (3,274,500)	R	\$ (3,274,500)	R
End GF Appropriation for certification preparation (NBPTS), Convert to performance pay				
<b>Teacher Cadet Program</b>	\$ (121,500)	R	\$ (121,500)	R
End GF Appropriation				
<b>Fuel Costs</b>	\$ (12,800,000)	R	\$ (12,800,000)	R
Budget for gas price of \$2.74 per gallon				
<b>Fiscal Stabilization: Classroom Teachers</b>	\$ (170,211,234)	R	\$ (170,211,234)	R
Use federal funds to delay a one-student increase in the student-teacher ratio across all grades	-3,172.00		-3,172.00	
<b>Fiscal Stabilization: Teacher Assistants</b>	\$ (142,372,831)	NR	\$ (142,372,831)	NR
Use federal funds to temporarily offset transfer of 25% to Teacher Salaries; 5% to Exceptional Children and Academically & Intellectually Gifted programs				
<b>Fiscal Stabilization: Teacher Merit Bonuses</b>	\$ -	NR	\$ -	NR
Federal funds for \$3,500 bonus to top 10% of teachers; \$2,500 to second 10% (\$60 million / year)				
<b>B. Transparency and Accountability</b>				
<b>EVAAS</b>	\$ 50,000	R	\$ 50,000	R
Keep funding, make open to public				
<b>Student Testing</b>	\$ -	R	\$ -	R
Contract to use nationally normed test, transfer existing funding				

<b>DPI Testing Positions</b>	\$	(234,600)	R	\$	(234,600)	R
Convert to nationally normed tests		-3.00			-3.00	
<b>Charter Schools</b>	\$	-	R	\$	-	R
Remove cap, save capital cost for counties						
<b>State Board of Education Positions</b>	\$	(527,000)	R	\$	(527,000)	R
Eliminate positions as recommended by Program Evaluation Division report						
<b>More at Four (Office of School Readiness)</b>	\$	(86,000,000)	R	\$	(86,000,000)	R
Narrowly target at-risk children						
<b>Communities in Schools</b>	\$	(1,000,000)	R	\$	(1,000,000)	R
End GF appropriation, Gates Foundation is abandoning concept						
<b>Consolidated Assistance Program (LEA Assistance &amp; Turnaround Teams)</b>	\$	(150,000)	R	\$	(150,000)	R
End GF appropriation						
<b>Focused Education Reform Pilot Program</b>	\$	(7,176,433)	R	\$	(7,176,433)	R
Eliminate funding						
<b>Learn and Earn Initiative</b>	\$	(6,719,476)	R	\$	(6,719,476)	R
Gates Foundation pulling out						
<b>Learn and Earn Online</b>	\$	(6,500,000)	R	\$	(6,500,000)	R
Gates Foundation pulling out						
<b>Learn and Earn Virtual Schools</b>	\$	(1,000,000)	R	\$	(1,000,000)	R
Gates Foundation pulling out						
<b>Restructured High Schools</b>	\$	(1,367,254)	R	\$	(1,367,254)	R
Gates Foundation pulling out						
<b>School Connectivity</b>	\$	(22,000,000)	R	\$	(22,000,000)	R
Reduce funding to pre-2007 level, 97% of schools have internet access						
<b>Small County Supplemental Funding</b>	\$	(2,100,000)	R	\$	(2,100,000)	R
Overlaps with DSSF, redundant						
<b>Teacher Academy (Literacy Coaches)</b>	\$	(5,704,400)	R	\$	(5,704,400)	R
Reduce funding to pre-2007 level						
<b>Teaching Fellows</b>	\$	(1,300,000)	R	\$	(1,300,000)	R
Reduce funding to pre-2007 level						
<b>C. Budget Fairness</b>						
<b>Children with Disabilities</b>	\$	(11,200,000)	R	\$	(11,200,000)	R
Convert to tax credits						
<b>Literacy Connection - Project Enlightenment</b>	\$	(200,000)	R	\$	(200,000)	R
Reduce funding to pre-2007 level						
<b>Science Competitions</b>	\$	(200,000)	R	\$	(200,000)	R
End pass-through						
<b>Public School Forum</b>	\$	(2,342,705)	R	\$	(2,342,705)	R
End collaborative pilot						
<b>Science Olympiad</b>	\$	(150,000)	R	\$	(150,000)	R
End pass-through						

<b>Teacher Academy</b> End pass-through	\$ (1,500,000)	R	\$ (1,500,000)	R
<b>Teacher Cadet</b> End pass-through	\$ (278,500)	R	\$ (278,500)	R
<b>D. Last In, First Out</b>				
<b>Centralization of Professional Development</b> Reduce funding to pre-2007 level	\$ (550,000) -4.00	R	\$ (550,000) -4.00	R
<b>Financial Literacy Curriculum</b> Eliminate funding, should be incorporated into existing classes	\$ (500,000)	R	\$ (500,000)	R
<b>Critical Foreign Language Pilots</b> Reduce funding to pre-2007 level	\$ (500,000)	R	\$ (500,000)	R
<b>Disadvantaged Student Supplemental Funding (DSSF)</b> Reduce funding to pre-2007 level	\$ (23,563,000)	R	\$ (23,563,000)	R
<b>Instructional Supplies/Materials</b> Eliminate additional funding, manage existing supplies better (transparency)	\$ (2,437,942)	R	\$ (2,437,942)	R
<b>Positive Behavior Support Initiative</b> Reduce funding to pre-2007 level	\$ (90,000) -1.00	R	\$ (90,000) -1.00	R
<b>Principals for STEM schools (STEM = Science, Technol</b> Reduce funding to pre-2007 level	\$ (812,500)	R	\$ (812,500)	R
<b>Regional Military Family Counselors</b> Reduce funding to pre-2007 level	\$ (240,000)	R	\$ (240,000)	R
<hr/>				
<b>Budget Changes</b>	\$ (671,260,079)		\$ (671,260,079)	R
	\$ -		\$ -	NR
Total Position Changes	-3,431.00		-3,431.00	
<b>Revised Total Budget</b>	\$7,449,575,639		\$7,449,575,639	
<hr/>				

## Community Colleges

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b> \$1,004,276,596		<b>FY 2010-11</b> \$1,004,276,596	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Child Care Grants</b> End GF Appropriation	\$ (1,923,016)	R	\$ (1,923,016)	R
<b>Public Radio</b> End GF Appropriation	\$ (458,921)	R	\$ (458,921)	R
<b>B. Transparency and Accountability</b>				
<b>Administration</b> Reduce GF Appropriation 15%	\$ (2,931,652)	R	\$ (2,931,652)	R
<b>C. Budget and Tax Fairness</b>				
<b>Tuition and Enrollment Growth</b> Set tuition to pay for enrollment growth since 2007-08, use federal funds to cover 10% of increase (\$5	\$ (27,095,072)	R	\$ (27,095,072)	R
<b>Data Connectivity at NC Community Colleges</b> Increase tuition, use distance learning to cover expanded enrollment	\$ -	R	\$ -	R
<b>Distance Learning - Community College System Office Support</b> Increase tuition, use distance learning to cover expanded enrollment	\$ -	R	\$ -	R
<b>Multi-campus Center Funds</b> Increase tuition, use distance learning to cover expanded enrollment	\$ (662,607)	R	\$ (662,607)	R
<b>Technical Education</b> Increase tuition, use distance learning to cover expanded enrollment	\$ (1,000,000)	R	\$ (1,000,000)	R
<b>Tuition Waiver for Non-Certified School Employees</b> Reduce waivers	\$ (80,000)	R	\$ (80,000)	R
<b>Virtual Learning Community Development Centers</b> Increase tuition, use distance learning to cover expanded enrollment	\$ -	R	\$ -	R
<b>Kannapolis Research Campus</b> End GF Appropriation	\$ (1,100,000)	R	\$ (1,100,000)	R
<b>Allied Health</b> Eliminate expansion from 2008, ease licensing restrictions to increase number of professionals	\$ (5,600,000)	R	\$ (5,600,000)	R
<b>New Industry Training</b> Charge Fees to Cover Cost	\$ (6,028,541)	R	\$ (6,028,541)	R
<b>Small Business Centers</b> End GF Appropriation	\$ (5,527,289)	R	\$ (5,527,289)	R



<b>Composites Testing</b> Charge Fees to Cover Cost	\$ (100,000)	R	\$ (100,000)	R
<b>Focused Industry Training</b> Charge Fees to Cover Cost	\$ (3,964,471)	R	\$ (3,964,471)	R
<b>Special Tech Centers</b> Charge Fees to Cover Cost	\$ (3,726,156)	R	\$ (3,726,156)	R
<b><i>D. Last In, First Out</i></b>				
<b>Facilities Engineer</b> Eliminate position created in 2007	\$ (91,993)	R	\$ (91,993)	R
<b>Workers' Compensation Analyst</b> Eliminate position created in 2007	\$ (62,068)	R	\$ (62,068)	R
<hr/>				
<b>Budget Changes</b>	\$ (60,351,786)		\$ (60,351,786)	R
	\$ -		\$ -	NR
Total Position Changes		0.00		0.00
<b>Revised Total Budget</b>	\$ 943,924,810		\$ 943,924,810	
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## UNC System

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$2,872,029,797		\$2,872,029,797	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Tuition and Enrollment Growth</b>	\$ (150,000,000)	R	\$ (150,000,000)	R
Set tuition to reduce state expenditure to \$290 per capita, use federal funds to cover 10% of increase (\$15 million)				
<b>Focused Growth Schools</b>	\$ (3,093,002)	R	\$ (3,093,002)	R
End GF Appropriation, set appropriate tuition levels				
<b>Strategic Initiative</b>	\$ (3,300,000)	R	\$ (3,300,000)	R
End GF Appropriation				
<b>Major Research Initiative</b>	\$ (1,013,532)	R	\$ (1,013,532)	R
End GF Appropriation				
<b>YMCA</b>	\$ (36,068)	R	\$ (36,068)	R
End GF Appropriation				
<b>Global Knowledge Center</b>	\$ (1,265,126)	R	\$ (1,265,126)	R
End GF Appropriation				
<b>American Home at NC State</b>	\$ (100,435)	R	\$ (100,435)	R
End GF Appropriation				
<b>NC Arboretum</b>	\$ (207,751)	R	\$ (207,751)	R
End GF Appropriation				
<b>Ocracoke Island Station</b>	\$ (247,348)	R	\$ (247,348)	R
End GF Appropriation				
<b>UNC-NCCCS 2+2 Joint E-Learning Initiative</b>	\$ (1,000,000)	R	\$ (1,000,000)	R
Online classes already exist in UNC and Community College systems				
<b>B. Transparency and Accountability</b>				
<b>Need-Based Financial Aid</b>	\$ 125,000,000	R	\$ 125,000,000	R
Pay from General Fund instead of Escheats Fund				
<b>EARN Scholars</b>	\$ 50,000,000	R	\$ 50,000,000	R
Pay from General Fund instead of Escheats Fund				
<b>Regional Education Program</b>	\$ (1,887,370)	R	\$ (1,887,370)	R
End GF Appropriation				
<b>UNC Online</b>	\$ -	R	\$ -	R
Encourage online enrollment to offset rising costs				
<b>Information Technology (IT) Initiatives</b>	\$ -	R	\$ -	R
Add budget transparency to initiatives				
<b>Administration (Campus and System)</b>	\$ (49,317,312)	R	\$ (49,317,312)	R
Reduce GF Appropriation 15%				

**C. Budget and Tax Fairness**

<b>Center for Public Television</b> End GF Appropriation	\$ (13,640,449)	R \$ (13,640,449)
<b>Full-Time-Equiv. Status for Student Funding</b> Require 15 Class Hours per Semester for FTE Status	\$ (36,381,143)	R \$ (36,381,143)
<b>Area Health Education Centers (AHEC)</b> Address need for family physicians through deregulation, not new schools	\$ (2,320,791)	R \$ (2,320,791)
<b>ECU Dental School Operations</b> Address need for dentists through deregulation, not new schools	\$ (2,500,000)	R \$ (2,500,000)
<b>Out-of-State Athletes</b> Charge out-of-state tuition	\$ (10,000,000)	R \$ (10,000,000)
<b>UNC Campus Scholarships</b> Eliminate race-based grants	\$ (2,397,950)	R \$ (2,397,950)
<b>UNC College Scholars</b> End GF Appropriation	\$ (2,371,253)	R \$ (2,371,253)
<b>North Carolina School of Science and Math Tuition Grant</b> Eliminate tuition remission for NCSSM graduates	\$ (834,099)	R \$ (834,099)
<b>Legislative Tuition Grant and State Contractual Scholarship Fund</b> Continue programs, eliminate expansions	\$ (2,372,250)	R \$ (2,372,250)
<b>Legislative Tuition Grant For Part-Time Students</b> Eliminate \$100 increase per student, added in 2007	\$ (1,500,000)	R \$ (1,500,000)
<b>Legislative Tuition Grant Increase</b> Eliminate \$50 increase per student, added in 2007	\$ (1,600,000)	R \$ (1,600,000)
<b>Religious College Grant</b> Eliminate \$150 increase per student, added in 2007	\$ (29,700)	R \$ (29,700)
<b>Kannapolis Research Center</b> End GF Appropriation	\$ (20,500,000)	R \$ (20,500,000)
<b>UNC Faculty Recruitment and Retention</b> End GF Appropriation	\$ (5,000,000)	R \$ (5,000,000)
<b>Board of Governors TEACH Awards</b> End GF Appropriation	\$ (250,000)	R \$ (250,000)
<b>Teacher Prep Distributed Education</b> End GF Appropriation	\$ (1,801,861)	R \$ (1,801,861)
<b>Future Teachers Scholarship Loan</b> Repeal funding for scholarships added since 2006	\$ (325,000)	R \$ (325,000)
<b>Virtual Library</b> End GF Appropriation	\$ (1,454,399)	R \$ (1,454,399)
<b>NC TEACH</b> End GF Appropriation, ease mid-career teacher licensing requirements for all	\$ (250,000)	R \$ (250,000)
<b>Prospective Teacher Scholarships</b> End GF Appropriation	\$ (2,381,164)	R \$ (2,381,164)

<b>TA Scholarship Fund</b> End GF Appropriation	\$ (160,925)	R	\$ (160,925)	R
<b>Research Overhead</b> Recover 50% of Receipts to Offset State Appropriations	\$ (85,000,000)	R	\$ (85,000,000)	R
<b>Biomanufacturing Teaching &amp; Education</b> End GF Appropriation	\$ (2,377,133)	R	\$ (2,377,133)	R
<b>Gateway Technology Center</b> No need for center with online classes, students have online access already	\$ (177,000)	R	\$ (177,000)	R
<b>UNC Hospitals</b> Reduce GF Appropriation 10%, rely on medical payments and donations	\$ (4,567,397)	R	\$ (4,567,397)	R

***D. Last In, First Out***

<b>Graduate Nurse Scholarships for Faculty Production</b> Eliminate 2007 expansion of program	\$ (1,200,000)	R	\$ (1,200,000)	R
<b>TEACCH</b> Eliminate 2008 expansion	\$ (353,064)	R	\$ (353,064)	R
<b>Perinatal Mortality and Disease</b> Eliminate 2007 expansion	\$ (50,000)	R	\$ (50,000)	R
<b>NC Engineering Technology Center at Hickory</b> Eliminate 2007 expansion	\$ (600,000)	R	\$ (600,000)	R
<b>Hunt Institute</b> Eliminate GF appropriation	\$ (500,000)	R	\$ (500,000)	R
<b>Joint Program in Nanotechnology</b> Eliminate GF appropriation	\$ (2,900,000)	R	\$ (2,900,000)	R
<b>UNC-CH Law School</b> End 2007 expansion	\$ (2,000,000)	R	\$ (2,000,000)	R
<b>NCSU School of Engineering</b> Eliminate 2007 expansion for bioengineering	\$ (2,000,000)	R	\$ (2,000,000)	R
<b>Teacher Education Enrollment Planning and Recruitment</b> Eliminate 2007 expansion, eliminate rules that make teaching difficult to enter	\$ (1,500,000)	R	\$ (1,500,000)	R
<b>Academic Summer Bridge and Retention Pilot Programs</b> Eliminate program begun in 2007	\$ (1,193,000)	R	\$ (1,193,000)	R
<b>Graduate Student Recruitment and Retention</b> Eliminate 2007 and 2008 expansions	\$ (3,500,000)	R	\$ (3,500,000)	R
<b>Biomanufacturing Research Institute and Technology Enterprise (BRITE)</b> Eliminate 2007 and 2008 expansions	\$ (2,000,000)	R	\$ (2,000,000)	R
<b>University Cancer Research Fund</b> Do not expand fund	\$ (15,500,000)	R	\$ (15,500,000)	R

<b>Center for Design Innovation</b> Eliminate 2007 expansion	\$ (500,000)	R \$ (500,000)	R
<b>Teacher Education Pilot Program</b> Eliminate GF Apropriation for program begun in 2007	\$ (750,000)	R \$ (750,000)	R
<b>WCU Forensic Science Program</b> Eliminate 2008 expansion	\$ (500,000)	R \$ (500,000)	R
<b>Dairy Agriculture Extension Agents</b> Eliminate two positions created in 2008	\$ (200,000) -2.00	R \$ (200,000) -2.00	R
<b>North Carolina State University School of Engineering</b> Eliminate 2008 expansion for bioengineering	\$ (5,000,000)	R \$ (5,000,000)	R
<b>NC A&amp;T College of Engineering</b> Eliminate 2008 expansion	\$ (2,000,000)	R \$ (2,000,000)	R
<b>Faculty Recruiting and Retention Fund</b> End program begun in 2006	\$ (3,000,000)	R \$ (3,000,000)	R
<b>ECSU Aviation Program</b> Eliminate GF Appropriation	\$ (300,000)	R \$ (300,000)	R
<b>NCSU Horticultural Program in Eastern NC</b> End program begun in 2008	\$ (200,000)	R \$ (200,000)	R
<b>North Carolina Central University Law School</b> Eliminate GF Appropriation for ABA recommendations	\$ (4,500,000)	R \$ (4,500,000)	R
<b>Budget Changes</b>	\$ (286,906,522)	\$ (286,906,522)	R
	\$ -	\$ -	NR
Total Position Changes	-2.00	-2.00	
<b>Revised Total Budget</b>	\$2,585,123,275	\$2,585,123,275	

## Administration

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>State Energy Office</b>	\$	(721,768)	R \$	(721,768) R
Close office, transfer operations of three university energy programs back to UNC budget (funding was never cut in UNC System)		-8.00		-8.00
<b>B. Transparency and Accountability</b>				
<b>Administration</b>	\$	(444,459)	R \$	(444,459) R
Reduce GF Approp. 15%				
<b>C. Budget and Tax Fairness</b>				
<b>N.C. Council for Women</b>	\$	(4,194,807)	R \$	(4,194,807) R
End GF Appropriation, function of civil society		-11.36		-11.36
<b>Human Relations Commission</b>	\$	(667,647)	R \$	(667,647) R
End GF Appropriation; advocacy		-10.68		-10.68
<b>Martin Luther King Commission</b>	\$	(69,085)	R \$	(69,085) R
End GF Appropriation, function of civil society				
<b>Commission on Indian Affairs</b>	\$	(373,594)	R \$	(373,594) R
End GF Appropriation; advocacy		-5.98		-5.98
<b>Youth Involvement Office</b>	\$	(924,536)	R \$	(924,536) R
End GF Appropriation; advocacy		-10.00		-10.00
<b>Historically Underutilized Businesses (HUBSCO)</b>	\$	(1,034,108)	R \$	(1,034,108) R
End GF Appropriation; advocacy		-14.00		-14.00
<b>D. Last In, First Out</b>				
<b>State Construction - Design Review Teams</b>	\$	(318,287)	R \$	(318,287) R
Roll back expansion				
<b>State Capitol Police - Public Safety Officers</b>	\$	(286,069)	R \$	(286,069) R
Eliminate four positions added in 2007		-6.00		-6.00
<b>Budget Changes</b>				
	\$	(9,034,360)	\$	(9,034,360) R
	\$	-	\$	- NR
Total Position Changes		-66.02		-66.02
<b>Revised Total Budget</b>	\$	65,381,794	\$	65,381,794

## Auditor

## GENERAL FUND

	<b>FY 2009-10</b>	<b>FY 2010-11</b>	
<b><i>Adjusted Continuation Budget</i></b>	\$ 13,226,181	\$ 13,226,181	
<b>Recommended Changes</b>			
<b>No Recommended Changes</b>	\$ -	\$ -	
<hr/>			
<b>Budget Changes</b>	\$ -	\$ -	R
	\$ -	\$ -	NR
Total Position Changes	0.00	0.00	
<b>Revised Total Budget</b>	\$ 13,226,181	\$ 13,226,181	

## Cultural Resources

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 75,722,563		\$ 75,722,563	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Close South Port Maritime Museum</b>	\$ (167,971)	R	\$ (167,971)	R
Governor's Recommendation	-2.00		-2.00	
<b>Eliminate History Bowl Program</b>	\$ (17,194)	R	\$ (17,194)	R
Governor's Recommendation				
<b>B. Transparency and Accountability</b>				
<b>Eliminate 16.5 vacant positions</b>	\$ (696,644)	R	\$ (696,644)	R
Agency Recommendation	-16.50		-16.50	
<b>Eliminate Temporary Positions</b>	\$ (299,147)	R	\$ (299,147)	R
Agency Recommendation				
<b>Administration</b>	\$ (433,896)	R	\$ (433,896)	R
Reduce GF Approp. 10%				
<b>C. Budget and Tax Fairness</b>				
<b>Historical Publications</b>	\$ (340,738)	R	\$ (340,738)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>State Historic Sites</b>	\$ (4,215,318)	R	\$ (4,215,318)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>Tryon Palace/Gardens</b>	\$ (1,114,797)	R	\$ (1,114,797)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>NC Maritime Museum</b>	\$ (601,924)	R	\$ (601,924)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>NC Museum of Art</b>	\$ (2,174,629)	R	\$ (2,174,629)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>NC Arts Council (including Grassroots Arts Program)</b>	\$ (8,063,962)	R	\$ (8,063,962)	R
End GF Appropriation; restore civil society				
<b>NC Symphony</b>	\$ (2,261,824)	R	\$ (2,261,824)	R
End GF Appropriation; user responsibility				
<b>NC Museum of History</b>	\$ (3,324,703)	R	\$ (3,324,703)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>Roanoke Island Comm</b>	\$ (2,020,023)	R	\$ (2,020,023)	R
End GF Appropriation; user responsibility				
<b>D. Last In, First Out</b>				
<b>Archives and History - Enhanced History Education</b>	\$ (100,000)	R	\$ (100,000)	R
Repeal funding for program begun in 2007				
<b>Archives and History - Abandoned Cemetery Preservation</b>	\$ (119,741)	R	\$ (119,741)	R
Repeal funding for program begun in 2007	-2.00		-2.00	



<b>Archives and History - African American Heritage Commission</b>	\$	(32,500)	R	\$	(32,500)	R
Repeal funding for program begun in 2007						
<b>Museum of History - Graveyard of the Atlantic</b>	\$	(300,000)	R	\$	(300,000)	R
Repeal funding added in 2007						
		-6.00			-6.00	
<b>Administration - Information Technology Consolidation</b>	\$	(224,800)	R	\$	(224,800)	R
Repeal funding added in 2007						

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<b>Budget Changes</b>	\$	(26,509,810)	R	\$	(26,509,810)	R
	\$	-	NR	\$	-	NR
Total Position Changes		-26.50			-26.50	
<b>Revised Total Budget</b>	\$	49,212,753		\$	49,212,753	

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## General Assembly

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	57,537,589	\$	57,537,589
<b>Recommended Changes</b>				
<b>C. Budget and Tax Fairness</b>				
<b>Food Service</b>	\$	(671,687)	R	\$ (671,687) R
Charge Fees to Cover Cost				
<b>Budget Changes</b>	\$	(671,687)	R	\$ (671,687) R
	\$	-	NR	\$ - NR
Total Position Changes				
<b>Revised Total Budget</b>	\$	56,865,902	\$	56,865,902

## Governor

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	6,492,153	\$	6,492,153
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Education Office</b>	\$	(434,700)	R \$	(434,700) R
End GF Appropriation, reorganize government				
<b>Administration</b>	\$	(403,003)	R \$	(403,003) R
Reduce GF Appropriation 10%, reorganize government				
<b>B. Transparency and Accountability</b>				
<b>Reduce Funding for Salaries</b>	\$	(266,842)	R \$	(266,842) R
Agency Recommendation				
<b>C. Budget and Tax Fairness</b>				
<b>Dues to National Governors' Association</b>	\$	(464,975)	R \$	(464,975) R
End GF Appropriation for advocacy organization				
<b>Budget Changes</b>				
	\$	(1,569,520)	\$	(1,569,520) R
	\$	-	NR	\$ - NR
Total Position Changes		0.00		0.00
<b>Revised Total Budget</b>	\$	4,922,633	\$	4,922,633

## Housing Finance Agency

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	14,608,417	\$	14,608,417
<b>Recommended Changes</b>				
<b>C. Budget and Tax Fairness</b>				
<b>North Carolina Housing Trust Fund (<a href="http://tr.im/nchtf">http://tr.im/nchtf</a>)</b> End GF Appropriation; restore civil society	\$	(10,000,000)	R \$	(10,000,000) R
<b>Home Protection Program (<a href="http://tr.im/fixq">http://tr.im/fixq</a>)</b> End GF Appropriation; restore civil society	\$	(4,608,417)	R \$	(4,608,417) R
<b>Budget Changes</b>	\$	(14,608,417)	\$	(14,608,417) R
	\$	-	\$	- NR
Total Position Changes		0.00		0.00
<b>Revised Total Budget</b>	\$	-	\$	-

## Insurance

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$	33,185,787	\$	33,185,787
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Seniors' Health Information Program Call Center</b>	\$	(284,646)	R \$	(284,646) R
Governor's recommendation		-4.00		-4.00
<b>Safe Kids Program Coordination &amp; Outreach</b>	\$	(124,898)	R \$	(124,898) R
Governor's recommendation		-2.00		-2.00
<b>D. Last In, First Out</b>				
<b>Company Services Group - Insurance Examiner II</b>	\$	(166,080)	R \$	(166,080) R
Two positions created in 2008 for Professional Employer Organization (PEO) regulation in the Financial Evaluation Division		-2.00		-2.00
<b>Public Services - Insurance Regulatory Analyst I</b>	\$	(297,412)	R \$	(297,412) R
Four positions created in 2008		-4.00		-4.00
<b>Office of the State Fire Marshal - Staff Expansion</b>	\$	(364,693)	R \$	(364,693) R
Four positions created in 2007		-4.00		-4.00
<b>Office of the State Fire Marshal - Training and Inspection Travel</b>	\$	(150,000)	R \$	(150,000) R
Set funding at FY2007-08 level				
<b>Budget Changes</b>				
	\$	(1,221,649)	\$	(1,221,649) R
	\$	-	\$	- NR
Total Position Changes		-16.00		-16.00
<b>Revised Total Budget</b>	\$	31,964,138	\$	31,964,138

Insurance - Worker's Compensation Fund

GENERAL FUND

	FY 2009-10	FY 2010-11
<i>Adjusted Continuation Budget</i>	\$ 4,500,000	\$ 4,500,000

**Recommended Changes**

*No recommended changes*

<b>Budget Changes</b>	\$ -	\$ -	R
	\$ -	\$ -	NR
Total Position Changes			
<b>Revised Total Budget</b>	\$ 4,500,000	\$ 4,500,000	

## Lieutenant Governor

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	970,984	\$	970,984
<b>Recommended Changes</b>				
<b>D. Last In, First Out</b>				
<b>Office Assistant Hours</b>	\$	(4,019)	R \$	(4,019) R
Reduce hours to 4 hours of work added in FY2007-08		-0.10		-0.10
<b>Operating Budget</b>	\$	(2,791)	R \$	(2,791) R
Return to funding level in FY2006-07				
<b>Budget Changes</b>	\$	(6,810)	R \$	(6,810) R
	\$	-	NR \$	- NR
Total Position Changes		-0.10		-0.10
<b>Revised Total Budget</b>	\$	964,174	\$	964,174

## Office of Administrative Hearings

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	3,790,962	\$	3,790,962
<b>Recommended Changes</b>				
<b>D. Last In, First Out</b>				
<b>Administrative Hearings Assistant</b>	\$	(48,546)	R \$	(48,546) R
Eliminate position added in 2008		-1.00		-1.00
<b>Information Technology Consolidation</b>	\$	(42,700)	R \$	(42,700) R
Repeal funding added in 2007				
<b>Budget Changes</b>	\$	(91,246)	\$	(91,246) R
	\$	-	\$	- NR
Total Position Changes		-1.00		-1.00
<b>Revised Total Budget</b>	\$	3,699,716	\$	3,699,716



## Revenue

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Guest Worker Program</b>	\$	(500,000)	R \$	(500,000) R
Governor's Recommendation				
<b>B. Transparency and Accountability</b>				
<b>Convert Property Tax Division to Receipt Support</b>	\$	(823,304)	R \$	(823,304) R
Agency Recommendation		-17.00		-17.00
<b>Eliminate 17 Vacant Positions</b>	\$	(1,461,744)	R \$	(1,461,744) R
Agency Recommendation				
<b>Eliminate Temporary Positions</b>	\$	(2,798,900)	R \$	(2,798,900) R
Agency Recommendation				
<b>Administration - 1600</b>	\$	(400,471)	R \$	(400,471) R
Merge with OSBM, Controller to Create Dept. of Finance. reduce administrative cost 20 percent				
<b>Administrative Services - 1681</b>	\$	(1,637,085)	R \$	(1,637,085) R
Merge with OSBM, Controller to Create Dept. of Finance. reduce administrative cost 20 percent				
<b>Budget Changes</b>				
	\$	(7,621,504)	\$	(7,621,504) R
	\$	-	\$	- NR
Total Position Changes		-17.00		-17.00
<b>Revised Total Budget</b>	\$	80,493,205	\$	80,493,205

## Secretary of State

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 11,449,158		\$ 11,449,158	
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>Land Records Management</b>	\$ (150,291)	R	\$ (150,291)	R
End GF Appropriation; local responsibility				
<b>Administration</b>	\$ (228,103)	R	\$ (228,103)	R
Reduce GF Appropriation 10 percent				
<b>D. Last In, First Out</b>				
<b>Securities Registration - Secur i t i es Exami ner I</b>	\$ (56,958)	R	\$ (56,958)	R
Eliminate position created in 2007	-1.00		-1.00	
<b>Administration - Accountant I position</b>	\$ (66,178)	R	\$ (66,178)	R
Eliminate position created in 2008	-1.00		-1.00	
<b>Lobbyist Registration - Office Assistant V</b>	\$ (37,653)	R	\$ (37,653)	R
Eliminate position created in 2008	-1.00		-1.00	
<b>Corporations - Processing Assistant V</b>	\$ (35,845)	R	\$ (35,845)	R
Eliminate position created in 2008	-1.00		-1.00	
<b>Securities Registration - Paralegal II</b>	\$ (47,201)	R	\$ (47,201)	R
Eliminate position created in 2008	-1.00		-1.00	
<b>Budget Changes</b>	\$ (622,229)	R	\$ (622,229)	R
	\$ -	NR	\$ -	NR
Total Position Changes	-5.00		-5.00	
<b>Revised Total Budget</b>	\$ 10,826,929		\$ 10,826,929	

State Board of Elections

GENERAL FUND

	FY 2009-10	FY 2010-11
<b>Adjusted Continuation Budget</b>	\$ 10,453,034	\$ 10,453,034

**Recommended Changes**

*No Recommended Changes*

<b>Budget Changes</b>	\$ - R	\$ - R
	\$ - NR	\$ - NR
Total Position Changes		
<b>Revised Total Budget</b>	\$ 10,453,034	\$ 10,453,034

## State Budget and Management

## GENERAL FUND

	<b>FY 2009-10</b>		<b>FY 2010-11</b>
<b><i>Adjusted Continuation Budget</i></b>	\$ 6,248,792		\$ 6,248,792

**Recommended Changes*****B. Transparency and Accountability*****Reorganize into Department of Finance**

Merge with Revenue, State Controller to create Dept.  
of Finance - save 5 percent

\$ (291,838) R \$ (291,838) R

<b>Budget Changes</b>	\$ (291,838) R	\$ (291,838) R
	\$ - NR	\$ - NR
Total Position Changes	0.00	0.00
<b>Revised Total Budget</b>	\$ 5,956,954	\$ 5,956,954

## State Budget and Management - Special

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	5,921,446	\$	5,921,446
<b>Recommended Changes</b>				
<b>D. Last In, First Out</b>				
<b>Fire Protection Grant</b>	\$	(300,000)	R	\$ (300,000) R
Eliminate grants-in-aid program created in 2007 and made permanent in 2008				
<b>Budget Changes</b>	\$	(300,000)	R	\$ (300,000) R
	\$	-	NR	\$ - NR
Total Position Changes				
<b>Revised Total Budget</b>	\$	5,621,446	\$	5,621,446

## State Controller

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$ 21,677,390		\$ 21,677,390	

**Recommended Changes****B. Transparency and Accountability****Transparency Website**

As part of state IT upgrade and consolidation, create website with state revenue, budget, and spending information available in an open, accessible, and structured format

\$ - R \$ - R

**Reorganize into Department of Finance**

Merge with OSBM, Revenue to create Dept. of Finance. save 5 percent

\$ (1,033,500) R \$ (1,033,500) R

<b>Budget Changes</b>	\$ (1,033,500) R	\$ (1,033,500) R
	\$ - NR	\$ - NR
Total Position Changes	0.00	0.00
<b>Revised Total Budget</b>	\$ 20,643,891	\$ 20,643,891

## Treasurer - Operations

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	10,390,149	\$	10,390,149
<b>Recommended Changes</b>				
<b>D. Last In, First Out</b>				
<b>Investment Management Positions</b>	\$	(974,587)	R	\$ (974,587) R
Eliminate nine positions created in 2007 and 2008, reduce salaries of Senior Portfolio Managers		-9.00		-9.00
<b>Budget Changes</b>				
	\$	(974,587)	R	\$ (974,587) R
	\$	-	NR	\$ - NR
Total Position Changes		-9.00		-9.00
<b>Revised Total Budget</b>	\$	9,415,562	\$	9,415,562

## Treasurer - Retirement / Benefits

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	10,486,808	\$	10,486,808
<b>Recommended Changes</b>				
<b>D. Last In, First Out</b>				
<b>Reduce Retirement Benefits</b>	\$	(1,321,351)	R	\$ (1,321,351) R
Reduce benefits to \$165 per month, amount of benefits before July 2007				
<b>Budget Changes</b>	\$	(1,321,351)	R	\$ (1,321,351) R
	\$	-	NR	\$ - NR
Total Position Changes		0.00		0.00
<b>Revised Total Budget</b>	\$	9,165,457	\$	9,165,457



## HHS Central Management and Support

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 59,197,849		\$ 59,197,849	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Office of Rural Health</b>	\$ (2,352,707)	R	\$ (2,352,707)	R
Reduce GF Appropriation 25%, redirect to priorities				
<b>Office of Education Services</b>	\$ (2,308,334)	R	\$ (2,308,334)	R
Reduce operating expenses and contractual services, and eliminate vacant positions as offered by DHHS	-32.00		-32.00	
<b>B. Transparency and Accountability</b>				
<b>Central Management &amp; Admin</b>	\$ (439,827)	R	\$ (439,827)	R
Reduce Appropriation 10 percent				
<b>Admin &amp; Support</b>	\$ (438,178)	R	\$ (438,178)	R
Reduce Appropriation 10 percent				
<b>Human Resources</b>	\$ (246,000)	R	\$ (246,000)	R
Reduce Appropriation 10 percent				
<b>Institute of Medicine Studies</b>	\$ (300,000)	R	\$ (300,000)	R
Contract in competitive process for specific needs, instead of this recurring item begun in 2007				
<b>Health Net Grants</b>	\$ (2,800,000)	R	\$ (2,800,000)	R
Contract in competitive process for specific needs, instead of this recurring item begun in 2007				
<b>C. Budget and Tax Fairness</b>				
<b>NC Council on Developmental Disabilities</b>	\$ (119,986)	R	\$ (119,986)	R
End GF Appropriation for advocacy and restore civil society	-11.00		-11.00	
<b>Office of Economic Opportunity</b>	\$ (75,599)	R	\$ (75,599)	R
End GF Appropriation for advocacy	-11.00		-11.00	
<b>D. Last In, First Out</b>				
<b>CARELINE</b>	\$ (481,681)	R	\$ (481,681)	R
Return information and referral telephone service to five days. It had expanded to 24/7 service in 2007.	-10.00		-10.00	
<b>Housing and Homelessness Positions</b>	\$ (349,000)	R	\$ (349,000)	R
Allow to lapse three time-limited, grant-supported positions that became state-funded in 2007				
<b>Housing and Homelessness Positions</b>	\$ (248,341)	R	\$ (248,341)	R
Allow to lapse three time-limited, grant-supported positions that became state-funded in 2007	-3.00		-3.00	
<b>Budget Changes</b>				
	\$ (9,810,653)		\$ (9,810,653)	R
	\$ -		\$ -	NR
Total Position Changes	-55.00		-55.00	
<b>Revised Total Budget</b>	\$ 49,387,196		\$ 49,387,196	

## Aging and Adult Services

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 35,818,485		\$ 35,818,485	
<b>Recommended Changes</b>				
<b>C. Budget and Tax Fairness</b>				
<b>Senior Games</b>	\$ (175,000)	R	\$ (175,000)	R
End GF Appropriation, restore civil society				
<b>Elder Rights Program</b>	\$ (869,832)	R	\$ (869,832)	R
End GF Appropriation, advocacy				
<b>Alzheimer's Association</b>	\$ (150,000)	R	\$ (150,000)	R
End GF Appropriation, restore civil society				
<b>Senior Center Outreach and Development Program</b>	\$ (100,000)	R	\$ (100,000)	R
End GF Appropriation, restore civil society, Agency Recommendation				
<b>Aging Division Administration</b>	\$ (360,857)	R	\$ (360,857)	R
Merge with Division of Social Services, Save 50% of Administrative Cost				
<b>D. Last In, First Out</b>				
<b>Area Agencies on Aging</b>	\$ (300,000)	R	\$ (300,000)	R
Eliminate spending begun in 2007				
<b>Home and Community Care Block Grant</b>	\$ (2,536,000)	R	\$ (2,536,000)	R
Amount added in 2007, similar to Agency Recommendation				
<b>Budget Changes</b>	\$ (4,491,689)		\$ (4,491,689)	R
	\$ -		\$ -	NR
Total Position Changes	0.00		0.00	
<b>Revised Total Budget</b>	\$ 31,326,797		\$ 31,326,797	

## Blind and Deaf / Hard of Hearing Services

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
	\$	11,739,499	\$	11,739,499
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>Create Disability Administration</b>	\$	(134,040)	R \$	(134,040) R
Merge with Vocational Rehabilitation, save 15 percent				
<b>D. Last In, First Out</b>				
<b>Independent Living Program</b>	\$	(642,827)	R \$	(642,827) R
End spending initiated in 2007		-4.00		-4.00
<b>Vocational Rehabilitation Program</b>	\$	(200,000)	R \$	(200,000) R
Roll back expansion from 2007, similar to Agency recommendation				
<b>Medical Eye Care Program</b>	\$	(200,000)	R \$	(200,000) R
Roll back expansion from 2007				
<b>Deaf Regional Field Office Staff</b>	\$	(70,364)	R \$	(70,364) R
End spending initiated in 2007		-3.00		-3.00
<b>Budget Changes</b>	\$	(1,247,231)	R \$	(1,247,231) R
	\$	-	NR \$	- NR
Total Position Changes		-7.00		-7.00
<b>Revised Total Budget</b>	\$	10,492,268	\$	10,492,268

## Child Development

## GENERAL FUND

	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
<b><i>Adjusted Continuation Budget</i></b>	\$ 305,231,579		\$ 305,231,579	
<b>Recommended Changes</b>				
<b><i>B. Transparency and Accountability</i></b>				
<b>Smart Start</b>	\$ (209,697,835)	R	\$ (209,697,835)	R
Convert to Education Tax Credits / Deductions				
<b>T.E.A.C.H. Scholarship Funding</b>	\$ (1,200,000)	R	\$ (2,100,974)	R
Convert to Education Tax Credits / Deductions	-13.00		-13.00	
<b>Child Care Subsidies</b>	\$ (1,563,079)	R	\$ (1,563,079)	R
Convert to Education Tax Credits / Deductions	-26.00		-26.00	
<b>Budget Changes</b>	\$ (212,460,914)		\$ (213,361,888)	R
	\$ -		\$ -	NR
Total Position Changes	-39.00		-39.00	
<b>Revised Total Budget</b>	\$ 92,770,665		\$ 91,869,691	

## Education Services

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Reduce Operating Expenses at All Locations</b>	\$	(703,191)	R \$	(703,191)
Agency Recommendation				R
<b>Reduce Contractual Services</b>	\$	(254,931)	R \$	(254,931)
Agency Recommendation				R
<b>Eliminate Vacant Positions</b>	\$	(1,350,212)	R \$	(1,350,212)
Agency Recommendation		-32.00		-32.00
				R
<b>B. Transparency and Accountability</b>				
<b>Whitaker and Wright Schools</b>	\$	1,000,000	NR \$	1,000,000
Explore ways to privatize schools, seek proposals, and facilitate transfer from public to private				NR
<b>D. Last In, First Out</b>				
<b>Student Life Services at GMS</b>	\$	(91,051)	R \$	(91,051)
Eliminate three positions created in 2007		-3.00		-3.00
				R
<b>Resource Officers at Schools for the Deaf</b>	\$	(82,000)	R \$	(82,000)
Eliminate funding added in 2007				R
<b>Behavior Support at Schools for the Deaf and Blind</b>	\$	(142,283)	R \$	(142,283)
Eliminate four positions created in 2007		-4.00		-4.00
				R
<b>Beginnings, Inc.</b>	\$	(229,151)	R \$	(229,151)
Eliminate funding initiated in 2007				R
<b>Budget Changes</b>				
	\$	(2,852,819)	\$	(2,852,819)
	\$	1,000,000	\$	1,000,000
				R
Total Position Changes		-39.00		-39.00
<b>Revised Total Budget</b>	\$	38,452,188	\$	38,452,188

## Health Services Regulation

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 22,441,547		\$ 22,441,547	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Eliminate Vacant Positions</b>	\$ (164,640)	R	\$ (164,640)	R
Agency Recommendation	-2.00		-2.00	
<b>C. Budget and Tax Fairness</b>				
<b>Repeal CON Regulations</b>	\$ (2,576,613)	R	\$ (2,576,613)	R
Allow markets to determine where capital goods for health care are needed. repeal accompanying fees	-26.00		-26.00	
<b>D. Last In, First Out</b>				
<b>Construction Program</b>	\$ (1,577,638)	R	\$ (1,577,638)	R
Repeal expansion and accompanying fees from 2007 and 2008	-16.00		-16.00	
<b>Regulatory and Complaint Staff</b>	\$ (288,887)	R	\$ (288,887)	R
Rescind increase in funding from 2007	-3.00		-3.00	
<b>Health Care Personnel Registry and Rating System fo</b>	\$ (803,000)	R	\$ (803,000)	R
Rescind increase in funding from 2007	-13.00		-13.00	
<b>Budget Changes</b>				
	\$ (5,410,778)		\$ (5,410,778)	R
	\$ -		\$ -	NR
Total Position Changes	-60.00		-60.00	
<b>Revised Total Budget</b>	\$ 17,030,769		\$ 17,030,769	

## Medical Assistance

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$ 3,187,763,678		\$ 3,187,763,678	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>FMAP Increase</b>	\$ (945,101,565)	R	\$ -	R
Accept temporary increase of Medicaid FMAP while evaluating ways to reform Medicaid, as listed below				
<b>B. Transparency and Accountability</b>				
<b>High Risk Pool</b>	\$ 5,000,000	R	\$ 5,000,000	R
Transfer responsibility from Tobacco Trust Fund				
<b>County Share of Medicaid</b>	\$ 336,354,090	R	\$ 441,397,305	R
Continue to take over county share				
<b>C. Budget and Tax Fairness</b>				
<b>Medicaid coverage for children up to 200% FPL</b>	\$ -	R	\$ (20,337,854)	R
Eliminate 2005 Expansion				
<b>Medicaid Fees, Eligibility and Services</b>	\$ -	R	\$ (624,057,227)	R
Bring in line with other states in region, includes Agency Recommendations and eligibility restrictions				
<b>Reform Medicaid</b>	\$ -	R	\$ -	R
1. Apply for Medicaid waiver to make a block grant 2. Revise Medicaid into premium assistance program 3. Permit Medicaid enrollees to purchase private insurance across state lines				
<b>Expand Medicaid Mental Health Waiver</b>	\$ -	R	\$ -	R
Expand Medicaid 1915(b) waiver to Local Management Entities (LMEs) beyond Piedmont Behavioral Health				
<b>D. Last In, First Out</b>				
<b>Home Health Personal Care Service Rate</b>	\$ -	R	\$ (2,500,000)	R
Return to rate before October 2007				
<b>Division Staff</b>	\$ (436,549)	R	\$ (436,549)	R
Eliminate 14 positions created in 2007				
<b>Mental Health Screenings and Assessments in Adult Care Homes</b>	\$ -	R	\$ (198,846)	R
Repeal 2008 expansion				
<b>Dental Rates</b>	\$ -	R	\$ (5,000,000)	R
Reduce rates to pre-2008 level				
<b>Medicaid Coverage for Foster Care Adolescents</b>	\$ -	R	\$ (645,841)	R
Repeal 2008 expansion				
<b>NC Kids' Care</b>	\$ -	R	\$ (719,398)	R
Eliminate 2005 Expansion				
<b>Medicaid Appeals Process</b>	\$ (217,021)	R	\$ (217,021)	R
Eliminate seven positions added in 2008				

<b>Legal Positions in the Attorney General's Office</b>	\$	(70,934)	R	\$	(70,934)	R
Eliminate 2008 expansion						
	\$	(724,504)		\$	(9,788,589)	
		-21.00			-21.00	
<hr/>						
<b>Budget Changes</b>	\$	(604,471,979)	R	\$	(207,786,365)	R
	\$	-	NR	\$	-	NR
Total Position Changes		-21.00			-21.00	
<b>Revised Total Budget</b>	\$	2,583,291,699		\$	2,979,977,313	
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## Mental Health, Developmental Disabilities and Substance Abuse Services

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$ 756,926,014		\$ 756,926,014	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Reduce Community Support Services</b>	\$ (25,910,044)	R	\$ (25,910,044)	R
Agency Recommendation, reduce payments to troubled program				
<b>B. Transparency and Accountability</b>				
<b>Hospital Utilization Pilots for MH/DD/SA</b>	\$ (5,000,000)	R	\$ (5,000,000)	R
End funding for pilot programs				
<b>Regionally-Purchased, Locally-Hosted Substance Abuse Programs</b>	\$ (1,000,000)	R	\$ (1,000,000)	R
Reduce funding				
<b>Local Administration for MH/DD/SA</b>	\$ (4,889,234)	R	\$ (4,889,234)	R
Repearl funding for Administrative Cost Model				
<b>Treatment Court Programs</b>	\$ (2,000,000)	R	\$ (2,000,000)	R
Rescind funding until CIT programs are established				
<b>Privatize management of Cherry Hospital</b>	\$ -	R	\$ -	R
Contract with private entity to manage Cherry Hospital and meet care objectives				
<b>Expand Medicaid Mental Health Waiver</b>	\$ -	R	\$ -	R
Expand Medicaid 1915(b) waiver to Local Management Entities (LMEs) beyond Piedmont Behavioral Health				
<b>LME competition</b>	\$ -	R	\$ -	R
Allow LMEs to provide care management to consumers outside their geographic area				
<b>C. Budget and Tax Fairness</b>				
<b>Program Service Funding for Group Homes</b>	\$ (200,000)	R	\$ (200,000)	R
Hold Mental Health Association, Inc. group homes to same standard for funding as other group homes				
<b>D. Last In, First Out</b>				
<b>Early Intervention for Autism</b>	\$ (1,875,000)	R	\$ (1,875,000)	R
End funding for pilot program				
<b>Operating Cost Subsidy - Housing for People with Disabilities</b>	\$ (1,000,000)	R	\$ (1,000,000)	R
Reverse expansion in 2008				
<b>Supportive Services for HUD 811 Projects</b>	\$ (129,331)	R	\$ (129,331)	R
Reverse expansion in 2008				
<b>Program Service Funding for Group Homes</b>	\$ (200,000)	R	\$ (200,000)	R
Hold Mental Health Association, Inc. group homes to same standard for funding as other group homes				

<b>Traumatic Brain Injury Services</b>	\$	(1,000,000)	R	\$	(1,000,000)	R
Repeal program begun in 2008						
<hr/>						
<b>Budget Changes</b>	\$	(43,203,609)		\$	(43,203,609)	R
	\$	-		\$	-	NR
Total Position Changes		0.00			0.00	
<b>Revised Total Budget</b>	\$	713,722,405		\$	713,722,405	
<hr/>						

## NC Health Choice (SCHIP)

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$ 68,803,534		\$ 68,803,534	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>FMAP Funds</b>	\$ (54,898,435)	R	\$ -	R
Use FMAP funds to maintain current enrollment in FY2009-10, return program to FY2002-03 enrollment				
<b>B. Transparency and Accountability</b>				
<b>Health Choice Expansion</b>	\$ -	R	\$ (54,898,435)	R
Use FMAP funds to maintain current enrollment in FY2009-10, return program to FY2003 enrollment level in FY2010-11				
<b>Budget Changes</b>	\$ (54,898,435)		\$ (54,898,435)	R
			\$ -	NR
Total Position Changes	0.00		0.00	
<b>Revised Total Budget</b>	\$ 13,905,099		\$ 13,905,099	

## Public Health

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Eliminate Vacant Positions and Reduce Operating Expenses in Early Intervention</b>	\$	(1,970,467)	R \$	(1,970,467)
Agency Recommendation		-27.00		-27.00
<b>D. Last In, First Out</b>				
<b>Pandemic Influenza Planning</b>	\$	(50,400)	R \$	(50,400)
End appropriation for program begun in 2007				
<b>Public Health Lab Testing</b>	\$	(329,895)	R \$	(329,895)
End two positions created in 2007		-2.00		-2.00
<b>Food-borne/Tick-borne Diseases</b>	\$	(374,329)	R \$	(374,329)
End appropriations begun in 2007 until proven effective				
<b>HIV Prevention - Counseling and Testing</b>	\$	(2,000,000)	R \$	(2,000,000)
End appropriation for program begun in 2007				
<b>ADAP Inflation Correction</b>	\$	(500,000)	R \$	(500,000)
Keep funding at FY2007-08 level				
<b>Women's Health Services</b>	\$	(300,000)	R \$	(300,000)
End expansions from 2007 and 2008				
<b>Monitoring of Birth Defects</b>	\$	(200,000)	R \$	(200,000)
End appropriation for program begun and positions created in 2007		-3.00		-3.00
<b>Aid to Local Health Departments</b>	\$	(6,800,000)	R \$	(6,800,000)
End expansions from 2007 and 2008				
<b>Health Care Provider Training</b>	\$	(150,000)	R \$	(150,000)
End appropriation for program begun in 2007				
<b>NC Collaborative Stroke Registry</b>	\$	(390,000)	R \$	(390,000)
End appropriation for program begun in 2007				
<b>Funds for UNC School of Medicine OASIS Program</b>	\$	(100,000)	R \$	(100,000)
End appropriation for program begun in 2007				
<b>Breast and Cervical Cancer Control Program</b>	\$	(2,000,000)	R \$	(2,000,000)
End appropriation for program begun in 2007				
<b>School Nurse Funding</b>	\$	(2,700,000)	R \$	(2,700,000)
End appropriation for program begun in 2007				
<b>Adolescent Pregnancy Prevention</b>	\$	(100,000)	R \$	(100,000)
End appropriation for program begun in 2007				
<b>Healthy Start Foundation</b>	\$	(650,000)	R \$	(650,000)
Repeal grant-in-aid expansions from 2007 and 2008				
<b>Funds for Dental Supplies</b>	\$	(250,000)	R \$	(250,000)
End appropriation begun in 2008				

<b>Tobacco Quitline</b>	\$	(500,000)	R	\$	(500,000)	R
End appropriation for program begun in 2008						
<b>Health Disparities Initiative</b>	\$	(1,000,000)	R	\$	(1,000,000)	R
End appropriation for program begun in 2008						
<b>Poison Control Center</b>	\$	(200,000)	R	\$	(200,000)	R
Return contract to amount before July 2008						
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<b>Budget Changes</b>	\$	(20,565,091)		\$	(20,565,091)	R
	\$	-		\$	-	NR
Total Position Changes		-32.00			-32.00	
<b>Revised Total Budget</b>	\$	167,305,287		\$	167,305,287	
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## Social Services

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 221,671,019		\$ 221,671,019	
<b>Recommended Changes</b>				
<b><i>B. Transparency and Accountability</i></b>				
<b>DSS Central Administration</b>	\$ (223,164)	R	\$ (223,164)	R
Reduce operating costs, Agency Recommendation				
<b><i>C. Budget and Tax Fairness</i></b>				
<b>Abortion Fund</b>	\$ (50,000)	R	\$ (50,000)	R
End GF Appropriation				
<b><i>D. Last In, First Out</i></b>				
<b>Foster Care and Adoption Assistance Payments</b>	\$ (8,193,369)	R	\$ (8,193,369)	R
Return rates to level before July 2008				
<b>Child Welfare Post-Secondary Support Program</b>	\$ (3,718,250)	R	\$ (3,718,250)	R
End appropriation for program begun in 2007				
<b>Hearings and Appeals Program</b>	\$ (118,657)	R	\$ (118,657)	R
End appropriation for 2008 expansion				
<b>Child Welfare Oversight</b>	\$ (161,547)	R	\$ (161,547)	R
Repeal funding for three positions created in 2008	-3.00		-3.00	
<hr/>				
<b>Budget Changes</b>	\$ (12,464,987)		\$ (12,464,987)	R
	\$ -		\$ -	NR
Total Position Changes	-3.00		-3.00	
<b>Revised Total Budget</b>	\$ 209,206,032		\$ 209,206,032	

## Vocational Rehabilitation

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
		46,373,351		46,373,351
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>Create Disability Administration</b>	\$	(2,785,982)	R \$	(2,785,982) R
Merge with Blind and Deaf Services, save 15 percent				
<b>D. Last In, First Out</b>				
<b>Assistive Technology</b>	\$	(305,956)	R \$	(305,956) R
Repeal funding for three positions		-3.00		-3.00
<b>Independent Living Rehabilitation Program</b>	\$	(500,000)	R \$	(500,000) R
Return eligibility to 100 percent of FPL, repeal expansion in 2007				
<b>Budget Changes</b>	\$	(3,591,938)	R \$	(3,591,938) R
	\$	-	NR \$	- NR
Total Position Changes		-3.00		-3.00
<b>Revised Total Budget</b>	\$	42,781,413	\$	42,781,413

## Correction

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$ 1,283,131,958		\$ 1,283,131,958	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Prison Enterprises</b>	\$	(83,745)	R	\$ (83,745) R
Increase Participation and Sales by 20%				
<b>Receipt-supported positions</b>	\$	(149,056)	R	\$ (149,056) R
Make three positions receipt-supported as recommended by Agency		-3.00		-3.00
<b>Prison Health Services</b>	\$	(12,296,710)	R	\$ (12,296,710) R
Reform Payments, Services to Freeze Cost at FY'07 Levels				
<b>Administration</b>	\$	(4,978,103)	R	\$ (4,978,103) R
Merge into Department of Public Safety, Save 10 percent on Administration				
<b>B. Transparency and Accountability</b>				
<b>Prison Management</b>	\$	-	R	\$ - R
Compensate wardens based on recidivism rates		0.00		0.00
<b>D. Last In, First Out</b>				
<b>IT Project Manager</b>	\$	-	R	\$ - R
Eliminate Position created in 2007		0.00		0.00
<b>Special Projects Staff</b>	\$	(155,680)	R	\$ (155,680) R
Eliminate previously grant-funded positions		-2.00		-2.00
<b>Our Children's Place Administration</b>	\$	(46,000)	R	\$ (46,000) R
Repeal funding added in 2007				
<b>Domestic Violence Rehabilitation Reserve</b>	\$	(100,000)	R	\$ (100,000) R
Repeal funding added in 2008				
<b>Budget Changes</b>				
	\$	(17,809,294)	R	\$ (17,809,294) R
	\$	-	NR	\$ - NR
Total Position Changes		-5.00		-5.00
<b>Revised Total Budget</b>	\$	1,265,322,664		\$ 1,191,561,426



## Crime Control &amp; Public Safety

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 42,483,600		\$ 42,483,600	
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>Boxing Commission</b>	\$ (147,751)	R	\$ (147,751)	R
End GF Appropriation	-2.00		-2.00	
<b>Bingo</b>	\$ (48,638)	R	\$ (48,638)	R
End GF Appropriation	-1.00		-1.00	
<b>Alcohol Law Enforcement</b>	\$ (837,214)	R	\$ (837,214)	R
Eliminate ABC laws and administrative rules				
<b>Governor's Crime Commission</b>	\$ (150,000)	R	\$ (150,000)	R
End GF Appropriation				
<b>National Guard</b>	\$ (360,857)	R	\$ (360,857)	R
Consolidate Guard Armories, Cut GF Appropriation 25%				
<b>Receipt-Supported Positions</b>	\$ (651,922)	R	\$ (651,922)	R
Shift nine positions to receipt-supported	-9.00		-9.00	
<b>Administration</b>	\$ (328,563)	R	\$ (328,563)	R
Merge to Form Department of Public Safety, Save 20 percent				
<b>C. Budget and Tax Fairness</b>				
<b>Civil Air Patrol</b>	\$ (175,000)	R	\$ (175,000)	R
End GF Appropriation				
<b>D. Last In, First Out</b>				
<b>Emergency Management - Accountant I</b>	\$ (68,893)	R	\$ (68,893)	R
Eliminate position created in 2007	-1.00		-1.00	
<b>Flood Plain Mapping</b>	\$ (201,307)	R	\$ (201,307)	R
Reduce by 15% funding added in 2007				
<b>National Guard Family Assistance Centers</b>	\$ (420,000)	R	\$ (420,000)	R
Repeal funding begun in 2007				
<b>Funding for the Rape Victim Assistance Program</b>	\$ (1,078,078)	R	\$ (1,078,078)	R
Repeal expansion from 2008				
<b>Budget Changes</b>	\$ (4,468,222)		\$ (4,468,222)	R
	\$ -		\$ -	NR
Total Position Changes	-13.00		-13.00	
<b>Revised Total Budget</b>	\$ 38,015,378		\$ 38,015,378	

## Judicial Department

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$ 476,311,148		\$ 476,311,148	
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>DA Conference Funds</b>	\$ (401,289)	R	\$ (401,289)	R
End GF Appropriation	-5.00		-5.00	
<b>Clerks Conference</b>	\$ (121,402)	R	\$ (121,402)	R
End GF Appropriation	-2.00		-2.00	
<b>C. Budget and Tax Fairness</b>				
<b>Funds to Assist Low Income Home Owners</b>	\$ (200,000)	R	\$ (200,000)	R
Repeal funding to NC State Bar				
<b>D. Last In, First Out</b>				
<b>Technology Initiatives</b>	\$ (7,919,361)	R	\$ (7,919,361)	R
Repeal expansion from 2007	-78.00		-78.00	
<b>Increase Emergency Judge Funding</b>	\$ (558,935)	R	\$ (558,935)	R
Repeal rate increase from 2007				
<b>Appellate Judge Mileage Reimbursement</b>	\$ (55,000)	R	\$ (55,000)	R
Repeal increase from 2007				
<b>Innocence Inquiry Commission</b>	\$ (121,537)	R	\$ (121,537)	R
Repeal expansion from 2007	-2.00		-2.00	
<b>Judicial Standards Commission</b>	\$ (178,105)	R	\$ (178,105)	R
Repeal expansion from 2007	-2.00		-2.00	
<b>Sentencing and Policy Advisory Commission Staff</b>	\$ (102,913)	R	\$ (102,913)	R
Repeal expansion from 2007	-1.00		-1.00	
<b>New Deputy Clerk Positions</b>	\$ (11,294,980)	R	\$ (11,294,980)	R
Repeal expansions from 2007 and 2008	-301.00		-301.00	
<b>New Magistrate Positions</b>	\$ (2,095,494)	R	\$ (2,095,494)	R
Repeal expansions from 2007 and 2008	-52.00		-52.00	
<b>New District Court Judge Positions</b>	\$ (1,260,801)	R	\$ (1,260,801)	R
Repeal expansions from 2007 and 2008	-12.00		-12.00	
<b>New District Court Judicial Support Staff</b>	\$ (706,891)	R	\$ (706,891)	R
Repeal expansions from 2007 and 2008	-19.00		-19.00	
<b>New Superior Court Judicial Support Staff</b>	\$ (217,994)	R	\$ (217,994)	R
Repeal expansion from 2007	-5.00		-5.00	
<b>Special Superior Court Judges</b>	\$ (409,954)	R	\$ (409,954)	R
Repeal expansions from 2007 and 2008				
<b>Budget Changes</b>	\$ (25,644,656)		\$ (25,644,656)	R
	\$ -		\$ -	NR
Total Position Changes	-479.00		-479.00	
<b>Revised Total Budget</b>	\$ 450,666,013		\$ 450,666,492	

## Judicial - Indigent Defense

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$ 116,005,508		\$ 116,005,508	

**Recommended Changes****A. Setting Priorities**

<b>Equipment Replacement</b>	\$ (98,778)	R	\$ (98,778)	R
Convert to Education Tax Credits / Deductions				

**C. Budget and Tax Fairness**

<b>Rate for Private Assigned Counsel</b>	\$ (12,333,268)	R	\$ (12,333,268)	R
Return rates to level in FY2006-07				

**D. Last In, First Out**

<b>Certiorari Filing Fees</b>	\$ (50,000)	R	\$ (50,000)	R
Convert to Education Tax Credits / Deductions				

<b>Budget Changes</b>	\$ (12,482,046)	R	\$ (12,482,046)	R
	\$ -	NR	\$ -	NR

Total Position Changes	0.00		0.00	
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<b>Revised Total Budget</b>	\$ 103,523,462		\$ 103,523,462	
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## Justice

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$	96,489,914	\$	96,489,914
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>SBI</b>	\$	(2,575,891)	R \$	(2,575,891) R
Merge into Department of Public Safety				
<b>Criminal Justice Training</b>	\$	(444,312)	R \$	(444,312) R
Merge into Department of Public Safety				
<b>General Administration</b>	\$	(286,638)	R \$	(286,638) R
Reduce GF Approp. 10%				
<b>D. Last In, First Out</b>				
<b>Consumer Protection Specialist</b>	\$	(47,323)	R \$	(47,323) R
Eliminate position created in 2007		-1.00		-1.00
<b>School Training Safety Coordinator Position</b>	\$	(67,503)	R \$	(67,503) R
Eliminate position created in 2007		-1.00		-1.00
<b>Training - Program Assistant V</b>	\$	(33,621)	R \$	(33,621) R
Eliminate position created in 2008		-1.00		-1.00
<b>Budget Changes</b>				
	\$	(3,455,287)	R \$	(3,455,287) R
	\$	-	NR \$	- NR
Total Position Changes		-3.00		-3.00
<b>Revised Total Budget</b>	\$	93,034,627	\$	93,034,627

## Juvenile Justice & Delinquency Prevention

### GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 165,211,912		\$ 165,211,912	
<b>Recommended Changes</b>				
<b><i>B. Transparency and Accountability</i></b>				
<b>JCPC Funding</b>	\$ (23,152,860)	R	\$ (23,152,860)	R
Eliminate program questioned by auditor and with little proven value				
<b>Administration</b>	\$ (807,354)	R	\$ (807,354)	R
Merge into Department of Public Safety				
<b><i>C. Budget and Tax Fairness</i></b>				
<b>Support Our Students</b>	\$ (6,353,026)	R	\$ (6,353,026)	R
End GF Appropriation				
<b>Center to Prevent School Violence</b>	\$ (287,660)	R	\$ (287,660)	R
End GF Appropriation				
<b>Eckerd Wilderness Camp Contract</b>	\$ (1,663,239)	R	\$ (1,663,239)	R
Repeal increase from 2007				
<b>Operating funds for the Macon County MPGH</b>	\$ (600,000)	R	\$ (600,000)	R
Repeal program initiated in 2007				
<hr/>				
<b>Budget Changes</b>	\$ (32,864,139)	R	\$ (32,864,139)	R
	\$ -	NR	\$ -	NR
Total Position Changes	0.00		0.00	
<b>Revised Total Budget</b>	\$ 132,347,773		\$ 132,347,773	

## Agriculture and Consumer Services

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 63,466,950		\$ 63,466,950	
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>General Administration</b>	\$ (144,875)	R	\$ (144,875)	R
Reduce Appropriation 10 percent				
<b>Agricultural Research Facilities</b>	\$ (3,700,000)	R	\$ (3,700,000)	R
Consolidate management, sell some facilities as recommended by Program Evaluation Division				
<b>Administrative Services</b>	\$ (247,677)	R	\$ (247,677)	R
Reduce Appropriation 10 percent				
<b>Public Affairs</b>	\$ (43,432)	R	\$ (43,432)	R
Reduce Appropriation 10 percent				
<b>Human Resources</b>	\$ (76,601)	R	\$ (76,601)	R
Reduce Appropriation 10 percent				
<b>C. Budget and Tax Fairness</b>				
<b>Markets</b>	\$ (7,113,940)	R	\$ (7,113,940)	R
End GF Appropriation	-112.00		-112.00	
<b>Agronomic Services</b>	\$ (3,789,512)	R	\$ (3,789,512)	R
End GF Appropriation	-60.00		-60.00	
<b>Commercial Feed/Pet Food</b>	\$ (772,231)	R	\$ (772,231)	R
End GF Appropriation	-24.00		-24.00	
<b>Commercial Fertilizer Analysis</b>	\$ (858,584)	R	\$ (858,584)	R
End GF Appropriation	-19.00		-19.00	
<b>Pesticide Control &amp; Analysis</b>	\$ (1,679,707)	R	\$ (1,679,707)	R
End GF Appropriation	-55.00		-55.00	
<b>Seed Testing</b>	\$ (753,329)	R	\$ (753,329)	R
End GF Appropriation	-20.00		-20.00	
<b>Plant Protection</b>	\$ (3,435,314)	R	\$ (3,435,314)	R
End GF Appropriation	-65.00		-65.00	
<b>Agriculture Review</b>	\$ (162,556)	R	\$ (162,556)	R
End GF Appropriation	-1.00		-1.00	
<b>D. Last In, First Out</b>				
<b>Food Regulatory Laboratory Equipment</b>	\$ (200,000)	R	\$ (200,000)	R
Repeal 2007 expansion for annual purchases of new equipment				
<b>Real Property Agent Position</b>	\$ (65,000)	R	\$ (65,000)	R
End position created in 2007	-1.00		-1.00	
<b>Veterinary Services Support Positions</b>	\$ (117,417)	R	\$ (117,417)	R
Allow to lapse three federally funded positions that became state-funded in 2008	-3.00		-3.00	

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<b>Budget Changes</b>	\$ (23,160,175)	R	\$ (23,160,175)	R
	\$ -	NR	\$ -	NR
Total Position Changes	-360.00		-360.00	
<b>Revised Total Budget</b>	\$ 40,306,775		\$ 40,306,775	

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## Labor

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
<b>Recommended Changes</b>				
<b>B. Transparency and Accountability</b>				
<b>Administration</b>	\$	(398,715)	R \$	(398,715) R
Merge into Commerce Department, Save 20%				
<b>C. Budget and Tax Fairness</b>				
<b>Retaliatory Discrim.</b>	\$	(617,668)	R \$	(617,668) R
End GF Appropriation				
<b>On Site Consultation</b>	\$	(126,608)	R \$	(126,608) R
End GF Appropriation				
<b>Apprenticeship Training</b>	\$	(1,743,891)	R \$	(1,743,891) R
End GF Appropriation, Governor's recommendation				
<b>D. Last In, First Out</b>				
<b>Occupational Safety and Health</b>	\$	(124,748)	R \$	(124,748) R
- <b>Agricultural Safety Officers</b>				
Repeal 2008 expansion		-2.00		-2.00
<b>Occupational Safety and Health</b>	\$	(200,000)	R \$	(200,000) R
- <b>Operational Funding</b>				
Repeal 2008 expansion				
<b>Occupational Safety and Health</b>	\$	(500,000)	R \$	(500,000) R
- <b>Federal Funding Offset for Operating Funds</b>				
Repeal 2008 expansion				
<b>Occupational Safety and Health</b>	\$	(51,392)	R \$	(51,392) R
- <b>Partially Funded Positions</b>				
Repeal 2008 expansion		-1.00		-1.00
<b>Occupational Safety and Health</b>	\$	(350,000)	R \$	(350,000) R
- <b>Worker Safety Positions</b>				
Repeal 2008 expansion		-4.00		-4.00
<b>Standards &amp; Inspections</b>	\$	(60,537)	R \$	(60,537) R
- <b>Wage and Hour Investigator Position</b>				
Repeal 2008 expansion		-1.00		-1.00
<b>Budget Changes</b>				
	\$	(4,173,559)	\$	(4,173,559) R
	\$	-	\$	- NR
Total Position Changes		-8.00		-8.00
<b>Revised Total Budget</b>	\$	14,345,699	\$	14,345,699



## Environment and Natural Resources

## GENERAL FUND

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	\$ 201,286,173		\$ 201,286,173	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>County Boundaries Program</b>	\$ (65,952)	R	\$ (65,952)	R
Governor's Recommendation	-1.00		-1.00	
<b>Mosquito Pest Management Control</b>	\$ (172,424)	R	\$ (172,424)	R
Reduce funding - Governor's Recommendation				
<b>Beaver Control</b>	\$ (171,586)	R	\$ (171,586)	R
Agency Recommendation				
<b>B. Transparency and Accountability</b>				
<b>Administration</b>	\$ (699,463)	R	\$ (699,463)	R
Reduce GF Approp. 10%				
<b>Eliminate Pass-Throughs</b>	\$ (3,998,590)	R	\$ (3,998,590)	R
End GF appropriations for Grassroots Science Program, Resource Conservation Development, and Partnership for the Sounds				
<b>C. Budget and Tax Fairness</b>				
<b>Environmental Education</b>	\$ (465,984)	R	\$ (465,984)	R
End GF Appropriation	-7.00		-7.00	
<b>Forestry</b>	\$ (11,807,685)	R	\$ (11,807,685)	R
Cover 50% of Cost with Receipts & Fees				
<b>DFR Tree Improvement</b>	\$ (444,388)	R	\$ (444,388)	R
End GF Appropriation	-8.73		-8.73	
<b>State Parks</b>	\$ (1,837,287)	R	\$ (1,837,287)	R
Cover 30% of Cost with Increased Donations/Fees				
<b>NC Zoo</b>	\$ (2,941,786)	R	\$ (2,941,786)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>Aquariums</b>	\$ (3,313,910)	R	\$ (3,313,910)	R
Repeal 2007 increase in General Fund subsidy of aquariums, cover 50% of operating cost with increased donations and fees				
<b>Museum of Natural Sciences</b>	\$ (6,941,158)	R	\$ (6,941,158)	R
Cover 50% of Cost with Increased Donations/Fees				
<b>Environmental Stewardship Initiative</b>	\$ (276,624)	R	\$ (276,624)	R
End program that subsidizes corporate marketing	-4.70		-4.70	
<b>Marine Fisheries - Oyster Sanctuary Program</b>	\$ (2,000,000)	R	\$ (2,000,000)	R
End program, enforce private agreement among oyster fishermen	-6.00		-6.00	

**D. Last In, First Out**

<b>Landslide Hazard Mapping Program</b>	\$ (526,216)	R	\$ (526,216)	R
Allow Landslide Mapping / Geohazards program to expire as originally scheduled	-6.00		-6.00	
<b>Groundwater Remediation Program</b>	\$ (160,835)	R	\$ (160,835)	R
Eliminate two positions added in 2007	-2.00		-2.00	
<b>Hazardous Waste Facilities and Management</b>	\$ (125,000)	R	\$ (125,000)	R
Eliminate two positions added in 2007	-2.00		-2.00	
<b>Geographic Information System Development</b>	\$ (75,266)	R	\$ (75,266)	R
Eliminate one position added in 2007	-1.00		-1.00	
<b>Water Quality Fees</b>	\$ -	R	\$ -	R
Eliminate positions funded by 20% increase in wastewater fees, cut fees 13 percent				
<b>River Basin Water Supply Planning</b>	\$ (577,384)	R	\$ (577,384)	R
Return program to size in FY2006-07	-6.00		-6.00	
<b>Sustainable Management of Groundwater Resources</b>	\$ (95,490)	R	\$ (95,490)	R
Eliminate new position added in 2007	-1.00		-1.00	
<b>Marine Fisheries - Stock Assessment &amp; River Herring Management Program</b>	\$ (148,521)	R	\$ (148,521)	R
End River Herring Management Program	-3.00		-3.00	
<b>Marine Fisheries - Eliminate Former Receipt Positions</b>	\$ (500,000)	R	\$ (500,000)	R
Eliminate positions funded by receipts prior to FY2008-09	-8.62		-8.62	
<b>Lagoon Conversion Program</b>	\$ (72,633)	R	\$ (72,633)	R
Eliminate funding for 2008 expansion	-1.00		-1.00	
<b>Conservation Reserve Enhancement Program (CREP)</b>	\$ (275,000)	R	\$ (275,000)	R
Reverse 2007 expansion of CREP	-2.00		-2.00	
<b>Community Conservation Assistance Program</b>	\$ (200,000)	R	\$ (200,000)	R
Repeal 2007 expansion of CCAP	-1.00		-1.00	

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<b>Budget Changes</b>	\$ (37,893,182)	R	\$ (37,893,182)	R
	\$ -	NR	\$ -	NR
Total Position Changes	-61.05		-61.05	
<b>Revised Total Budget</b>	\$ 163,392,991		\$ 163,392,991	

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**DENR – Clean Water Management Trust Fund**

**GENERAL FUND**

<i>Adjusted Continuation Budget</i>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
	\$ 100,000,000	\$ 100,000,000

**Recommended Changes**

**C. Budget and Tax Fairness**

<b>End funding of Clean Water Management Trust Fund</b>	\$ (100,000,000)	R	\$ (100,000,000)	R
Allow groups to operate on their own				

<b>Budget Changes</b>	\$ (100,000,000)	R	\$ (100,000,000)	R
	\$ -	NR	\$ -	NR
Total Position Changes	0.00		0.00	
<b>Revised Total Budget</b>	\$ -		\$ -	

## Commerce

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Welcome Centers</b>	\$	(1,799,096)	R \$	(1,799,096) R
End GF Appropriation		-44.75		-44.75
<b>Land Los Prevention</b>	\$	(1,799,096)	R \$	(1,799,096) R
End GF Appropriation		-44.75		-44.75
<b>B. Transparency and Accountability</b>				
<b>Executive Aircraft Operations</b>	\$	(1,411,200)	R \$	(1,411,200) R
Cut GF Appropriation 50%				
<b>Local Planning and Management</b>	\$	(3,557,437)	R \$	(3,557,437) R
End GF Appropriation		-39.50		-39.50
<b>Administrative Services</b>	\$	(1,342,477)	R \$	(1,342,477) R
Merge with Departments of Labor and State, save 67%				
<b>C. Budget and Tax Fairness</b>				
<b>Policy &amp; Research Division</b>	\$	(1,147,597)	R \$	(1,147,597) R
End GF Appropriation		-13.00		-13.00
<b>Marketing/Customer Servicer</b>	\$	(1,077,247)	R \$	(1,077,247) R
End GF Appropriation		-4.00		-4.00
<b>Business and Industry</b>	\$	(5,376,153)	R \$	(5,376,153) R
End GF Appropriation		-51.50		-51.50
<b>International Trade Division</b>	\$	(2,645,421)	R \$	(2,645,421) R
End GF Appropriation, close overseas offices		-11.00		-11.00
<b>Tourism, Film, and Sports Development</b>	\$	(10,538,183)	R \$	(10,538,183) R
End GF Appropriation		-39.00		-39.00
<b>Board of Science and Technology</b>	\$	(340,938)	R \$	(340,938) R
End GF Appropriation				
<b>Wanchese Industrial Park</b>	\$	(433,088)	R \$	(433,088) R
End GF Appropriation		-3.00		-3.00
<b>Industrial Finance Center</b>	\$	(845,272)	R \$	(845,272) R
End GF Appropriation		-7.00		-7.00
<b>D. Last In, First Out</b>				
<b>Division of Community Assistance</b>	\$	(65,935)	R \$	(65,935) R
Eliminate community development planning position added in 2007 to Small Town Main Street project		-1.00		-1.00
<b>Budget Changes</b>				
	\$	(30,580,044)	R \$	(30,580,044) R
	\$	-	NR \$	- NR
Total Position Changes		-213.75		-213.75
<b>Revised Total Budget</b>	\$	14,556,734	\$	14,556,734

## Commerce – State Aid

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
	\$ 22,014,120		\$ 22,014,120	
<b>Recommended Changes</b>				
<b>C. Budget and Tax Fairness</b>				
<b>Regional Economic Development Commissions</b> End GF Appropriation	\$ (3,788,000)	R	\$ (3,788,000)	R
<b>Regional Economic Partnerships Vision Plan</b> End GF Appropriation	\$ (2,987,000)	R	\$ (2,987,000)	R
<b>High Point Furniture Market</b> End GF Appropriation	\$ (866,250)	R	\$ (866,250)	R
<b>Councils of Government</b> End GF Appropriation	\$ (350,000)	R	\$ (350,000)	R
<b>Land Loss Prevention</b> Repeal 2007 expansion	\$ (350,000)	R	\$ (350,000)	R
<b>NC Community Development Initiative (NCCDI)</b> Repeal 2007 expansion	\$ (3,000,000)	R	\$ (3,000,000)	R
<b>NC Association of Community Development Corporations</b> Repeal 2007 expansion	\$ (750,000)	R	\$ (750,000)	R
<b>NC Institute of Minority Economic Development (NCIMI)</b> Repeal 2007 expansion	\$ (1,500,000)	R	\$ (1,500,000)	R
<b>NC Minority Support Center (NCMSC)</b> Repeal 2007 expansion	\$ (3,000,000)	R	\$ (3,000,000)	R
<b>Budget Changes</b>	\$ (16,591,250)	R	\$ (16,591,250)	R
	\$ -	NR	\$ -	NR
Total Position Changes	0.00		0.00	
<b>Revised Total Budget</b>	\$ 5,422,870		\$ 5,422,870	

NC Biotechnology Center

GENERAL FUND

	FY 2009-10	FY 2010-11
<b>Adjusted Continuation Budget</b>	\$ 15,427,561	\$ 15,427,561

**Recommended Changes**

**A. Setting Priorities**

<b>Eliminate State Funding</b>	\$ (15,427,561)	R	\$ (15,427,561)	R
End GF Appropriation				

<b>Budget Changes</b>	\$ (15,427,561)	R	\$ (15,427,561)	R
	\$ -	NR	\$ -	NR

Total Position Changes

<b>Revised Total Budget</b>	\$ -		\$ -	
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Rural Economic Development Center

GENERAL FUND

	FY 2009-10	FY 2010-11
<b>Adjusted Continuation Budget</b>	\$ 24,059,581	\$ 24,059,581

**Recommended Changes**

**A. Setting Priorities**

<b>Eliminate State Funding</b>	\$ (24,059,581)	R	\$ (24,059,581)	R
End GF Appropriation				

<b>Budget Changes</b>	\$ (24,059,581)	R	\$ (24,059,581)	R
	\$ -	NR	\$ -	NR

Total Position Changes

<b>Revised Total Budget</b>	\$ -		\$ -	
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## Statewide Reserves

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$ 893,611,353		\$ 893,611,353	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Fiscal Stabilization Funds</b>	\$ (199,000,000)	R	\$ (216,349,727)	R
Use Federal funds to pay UNC debt service				
<b>State Bonded Debt</b>	\$ (32,851,141)	R	\$ (75,554,137)	R
Eliminate debt-financed projects other than mental health and correctional facilities: \$376.8 million in FY2009-10: \$489.8 million in FY2010-11				
<b>B. Transparency and Accountability</b>				
<b>Repair and Renovation Reserve</b>	\$ 50,000,000	NR	\$ 50,000,000	NR
Fund reserve				
<b>State Health Plan</b>	\$ 200,000,000	NR	\$ 200,000,000	NR
Cover one-third of shortfall, increase deductibles, employees pay portion of own coverage, make defined-contribution with HSAs or HRAs				
<b>Teacher and State Employee Pension</b>	\$ 300,000,000	NR	\$ 300,000,000	NR
Cover shortfall, make defined-contribution				
<b>C. Budget and Tax Fairness</b>				
<b>Railroads</b>	\$ (40,000,000)	R	\$ (42,000,000)	R
Privatize; Use Proceeds to Reduce State Debt				
<b>State-Owned Ports</b>	\$ (7,600,000)	R	\$ (7,700,000)	R
Privatize; Use Proceeds to Reduce State Debt				
<b>Task Force on Preventing Agricultural Pesticide Expo</b>	\$ (221,374)	R	\$ (221,374)	R
Eliminate four positions created in 2008	-4.00		-4.00	
<b>Repeal Additional Step to Teacher Schedule</b>	\$ (9,862,065)	R	\$ (9,862,065)	R
Repeal step added in 2007	-4.00		-4.00	
<b>Repeal Additional Step to Judicial Longevity</b>	\$ (566,643)	R	\$ (566,643)	R
Repeal step added in 2007				
<b>Additional Salary Increase for Teacher Assistants</b>	\$ (1,150,240)	R	\$ (1,150,240)	R
Repeal additional increase added in 2007				
<b>Job Development Investment Grants (JDIG)</b>	\$ (27,400,000)	R	\$ (27,400,000)	R
End GF Appropriation				
<b>Budget Changes</b>	\$ (318,651,463)		\$ (380,804,186)	R
	\$ 550,000,000		\$ 550,000,000	NR
Total Position Changes		-4.00		-4.00
<b>Revised Total Budget</b>	\$ 1,124,959,890		\$ 1,062,807,167	

## Highway Fund

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<i>Adjusted Continuation Budget</i>	\$		\$	
	\$ 1,796,548,633		\$ 1,796,548,633	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Highway Fund Construction</b>	\$	14,017,395	R \$	14,017,395
Increase Investment 10%				R
<b>Highway Fund Maintenance</b>	\$	92,038,957	R \$	92,038,957
Increase Investment 10%				R
<b>Rail Program Admin.</b>	\$	(679,535)	R \$	(679,535)
End HF Appropriation				R
<b>Ferry Operations</b>	\$	(12,431,961)	R \$	(12,431,961)
Charge Fees to Users to Cover 50% of Cost				R
<b>B. Transparency and Accountability</b>				
<b>Aeronautics</b>	\$	(2,444,220)	R \$	(2,444,220)
End HF Appropriation				R
<b>Bicycle Program</b>	\$	(605,756)	R \$	(605,756)
End HF Appropriation				R
<b>Public Transport. Admin.</b>	\$	(449,283)	R \$	(449,283)
End HF Appropriation				R
<b>Public Transport Grants</b>	\$	(47,433,224)	R \$	(47,433,224)
Reduce HF Appropriation 50%				R
<b>Construction-Contingency</b>	\$	(10,000,000)	R \$	(10,000,000)
Reduce HF Appropriation 67%				R
<b>DMV-Driver's License</b>	\$	(4,729,282)	R \$	(4,729,282)
Consolidate Offices, Cut 10%				R
<b>Central Administration</b>	\$	(548,151)	R \$	(548,151)
Reduce HF Appropriation 25%				R
<b>C. Budget and Tax Fairness</b>				
<b>Railroad Program</b>	\$	(17,101,153)	R \$	(17,101,153)
End HF Appropriation				R
<b>Ferry Division Admin.</b>	\$	(628,256)	R \$	(628,256)
Charge Fees to Users to Cover 50% of Cost				R
<b>Budget Changes</b>	\$	9,005,532	R \$	9,005,532
	\$	-	NR \$	-
				NR
Total Position Changes				
<b>Revised Total Budget</b>	\$	1,805,554,165	\$	1,805,554,165



## Highway Trust Fund

## GENERAL FUND

	FY 2009-10		FY 2010-11	
<b>Adjusted Continuation Budget</b>	\$ 1,073,160,000		\$ 1,073,160,000	
<b>Recommended Changes</b>				
<b>A. Setting Priorities</b>				
<b>Urban Loops Construction</b> Increase Investment 10%	\$ 22,401,978	R	\$ 22,401,978	R
<b>Intrastate Construction</b> Increase Investment 10%	\$ 55,010,761	R	\$ 55,010,761	R
<b>Secondary Roads</b> Reduce HTF Appropriation 50%	\$ (48,393,113)	R	\$ (48,393,113)	R
<b>C. Budget and Tax Fairness</b>				
<b>Transfer to General Fund</b> End transfer	\$ (172,000,000)	R	\$ (172,000,000)	R
<b>Transfer to NC Turnpike Authority</b> Provides gap funding to the NC Turnpike Authority to implement toll road projects	\$ 64,000,000	R	\$ 99,000,000	R
<b>Budget Changes</b>	\$ (78,980,373)	R	\$ (43,980,373)	R
	\$ -	NR	\$ -	NR
Total Position Changes				
<b>Revised Total Budget</b>	\$ 994,179,627		\$ 1,029,179,627	